



## MODULE

# SUSTAINABILITY BUSINESS MODELS FOR AGRIPRENEURS

## Unit 4 | Activity 1 My SMART sustainable goals planning



20min



- Pen and blank paper
- To have completed Unit 1, Activity 2
- To have completed Unit 2, Activity 2
- To have completed Unit 3, Activity 2

## DESCRIPTION

**This activity will help you brainstorm about the SMART goals of your sustainable business. In the end, it will allow you to have a summary of how you can realistically measure the success of the activities and practices you wish to implement to become a more sustainable agricultural business.**

# THE ACTIVITY

Here is a SMART sustainable goal planning template. Analyse it carefully to make sure you understand what is requested in each field.

**MY SMART SUSTAINABLE GOALS PLANNING**

- 1 Specific - Who, What, I what ways?**
- 2 Measurable - How?**
- 3 Attainable - Reasonable?**
- 4 Relevant - Expected result?**
- 5 Time-oriented - When?**

Adapted from [www.sandiego.edu/hr/documents/STAFFGoals-PerfPlanningGuide1.pdf](http://www.sandiego.edu/hr/documents/STAFFGoals-PerfPlanningGuide1.pdf)

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# THE THEORY

After the completion of a business model canvas, any business is encouraged to develop a **business plan**, describing its business value proposition in a more detailed way. For small farmers, translating ACORN’s sustainable business model canvas (see **Unit 3: Sustainable business model canvas**) into a sustainable business plan is a way to summarise and present its business sustainable strategy in a way that employees, relevant stakeholders (e.g., local community, business partners) and end-consumers might understand it correctly and, ultimately, support it.


For small farmers a sustainable business plan is a tool that helps guide their business strategies, ensuring critical and essential information is explained in much more detail than in the sustainability business model canvas. These two tools complement each other as they are used in different stages of the business development process: after brainstorming with a sustainable business model canvas (i.e., practical analysis of the market opportunity and value creation, essential for the agribusiness’ growth), small farmers are more well equipped to develop their sustainable business plan (i.e., development of concepts and presentation of business’ viability).

Therefore, the **difference between a sustainable business model and a sustainable business plan** can be summarised as follows:

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### Main differences between Sustainable business model and plan

Criteria	Sustainable business model	Sustainable business plan
Type of structure	Simpler	More complex
Number of pages	1 page with key topics	Advised limit of 50 pages
Level of detail	Low; use of bullet points	High; use of text
Tools used	Sustainable business model canvas template	Sustainable business plan Word template
Timing	Before or during testing of sustainable business idea	After testing of sustainable business idea
Overall goal	Pitch for short-term investment capture	Comprehensive presentation for long-term investment capture

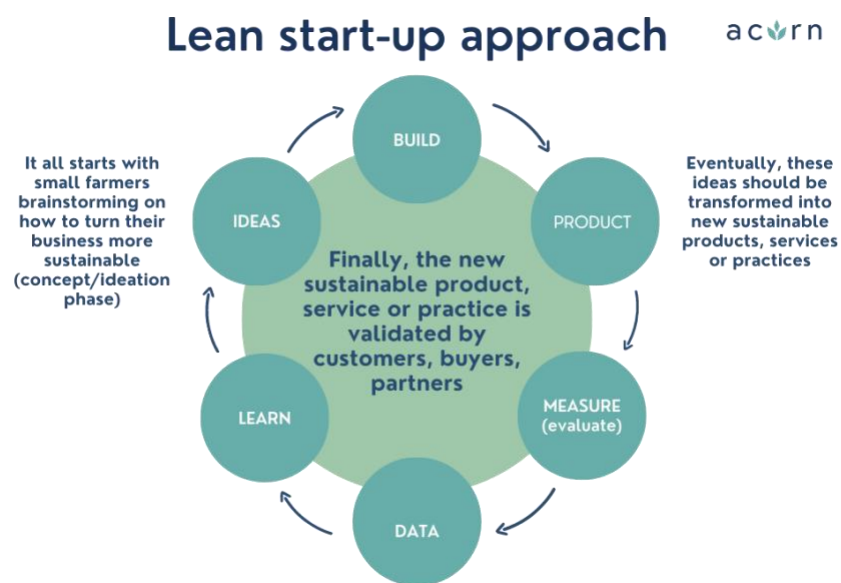
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Now that you know in what ways a sustainable business plan differs from the business model canvas (see **Unit 3: Sustainable business model canvas**), you might be asking **how can you validate it?** How can you make sure that your business idea or project successfully promotes more sustainable practices while maintaining (or increasing) your business economic viability on the long-term? How do you understand if by opting for more sustainable products, services or practices you are effectively meeting your customers, buyers, and business partners' needs?

There are several tools and approaches that support the testing and validation of a business idea or project.

For small farmers, perhaps the most relevant is the **Lean Start-up approach**, which is usually associated with and complements the business model canvas. Although this methodology was initially focused on technology-based business ideas or projects, it can be adapted and used in all sectors, as is the case of the agri-food sector, as its goal is to help business owners to transform interesting business ideas or projects into viable products. In this case, the Lean Start-up approach would serve small farmers purpose of testing and validating their new sustainable products, services, or practices to make sure they are moving in the right way.

Let us now go deeper into this approach. The Lean Start-up approach encompasses a feedback (reaction) cycle from customers that translate into “Build – Measure (Evaluate) – Learn”, as it is shown in figure 5. Its main goal is to increase a business likelihood of success, reducing losses of time, energy, and money. Since the agricultural sector is very much dependent on external factors such as climate and market changes, it is important for small farmers to understand if customer feedback validates and supports the development of their sustainable products, services, or practices.



