

A Business Plan On



Arth

Bringing अर्थ to life

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1 Introduction

Nowadays, demand for horticultural crops, particularly those bearing fruits and flowers and ornamental purposes, is increasing in both urban and rural areas in India. Heavy demand for decorative and flowering plants is observed during festive seasons and seasons of fairs and meals. The planting business has, therefore, come up on a large scale in areas near cities and towns. There is an urgent need to develop the nursery industry in the country to ensure the safety of our ecology and environment. About fifty thousand nurseries propagate different ornamental, and fruit plants in India spread over almost all the major towns and cities, engaging a sizable number of people in nursery business and techniques. More than 85% of the nurseries are situated in suburban areas.

A nursery is where plants are propagated and grown to the desired age. Mostly the plants concerned are for gardening, forestry, or conservation biology, rather than agriculture. They include retail nurseries, which sell to the general public, wholesale nurseries, which sell only to businesses such as other nurseries and commercial gardeners; and private nurseries, which supply the needs of institutions or private estates. Some will also work in plant breeding. Nurseries often grow plants in a greenhouse, a glass building, or plastic tunnels designed to protect young plants from harsh weather while allowing access to light and ventilation. Modern greenhouses allow automated temperature control, ventilation, and light and semi-automated watering and feeding.

Based on this area and analysis, we started a new planting business. The pots are entirely hand-crafted in different sizes and as well as in various designs and colours; this business is helpful for the environment by removing the plastics to grow the plant and create new job opportunities for those who want to continue in their career in crafting and those also who need the jobs as well as to looking for house works like housewife's, and this is also good for the mental health of the housewife to get the work in their home and to do something new every day.

This business unique because of its new ideas of plants design and to make the culture on the pots to grow the plants, people are allowed to show their culture in the face of planting to decor the house, that was also good for shops decoration, house decoration, and to make the places as a good looking with a little touch of culture and unique designs. These days we can see in urban areas that people want to grow plants, but they don't have enough space to develop them, and in the market now, only plastic bags or plastic pots are available, which are not good for the environment. They are not suitable for the environment, so we are providing our plants with an appropriate decorative container.

2 Executive Summary

While a picture is worth a thousand words, plants convey a million emotions—using plants and flowers to express feelings cut across geographies, race, income, and age. All across the world, if one common feature binds people together, it is in expressing emotions. Over the past decade, the demand for high-quality plants has substantially grown yearly. Arth is launching a boutique plant retail outlet in Jaipur, Rajasthan, to keep up with market trends and leverage this opportunity. The company will provide end-to-end services in the form of individual product retailing and designing of pots.

Arth is an online plant business available to deliver plants of your choice in your design at your door. It will also benefit its regular customers through discounts on special events, and one additional benefit will be advice from plant doctors. While the company has high ambitions, it knows that a phased and steady approach will be the ideal strategy to achieve its business objectives.

2.1 Vision

Try to be the best at what we do by building strong relationships with our customers. Make a business environment where the company can make a fair profit through innovation, efficiency, and hard work.

2.2 Mission

We are committed to growing a wide range of high-quality plants and giving our customers the best service we can. Make our workplace interesting, safe, challenging, and rewarding for our employees.

2.3 Goals

1. To offer plants and floral designs that are the best in their class.
2. At every step, make sure the customer is happy.
3. Create quality designs with unique presentation models.
4. Join the people around you.
5. Demonstrate leadership in natural resource management.
6. To advise the people on urban forestry issues and concerns

2.4 Products and Services

- Grown plants
- Earthen Pots + it can be customized
- Fertilisers
- Gardening supplies tools
- Plant doctor (service)

2.5 Unique Selling Point (USP)

- Grafting of plants
- Customized pots
- Plant Doctor

3 PESTEL Analysis

The understanding and knowledge of the potential threats and opportunities for the company is essential. We determine these by using macro environment analysis. The analysis will help us find the factors of the competitive environment which has an influence over the operations of the business and are external to the organization and possess no control over it. These factors are majorly classified as political, economical, social, technology, environmental and legal.

3.1 Political factors

Government rules and regulations play a critical role in operating business functions. Political factors include the tax policies, employment laws, political stability and environmental regulations which may have an impact on the company.

3.1.1 Stability

Political stability is vital for businesses because it impacts consumer and investor confidence, which has a broad effect on the economy. High political instability has major repercussions for business consumption, investment, and economic development. The conflicts between government and opposition parties have caused political instability in the geographical area where we want to establish our business. Inability to comprehend and manage the current political upheaval may prevent the company from meeting its growth targets, and management may be hesitant to invest in new money.

