



## MODULE

# SUSTAINABILITY BUSINESS MODELS FOR AGRIPRENEURS

## Unit 1 | Activity 2 Is my business sustainable?



45min



• Pen and blank paper


## DESCRIPTION


This activity will guide you in identifying if your business is sustainable by using Porter's value chain model. It will allow you to identify sustainability gaps in your business so that you can work on them to increase your business's environmental, social, and economic sustainability.


# THE ACTIVITY


Now it is your turn to map all your business activities by using Porter's value chain model and brainstorm about those you believe have a direct or indirect impact on sustainable issues. This will help you check if your business has already committed to sustainability practices or, on the contrary, if there are some fields in which you need to put some extra effort. Include a maximum of three rows per field.






**IS MY BUSINESS SUSTAINABLE**


**Company infrastructure** 

**Human resources management** 

**Technology development** 

**Procurement** 

**Inbound logistics**  **Operations**  **Outbound logistics**  **Marketing and sales**  **Service** 

**Activities with direct or indirect impact on sustainable issues** 

# THE THEORY

Now that you are familiar with Porter's value chain model, you can take a closer look at this example, to better understand how to fill it in. This is the example of CAFÉ S. JORGE, a small-scale production of 100% natural and artisan coffee from the Azores Island, in Portugal, which is the only coffee 100% produced in Europe.

Currently, the coffee produced in S. Jorge Island, in Azores, is only for individual consumption and sold in local coffee shops, such as CAFÉ NUNES. Lack of funding/subsidies to grow this small-scale production in the local area of Fajã dos Vimes, in the island of S. Jorge, the geographical location of the island, far away from mainland Portugal and mainstream distribution routes, or even the limited area in which the coffee can be cultivated due to the climate, might explain why this business has not expanded beyond the island.

Based on public information on this case study, we have built Porter's value chain model of CAFÉ S. JORGE, exploring what this small-scale agricultural business already does and identifying sustainability practices already included in daily operations.



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# CAFÉ S. JORGE

acorn

## Company infrastructure

- SMALL-SCALE FAMILY-OWNED PLANTATION OF 100% ARTISANAL COFFEE
- PRODUCTION IS FOR FAMILY, COMMUNITY, AND LOCAL COFFEE SHOPS CONSUMPTION
- PRODUCERS NEED TO FIND OTHER SOURCES OF INCOME. HIGH COSTS RELATED TO ARTISANAL METHOD

## Human resources management

- EMPLOYEES ARE FAMILY MEMBERS
- PRODUCTION AND SELECTION TECHNIQUES ARE USED AND PASSED ON BETWEEN GENERATIONS
- EMPLOYEES HAVE OTHER SOURCES OF INCOME

## Technology development

- NO MACHINERY OR TECHNOLOGICAL SOLUTIONS ARE USED, ONLY TRADITIONAL METHODS
- PRODUCTION, SELECTION, DISTRIBUTION, AND SELLING OF COFFEE UNCHANGED SINCE THE 19TH CENTURY

## Procurement

- LOW LEVEL OF ENGAGEMENT WITH SUPPLIERS DUE TO SMALL-SCALE LOCAL-LEVEL PRODUCTION
- NO NEED FOR DISTRIBUTION CHANNELS DUE TO THE LOCAL PROXIMITY OF COFFEE SHOPS

## Activities with direct or indirect impact on sustainable issues

- SMALL-SCALE PRODUCTION WITH TRADITIONAL PRODUCTION, SELECTION, AND DISTRIBUTION METHODS WITH LOW ENVIRONMENTAL IMPACT
- 100% BIOLOGICAL PRODUCT
- NO USE OF MACHINERY AND NO PACKAGING, I.E., LOW-CARBON PRODUCTION METHODS
- LOCAL DISTRIBUTION, PROMOTING LOCAL SUPPLY CHAINS, I.E., REDUCED CARBON FOOTPRINT

### Inbound logistics

- GREATER PROXIMITY BETWEEN PRODUCTION (FAMILY FARMS) AND CONSUMERS (COFFEE SHOPS)
- NO NEED FOR DISTRIBUTION FACILITIES, TRUCKS, MATERIAL HANDLING, WAREHOUSE

### Operations

- NO INVENTORY SYSTEM DUE TO SMALL SIZE OF PRODUCTION
- THE COFFEE PRODUCED IS DISTRIBUTED BETWEEN FAMILY, COMMUNITY, AND LOCAL COFFEE SHOPS

### Outbound logistics

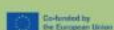
- NO NEED FOR PROCESSING OR DELIVERY SERVICES FOR THE COFFEE.
- DIRECT AND INFORMAL SALE AND DELIVERY (FACE-TO-FACE)

### Marketing and sales

- AFFORDABLE PRICE FOR LOCAL CONSUMERS
- NO RELEVANT COMMUNICATION / MARKETING FOR PRODUCT SELLING.
- COFFEE PRODUCTION SINCE THE 19TH CENTURY BASED ON LOCAL HERITAGE

### Service

- NO CUSTOMER SUPPORT SYSTEM. VERY LOCAL / FAMILIAR SALE
- NO NEED FOR EXTRA SERVICES RELATED WITH THE SELLING OF COFFEE (E.G., FREE SHIPPING)



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