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This process can be further explained as follows:

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# Lean start-up approach

## 1 Concept / ideation phase

**1** in the beginning, small farmers can only make assumptions about how they are going to transform or create a new sustainable business, based on products, services and/or practices that are expected to deliver and capture social and environmental values. These assumptions should be summarised in their sustainability business model canvas (see Unit 3: Sustainability business model canvas) to eventually be tested.




A small farmer might want to start producing 100% biological raspberry on a farm where he/she used to produce other red fruits (product), invest in eco-tourism so that tourists might participate in the production of red fruits (service) and start a composting process of unsold red fruits to serve as a natural fertiliser (practice).

## 2 Development phase


**2** Afterwards, small farmers are expected to be able to develop a minimum viable product (MVP), i.e., a product/service/practice that contains only the basic characteristics of their early-stage idea or project. They should not spend that much time or resources on this. It should be developed in an incremental way. This will allow small farmers to create short and repetitive cycles of product/service/practice development based on resources and budget availability.

A small farmer might first start with the production of the 100% biological raspberry, since it already produces similar fruits, although adapting its production methods to opt for no fertilisers and other more sustainable production practices (e.g., clean-tech machinery). Once the raspberries are on the market, it is time to test if they are well accepted by customers and only afterward should the small farmer consider moving to other sustainable business ideas or projects such as eco-tourism and composting, which are associated with the success of the raspberry production.



## 3 Validation / testing phase

**3** This is the stage where small farmers should inquire about potential end-consumers, buyers, or partners, collecting their feedback about the product/service/practice characteristics that want to launch in the market. Here what is intended is to listen to the customers to better understand their needs, so that, at the end of the process, the assumptions included in the sustainability business model canvas might be revised, altered, or validated.



The small farmer tries to enter the local raspberry market and only if its new sustainable product is well received does, he/she ventures into other markets. If successful, its sustainable business product is validated, and he/she can move forward with other ideas or projects at the product, service, or practice level to turn his/her business more sustainable.

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With the Lean Start-up approach, small farmers are expected to have a wider perspective of their sustainable business plan value chain and optimise it to meet their desired sustainability and profitability targets.



This approach allows small farmers to go through as many validation cycles as they need for their sustainable initiatives, to meet their goals and the customers' needs. Along the process, the products, services, or practices developed, adopted, and implemented are subject to improvements and expected to guide the small farmers on the right sustainable path. This might mean several changes to your initial sustainable business model canvas and plan.


But before starting to write your sustainable business plan – that eventually will be validated by using the Lean Start-up approach –, it is important to reflect on what is exactly what is expected from your sustainable business idea or project and the measures you will use to determine if the goals are achieved and successfully completed in a way that your business truly becomes more sustainable.

Hence, as a pre-requisite before starting to translate your business model canvas to a plan, you should do a small brainstorming exercise about where you see your agricultural business going and how you can measure its success and (social and environmental impact) by using the **SMART methodology (Specific, Measurable, Attainable, Relevant and Time Oriented)**. After starting to write your sustainable business plan, you should include this exercise as part of your monitoring and impact indicators.


SMART goals help improve the achievement and success of any idea, project, or business. A SMART goal clarifies exactly what is expected and the measures used to determine if the goal is achieved and successfully completed. A SMART goal may be used when drafting maintenance or a growth goal, which for small farmers means the reshaping of their business towards more sustainable practices.

A SMART methodology is, thus, based on the following key elements:

# SMART METHODOLOGY




**Specific**




For a goal to be effective, it needs to be specific, i.e., linked to your business sustainable goals/mission and your overall sustainable strategic plans. You should answer the questions "What needs to be accomplished?", "Who is responsible for it?" and "What steps need to be taken to achieve it?". Thinking about these questions should lead small farmers get to the heart of what they are aiming for regarding the pursuit of more sustainable business practices. Example: grow the number of avocados produced by my business that do not need fertiliser.

**Measurable**




Can the sustainable goals/mission you have identified be measured? You should answer the question "How?" since here the goal is to make it easier for you, as a small farmer, to keep track of your sustainable goals/mission progress and know when you have reached them by incorporating trackable benchmarks. Example: make sure 85% of the avocados produced by my business use no fertiliser.

**Attainable**




Consider if your goals/mission are realistic and can be achieved in a specific amount of time and by using a specific number of resources. Obviously, it would be great if you could change your business entirely to fulfill the sustainability goals you have set, but change comes with a price and it is better to be realistic and make changes in an incremental way, than jeopardising one's business trying to fulfill everything at the same time. Sustainability is important, but you should reshape or create your agricultural sustainable business at your own pace. Be reasonable and ask yourself if the goals/mission you set is something that you and your business can meet. Example: define a new sustainable production technique for my avocado production that does not include fertilisers and train my employees.

**Relevant**



As a small farmer, you should make sure the goals/mission you have set for your sustainable businesses are aligned with current tasks and projects, i.e., your business's daily activities. You should focus on one defined area to make sure changes are made in a sustainable way at all levels and that employees, customers, and business partners are on board and contribute to your sustainable process. Here you should include the expected result(s) you want to achieve. Example: because I will be aiming at a niche market of biological products, growing my fertiliser-free avocados production will ultimately increase profitability.

**Time oriented**



Your sustainability goals/mission should be presented with a clearly defined timeframe, including a target or deadline date so that you can clearly understand the timings for the changes, adaptations or creations you need to make in your business, and at what stages you should involve other to support you on the implementation of sustainable practices at business level. Example: make sure the goal of 85% of fertiliser-free avocados production is met by the end of the year.

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Knowing how to set SMART goals can help you as a small farmer to succeed in setting and attaining sustainable practices with social, environmental, and economic impact, no matter how big or small they are.

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