3.1.2 Tax policies

Taxation policies are more favorable to sectors that are high on the government's priority list. Selling of live plants with ceramic pots will be covered in Nil rated Supply under GST since Ceramic Earthen pot and clay lamps are Nil Rated in HSN Code 69120040. The Selling of live Plants along with Ceramic Pots is not a naturally bundled supply since both can be sold separately. Since both attract Nil rate hence this will be a Nil rated supply.

3.1.3 Uncertainty

Uncertainty in the political environment refers to the rate with which government policies and laws change. Frequent policy changes affect business performance and make decision-making more challenging due to prevailing uncertainty. We will regularly update ourselves with the changes in policies and adapt accordingly to gain maximum advantage.

3.1.4 Government subsidies

Horticulture plays a vital role in providing the country's nutritional security, food security, poverty alleviation and employment generation. Hence the government provides subsidies to increase the growth in this sector. For flowers (Loose bulbous and cut lowers) (Maximum 2 hectares/beneficiary) the subsidy available is 40% (small and marginal farmers), 25% other farmers (50% in NE and TSP areas), and the amount available is Rs. 16,000/- per ha to Rs. 60,000/- per ha under Sub Schemes of NHM HMNEH under MIDH. For aromatic Plants (Maximum 4 hectares/beneficiary), the subsidy available is 40% in general

area, 50% in NE and TSP areas, and the amount available is Rs. 16,000/- per ha with integration Rs 40,000/- per ha without integration under Sub Schemes of NHM HMNEH under MIDH. There is no major negative impact or influence of political factors in this industry, hence it can be said that government support to the industry is an opportunity for the business.

3.2 Economical factors

Economy has a significance on the buying decision of the customers. Economic factors include the economic stability which is expressed in the inflation rate, interest and exchange rates etc. In-depth understanding of this factor is must to anticipate the short-term and long-term business growth in the chosen sector.

3.2.1 Exchange rate

Largest markets for India's agriculture products are USA, China, Bangladesh, UAE, Vietnam, Saudi Arabia, Indonesia, Nepal, Iran and Malaysia. Exports to most of these destinations have registered growth, with highest growth being recorded for Indonesia (102.42%), Bangladesh (95.93%) and Nepal (50.49%). The Indian horticulture sector contributes about 33% to the agriculture Gross Value Added (GVA) making a very significant contribution to the Indian economy. Fluctuations in the exchange rate can affect business profitability. Hence it is essential for us to study the fluctuating exchange rate to make accurate anticipations so that undesired trades are avoided.

3.2.2 Interest rate

Interest rates are influenced by an economy's supply and demand for money. People's desire for present spending and investment prospects drives money demand. The increase in interest rate would lead to taking loans at higher rates eventually costing us more in the long run. Hence, it is important for us to go with the best plan offered by different banks with a minimum interest rate.

3.2.3 Inflation rate

Rising inflation may have a negative influence on our company's revenue development since it reduces buying power and limits customer spending on products and services. But by analyzing the fluctuations in inflation rate we could do smart marketing which would increase our sales. We could make customers aware that instead of depending on local vendors for vegetables instead they could buy our plants and grow them themselves which would help them in inflation.

3.2.4 Skill level

For plantation as well as for decoration of pots we will require a good amount of employees. India is the second largest country in terms of workers. The skill level of human resources in India is moderate to high in the Capital Goods sector. We can leverage it to not only improve services in India but also can leverage the skilled workforce to create global opportunities.

3.3 Social factors

Social factors concentrate on the demographic issues which include the population in the region, its purchasing capabilities and preferences, population age, lifestyle and other. There is a rise in the standard of living of the people. People love to live and work in beautiful surroundings. This is the main reason for the growth in the industry.

3.3.1 Consumption behavior

Consumption behavior is strongly linked to economic circumstances. When consumers have more disposable income and are willing to spend more on goods and services to improve their lifestyle, our company will have more exciting growth opportunities because introducing new products and services to these customers is easier, and revenue growth opportunities remain higher. However, as present customers become more demanding, it is critical that we thoroughly examine their consumption/spending patterns preferences in order to alter marketing mix plans appropriately. It is also critical to determine if consumption is motivated by utilitarian or hedonic motives. The degree of ethnocentrism is another crucial customer behavior characteristic that might affect the company's profitability.

3.3.2 Demographics

As India is a youthful and expanding nation, one of the favorable demographic factors for our organization is high population growth. This tendency may be used to appeal to diverse parts of the population. Aside from that, it is crucial to look into the host country's attitude toward migration, as a favorable attitude toward embracing immigrants from diverse cultural backgrounds highlights the need of implementing appropriate diversity management strategies. In India, the general opinion toward migration is unfavorable. This may have an effect on the company's capacity to bring in foreign executives and managers to oversee activities in the country.

3.3.3 Gender

The gender role in that society is another key issue to consider while designing company strategy. In a very patriarchal culture, marketing and advertising methods would be tailored to the prevalent patriarchal standards; otherwise, we risk receiving a backlash from customers and the broader public. Gender roles are changing in India. We may put numerous ideas to the test in order to adapt to and support the changing gender roles in Indian culture.

3.4 Technological factors

In today's business world when technological development pace is accelerating, and business organizations are extensively investing in emerging technologies to stay ahead of the competition. Hence, it is important to study and anticipate the existing and future technological trends to ensure long-term business survival.

3.4.1 Technological infrastructure

A well-developed technological infrastructure is a must, as supportive technological infrastructure makes it easier for a firm to achieve its cost reduction, innovation, and value creation objectives. Jaipur is currently one of India's fastest-growing tech clusters. The greenhouse to be built will follow the Technical Standard No. NHB-PH-Type 02-2011. A well-developed technological infrastructure also indicates that it will be more difficult for us to obtain long-term competitive advantage from technology that is easily duplicated by rivals.

3.4.2 Technological innovations

The pace and growth of technological innovation might have an impact on the broader market and industry. We will be able to grasp the new product development pace, product life cycle length, and innovative features that customers choose by examining developing technological innovation trends. Some of the top technological innovations in this industry are Automation for plant monitoring, use of drones for pest and disease identification and management, using different alternatives to traditional growth in soil, Symbiotic organisms and plant defenses, and precision agriculture for weed control, soil health and better yields. Using such innovations would give us a competitive advantage against our rival companies. Consumer attitudes regarding upcoming innovative digital technologies will be studied to see if transitioning to e-commerce will benefit more than building a physical location in different areas in the city. By investing in the appropriate technology advancements, we may improve the user experience, gain operational efficiency, and position ourselves as an innovative firm.

3.4.3 Empowerment of supply chain partners

Technology has reduced the product life cycle and allowed suppliers to produce new items faster. This may put pressure on our marketing department to please our suppliers by pushing a broad selection of items. It has increased the company's operating costs.

3.5 Environmental factors

Increasing environmental awareness has resulted in a huge growth in the demand for plants and gardening supplies. This factor is essential to the industry's growth and development. Some of the environmental factors are – safe disposal of hazardous material, insurance policies, laws regulating pollution, increasing focus on sustainability, safe water treatment, climate change, limiting carbon footprints, safe waste disposal etc.

3.5.1 Renewable technology

The introduction of renewable technology to minimize reliance on natural resources has emerged as a significant trend across several industries. To capture this environmental trend, we will assess the degree to which a country's technical infrastructure enables the deployment of renewable technology. India is also providing subsidies to invest in the renewable sector. With help of these subsidies we can incur investment in renewable energy sources to achieve sustainable business development objectives.

3.5.2 Environmental regulations

Stringent environmental regulations need to be followed by business organizations to reduce environmental harm. We will adopt responsible production practices, encourage responsible consumption among its targeted consumers, try to improve its brand image on sustainability grounds, and ensure full compliance with international and local environmental regulations, as failure to do so may result in serious, reputation-damaging criticism from relevant stakeholders.

3.5.3 Climate

Climatic conditions need to be considered as operational cost, efficiency, and employee productivity can derive a strong influence from the local weather conditions. As far as the scenario of horticulture in the State is concerned, it is full of potential as the diverse agro-climatic favoring growing of a large number of horticulture crops like fruits, vegetables, spices, flowers and medicinal aromatic plants throughout the year. The national government of India must adhere to the goals established by the Paris Climate Accord. This may result in increased inspection of the company's environmental standards in India.

3.6 Legal factors

Legal implications and penalties can adversely affect business operations or may result in the closure of business. However, any business organization must follow all the legal bindings to run the business smoothly.

3.6.1 Licenses and permits

Our business falls under the agriculture department, hence we issued an agriculture license for the same. In order to start our business, we got our land permit from the government of Rajasthan. After getting our land permit, the next step was to get the land inspected by our state government authority from the agriculture department. We have applied for inspection, and the officers from the department will be visiting soon.

3.6.2 Employment laws

Employment law is an overall term that refers to a variety of laws that safeguard the rights of workers, such as fair wages, equality, equity, inclusion, fairness, health, and safety. Discrimination, both direct and indirect, must be discouraged via appropriate means. Compliance with employment rules may help us build our employer brand image, which is critical for recruiting and maintaining top personnel in the market despite the current talent war.

3.6.3 Intellectual property laws

Strict compliance with the intellectual property laws makes the business environment safer, as the patents are protected from imitation, leading towards sustainable competitive advantage. Recent changes in intellectual property (IP) legislation frameworks at the national and international levels will have a significant impact on how horticultural innovations reach the poor and how public and commercial research and development

institutes conduct their work. Parallel to genetic improvements in fruit crop development, there has been a significant increase in the application of intellectual property rights (IPR) for cultivar and other genetic advances in recent years.

4 SWOT Analysis

SWOT analysis can help the brand focus on building upon its strengths and opportunities while addressing its weaknesses as well as threats to improve its market position.

4.1 Strengths

Arth's strengths focus on the key aspects of its business that give it a competitive advantage in the market. A brand's strengths include its financial position, experienced workforce, product uniqueness, and intangible assets such as brand value. The following are Arth's strengths:

- Good and adequate facilities of transportation.
- Geographically close to the consumption market.
- Availability of own tools and machinery.
- Increasing demand for plants.
- Good microclimate conditions to produce ornament plants.
- Manager has good relations with government officials of the city.
- Government encourages these types of businesses.
- Increasing awareness towards care of the environment.

4.2 Weakness

A brand's weaknesses are specific aspects of its business that it can improve to further strengthen its position. Certain weaknesses can be defined as characteristics that the company lacks or in which competitors excel. The following are the Arth's weaknesses:

- A low level of technological innovation due to a lack of financial support.
- Climate conditions are uncertain.
- Government subsidies for fertilizers and other inputs create market distortion.
- The business Model of Arth can be easily imitated by our competitors.
- Competitors having more experience.

4.3 Opportunities

Opportunities for every brand to enhance its company might include areas of improvement. Geographic expansion, product enhancements, improved communication, potential for development, revenues, and market share are all examples of prospects for a brand. The following are the Arth's opportunities

- New available technologies to improve productivity and quality.

- Future government subsidies for these types of business.
- Expanding farmland as 48 lac ha cultivable waste land is available.
- Vast domestic market
- Increasing customers by providing custom products according to their choice.

4.4 Threats

Threats to any firm might be elements that have a detrimental influence on its operations. Some dangers include increasing competitor activity, changing government laws, alternative goods or services, and so forth. The following are the Arth's threats:

- High cost production.
- Over exploiting groundwater and frequent droughts.
- Competitors catching up with the product development
- Price fluctuation and market gluts.
- Scope for better design.

5 Market Analysis

The market for plants in India is estimated at over INR 2500 crore annually and is growing at 15% to 20%. The India plants market is segmented based on type, application, region and company. Based on type, the market can be segmented into shade loving plants, low light plants and high light plants. The low light plants segment is expected to dominate the market during the forecast period. This can be accredited to the factor that they can be grown in low light and indirect light and require negligible maintenance. Based on application, the market can be bifurcated into absorb harmful gases release oxygen and landscape decoration. The absorb harmful gases release oxygen application dominates the market owing to the increase in the level of air pollution. Increasing air pollution, especially in the metro cities is one of the major factors driving the plants market in India. Additionally, ease of purchase, low maintenance and cost effectiveness are further fuelling growth in the market. Moreover, increasing awareness among the population would further steer growth in the market.

5.1 Product

The product is hand-crafted pots with beautiful plants. First, the potter creates pots of different sizes, and then we use a unique wax that keeps the pots' longevity. After that, we start decorating our pots. The decoration can be done according to the customer's choice and based on already available designs. And whatever the plant's customer chooses, we will plant them in pots and deliver them to the customers. These plants and pots are unique, cheap, and good for the environment.

Products that we sell:

- Grown Plants of Shrub lengths
- Earthen Pots
- 10-12 different types of fertilizers
- Gardening tools and supplies
- Plant Doctor

Our model is based on customization of pots and plants and the below points make it clear on why we want to build our business on these bases

1. **Grafting:** Plants can be grafted with different cousin roots to get different and customized plants. This technique is mostly used for flowers.
2. **Pots:** Our pots can be made based on the customer's designs. We will be having a wide range of pots and the designs/colors on our earthen pots.
3. **Plant Doctor:** Experienced personnel will be present to take consultations to help with plant health.



Figure 5.1: Sample images of our products

5.2 Price

We try to create a cheap pot and grow the plants on our farm, and to make a low price of a pot, we generate the pot in bulk if we see a roughly idea of 100 pots, the cost is around Rs. 11000 in this, we add the cost of pot labour, colour price, plant cost, packing cost, and shipping cost, and if we take a selling price of a single pot as 199-249, we can quickly amount to 19900-24900 as a sales revenue and if we take a profit of it was around 9000-14000 which is about 81% of the cost price. Let's take the example of 50000 units.

1. **Labour Cost:** Labour costs include the price of pots that the potter has created. So the one pot is around Rs. 40 then for 50,000 it will be 2,00,000.
2. **Plant cost:** Plant cost is around Rs.50 because in this we need only small size plants and if we grow it by ourselves it is less then Rs.50 per plant so if we take 50,000 units so the plant cost is around 2,50,000.
3. **Packing cost:** Packing costs include the cost in which pot and plant will be delivered to customers.

So the total cost is around Rs. 23,18,300/- which include the cost of labour, raw material, plants and packing for the unit of 50000 and we found the PP for it was 13.4 Rs. and if we take a selling price of a single pot is 199, 249 or 149 the total sales is around 99,50,000 and we found the PP of it, it was 199.

5.3 Place

Initially, we are going to sell our plants in Jaipur, Rajasthan. Our primary geographic market is the greater Jaipur metropolitan area, with a population of 41, 07,000 and an area of 467 sq. km. In the initial stage, we will also take orders from the neighbouring city and have a courier facility. So overall, the target people, including neighbouring cities, is approximately 70, 00,000. It includes both male and Female, Married and single, combined annual income of 19 lakhs. All customers' ages will be 25 to 80 years, with a median age of 40. The layout for our farm centre is described below.

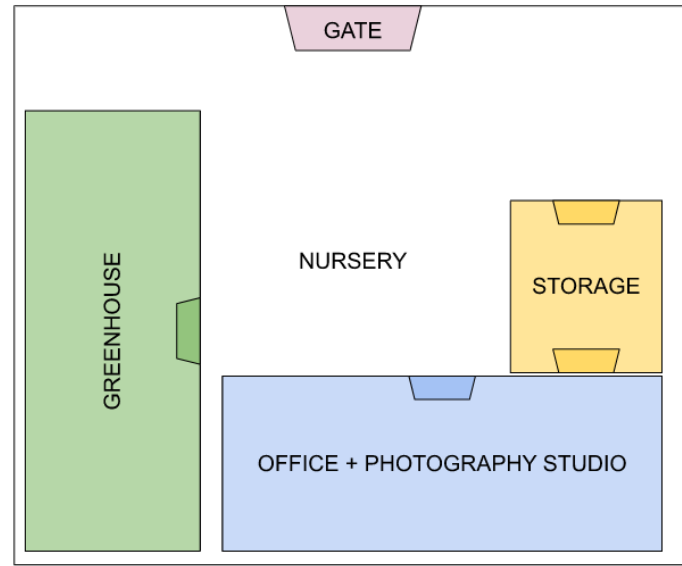


Figure 5.2: Layout of plantation land.

5.4 Promotion

For the promotion we will have 3 types of promotion strategies.

5.4.1 Use a special introductory offers

Rather than just announcing your new product or service, you can make it available as a part of a special introductory deal. This deal can take many forms, including:

- Discounted pricing.
- Reduced-rate bundle or package.
- Joint promotion with a complementary business.
- Voucher or coupon with purchase.
- Buy one get one free deal.
- Double the points if you have a loyalty program.
- Free gift for every referral.

Whatever your promotion, be sure to emphasize that it won't last forever. Customers whose purchase power is limited, either by time or inventory, will feel a more pressing sense of urgency to buy.

5.4.2 Social Media Marketing

Social media contests are a fun, easy way of connecting with customers and bringing in more fans/followers and prospects for your business. Facebook contests garner an average of 34% new customers per campaign, which is a great way to combat the platform's low organic reach.

As far as positioning is concerned, the winner(s) of your Facebook or Instagram giveaway should gain the opportunity to be the first to get their hands on your new offering, and get it for free or at a discounted rate. **Instagram Advertisements:** With 1 billion daily active users, Facebook advertising is a window to a large base of people who will be interested in your new product or service. Facebook ads are particularly useful because the personalized data voluntarily provided through users' profiles makes for unbelievably specific audience targeting. You can factor in gender, age, location, interests, marital status, profession, and more—ensuring you'll get the most bang for your buck. There are also several options for ad type, budget, and duration of campaign, so you can accommodate your goals within your means.

5.4.3 Email Marketing

Did you know that 82% of consumers open emails from businesses, and that 76% of email subscribers have made purchases from an email marketing message? Email is a fantastic channel for getting the word out about your new product/service. Plus, it makes a great incentive to get subscriber sign ups in the first place.

5.5 Market Segmentation

5.5.1 Geographic Segmentation

- Our immediate geographic market is in Shyam Nagar, Jaipur with an area of 9.23km² with a population of 115,643 people.
- A 467 km² geographic area of the entire Jaipur city would want our services, as we become a well known nursery.
- The total target market is estimated at 4,107,000 people.

5.5.2 Demographic Segmentation

We know the following regarding the profile of the typical resident of the greater Shyam Nagar, Jaipur area:

- 60,701 (52.5%) Males and 54,942 (47.5%) Females.
- Married and Single.
- Combined annual income in excess of Rs.19 lakhs.
- Most work out of the home by choice in a variety of work environments.

- 62% belong to the age range of 0-29 years and 36% are between the ages of 30 and 75 years of age.

5.5.3 Behavioral Segmentation

- Customers tend to go for plants and gardening products which are more affordable than other competitors. Arth provides these products at affordable rate along with consultancy services regarding product usability.
- Arth puts customers above all and will always try to provide these services at best. This will boost up the customer rating and make them more likely to not only choose Arth again but also recommend it to other potential customers.
- Occasional plantation drives which occur gives opportunity for the much higher sales of these products. One such plantation drive is “Vraksh” which occurs during monsoon in the months of July and August where each volunteer plants one sapling each creating a demand for our products.

5.5.4 Psychographic Segmentation

- Although our products can be used by any customers, our major focus would be customers who are much close to nature. Customers having hobbies such as gardening, grafting, etc. are more likely to visit Arth.
- Activities such as plantation drives which are held by NGOs or by the government, the go green week celebrated to spread awareness of plantation, festivals celebrated by citizens, leads to demand for plant and tree saplings, flowers, etc.
- People being more aware of the global warming situation are much more interested in purchasing plants to prevent the greenhouse effect, creating more potential customers for Arth.

5.6 Target Market Segment

Target markets can be categorized into three segments:

- **Residential:** Arth has a large selection of plants belonging to various species, having varied sizes. Arth would provide a range of attractive choices to homeowners who are interested in purchasing plants and garden supplies (fertilisers, pots, etc.). Residents of Shyam Nagar have annual Income ranging from Rs.14 Lakh to Rs.21 Lakh.
- **Commercial Sector:** Commercial sector of Shyam Nagar are an important segment for Arth as they require consistent inventory and provide contracts of large size. By providing them with affordable and reliable services. With more than 9,300 businesses established and having more than 60% of the working population working among these businesses, we are looking at a large population of potential customers interested in purchasing our services. The occasional plantation drive which the commercial sector has provides another opportunity for the sales of the products.

- **Government Sector:** The Government properties (MC departments, offices, etc.) and public properties (gardens, monuments, lakes, etc.) have a definite area for plants and trees, they require an occasional supply of plants. The plants also require a regular check-up and nutrients which Arth can provide. The Government sector has a definite area and is permanent thus we are looking for a decent sized potential customer.

Arth will provide competitive pricing for its products, and will guarantee to match competitors' prices, but exceptional customer service and product knowledge will make us stand out to our target markets. The size of our inventory and the variety of choices our customers will have when choosing flowers, trees, and shrubs will make Arth an attractive choice.

Industries

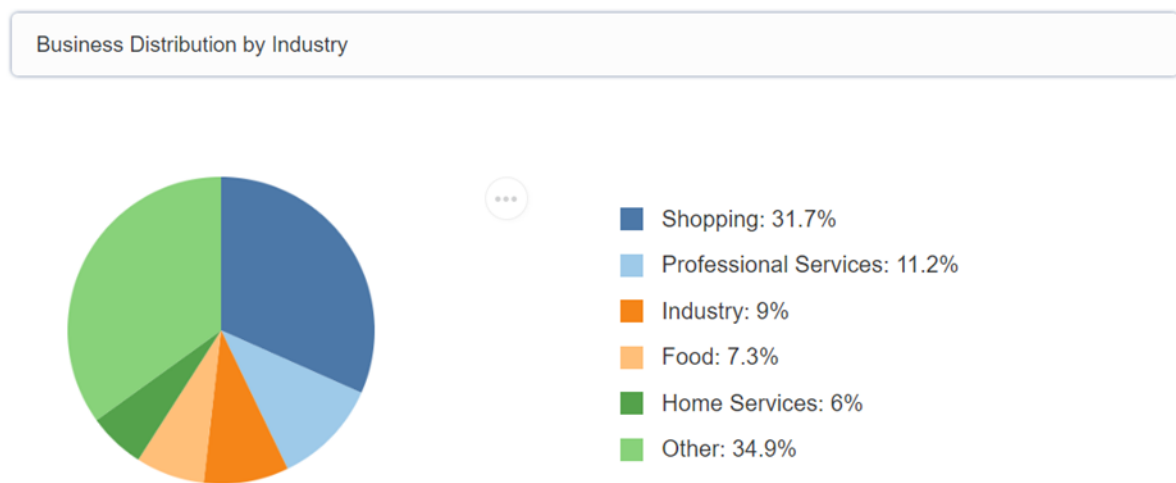


Figure 5.3: Business Distribution by Industry

5.7 Positioning

There are a decent number of nurseries which are out potential competitors. We need to provide services and products in such a way that makes Arth stand out more than other nurseries. Following are some of the features which makes Arth better alternative:

- Arth provides wide ranges of plants ranging from exotic flowers, aromatic plants and tree saplings grown in controlled environment to give products of highest quality. All these products are provided at a very affordable rate compare to other competing nurseries.
- Arth provides products such as earthen pots, fertilizers, pesticides, weedicides, gardening equipment, etc. because of which customers do no need to go anywhere else in such of such products.
- By looking at a leaf of a plant many details (plant health) can be extracted. Arth provides “Plant Doctor” service that provides consultancy to customers which are

worried about plant health. Customer can simply visit Arth or can send a picture of leaf which “Plant Doctor” can analyse and provide advice in maintaining their plant.

- Providing all such services at a same place at affordable rate is what makes Arth much better alternative from other nurseries. Customers find it effective, affordable and satisfactory.

6 Operational Plan

The initial phase is to acquire land of suitable size which is near to a good source of water and is well connected with the nearest city/town. The pot in which the plants will be sold to the customers are bought in bulk at the start of the year through a contractor. Being an online business the plants are most probably couriered to the customer. So the packaging material required for the deliveries is also bought at regular intervals throughout the year. We have entered a contract with XYZ courier services for our deliveries. In this contract, the delivery person from the company will arrive at our location weekly to take the parcels. He/she will also provide us with the order IDs which will be provided to the customers by us so that they can track their orders' status.

We also have a contract with the best organic farm fertilizer company that provides this with the fertilizers whenever needed. The fertilizer is tried and tested before selling it to the customer.

For this operation to successfully progress there are three main operations. Firstly, planting/nursery, where the seeds and small saplings are bought from local farmers or wholesale markets which are to be planted in the land that was acquired and they will be put into small black bags. Once they become small saplings they will be transferred to the pot and when they grow to a shrub size they will be put online for sale.

Secondly the pots in which the saplings were put were in basic earthen pots. If the customer needs they can be customised according to their design. We will also be hiring a designer for these customisation.

Lastly we will be providing a service called plant doctor wherein one of our personnel will be available for consultation during the work-hours. If the plant bought by the customer doesn't remain healthy the customer will have a choice to send the plant doctor the photos of the plants' leaves or roots to get consultation and advice on what fertilizer or treatment can be used on it. Every consultation will be charged for Rs. 150 and the fertilizer/treatment can be sent to the customer on demand.

6.1 Personnel Management

All 5 owners have equal stakes in the company. So, all owners own 20% each, so everyone gets 20% of the gross profit after payroll and payroll taxes deduction.

According, to us to have a long-term stable company, it is important for the owners to have vital roles in the company, and the operation of the company is coordinated and smooth. All the owners also have different responsibilities in the business. So, Shubham will take care of the Plantations and the saplings and the designing of the pots and customizations will be under Jaina, and all the customer relations and social media management will be under Priyanka. Timely delivery and packaging will be handled by Nikhil and handling the outgoing and incoming finances will be done by Aman.

Initially, for the first year, we plan on hiring a gardener, a social media manager, and one designer on a contract basis. Then for the second year, we expect to see a steady growth in orders so we will be hiring one more extra gardener. Gradually for the third year, we plan on increasing the team size and hiring an extra gardener, one person for social media managing, one designer and additional help will be required for packaging and deliveries of raw materials and plants.

The basis of all of the hiring will be decided by the respective owner responsible for that role. Training will also be handled by them themselves, as there aren't any legit training

Designation	Year 1	Year 2	Year 3
Gardener	Rs. 4 LPA	Rs. 4.8 LPA	Rs. 5.2 LPA
Social media manager	Rs. 1.5 LPA	Rs. 1.5 LPA	Rs 3 LPA
Delivery and packaging manager	Rs. 0	Rs. 0	Rs. 1 LPA
Designer	Rs. 30,000	Rs. 50,000	Rs. 1 LPA

Table 1: Salary of different roles.

courses that can be done in this industry, it's all about the experience, so if the team decides to take in young people then they will be trained under the seniors on the team.

7 Financial Plan

Our financial plan is for laid out for the three initial years. A financial plan consists of five budgets that detail the minimum requirements for starting your business, the investments you will need to make and how you plan to finance them. This allows you to determine whether your business idea is viable.

7.1 Difficulties and Risks

- Slow sales resulting in less-than projected cash flow.
- Overly aggressive and debilitating actions by competitors.
- A parallel entry by a new competitor.
- Sluggish economic conditions.

7.2 Break-even Analysis

When determining when you will break even financially, a break-even analysis compares the costs of a new business, service, or product against the unit sale price. In other words, it indicates the time when you will have generated enough revenue to pay for all of your expenses.

Our break even point is expected to be at the end of the third year of doing this business. After the three year mark considering the steady growth rate of our business, we expect the business to break even and sustain itself.

7.3 Projected Profit and Loss

We are anticipating a steady increase in sales through summer and monsoon. Business is expected to slow during the autumn and winter.

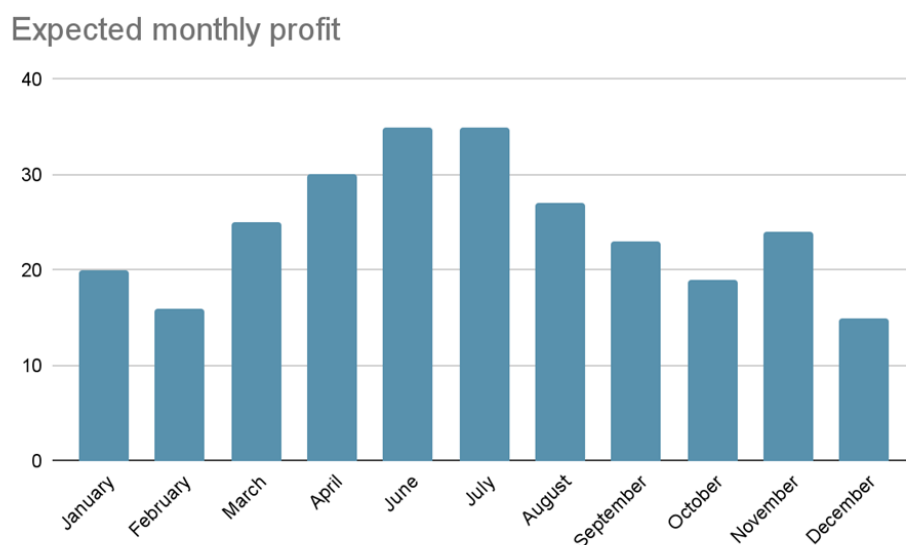


Figure 7.1: Expected monthly profit

Gross margin yearly

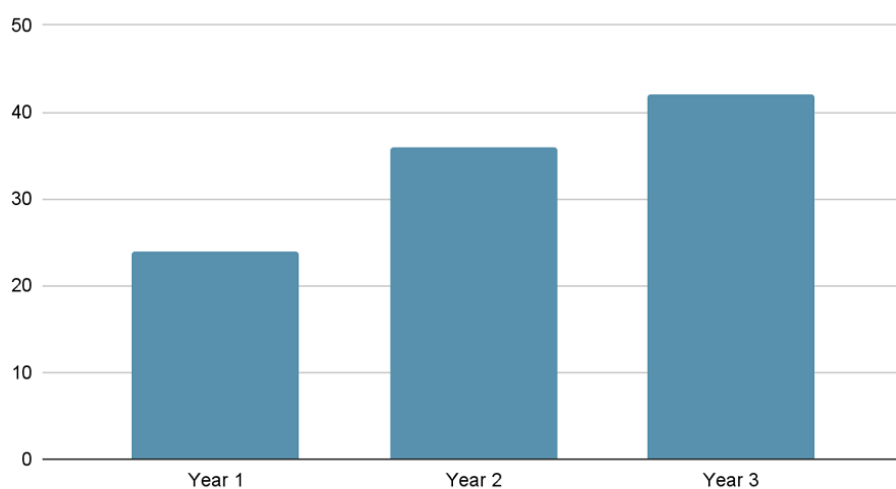


Figure 7.2: Gross margin yearly

Materials	Expenses
Land	Rs. 22.5 Lacs 150 x 150 sq. m. land * Rs. 100 per sq. m. cost
Water	Free as we will get it near a water body
Seeds/saplings	Rs 300 * 15 types of plants = Rs. 4,500
Potting Soil	Rs 600 per 10 kgs = 50 kgs soil for Rs. 3,000
Pots	Rs. 10,000

Table 2: Expenses expected at the start of the business

Expenses	Year 1	Year 2	Year 3
Payroll	Rs. 5.8 lacs	Rs. 11.6 lacs	Rs. 25.6 lacs
Marketing	Rs. 30,000	Rs. 40,000	Rs. 70,000
Depreciation	Rs. 0	Rs. 0	Rs. 0
Land Cost	Rs. 22.5 lacs	Rs. 0	Rs. 0
Utilities [electricity, fuel, internet]	Rs. 10,000	Rs. 65,000	Rs. 93,000
Payroll Taxes	Rs. 0	Rs. 45,600	Rs. 5.3 lacs
Material Cost	Rs. 28,300	Rs. 3.3 lacs	Rs. 8.6 lacs
Total	Rs. 28.9 lacs	Rs. 16.4 lacs	Rs. 41.2 lacs

Table 3: Project Expenses