

A

HONEY STARTER KIT BUSINES MODEL



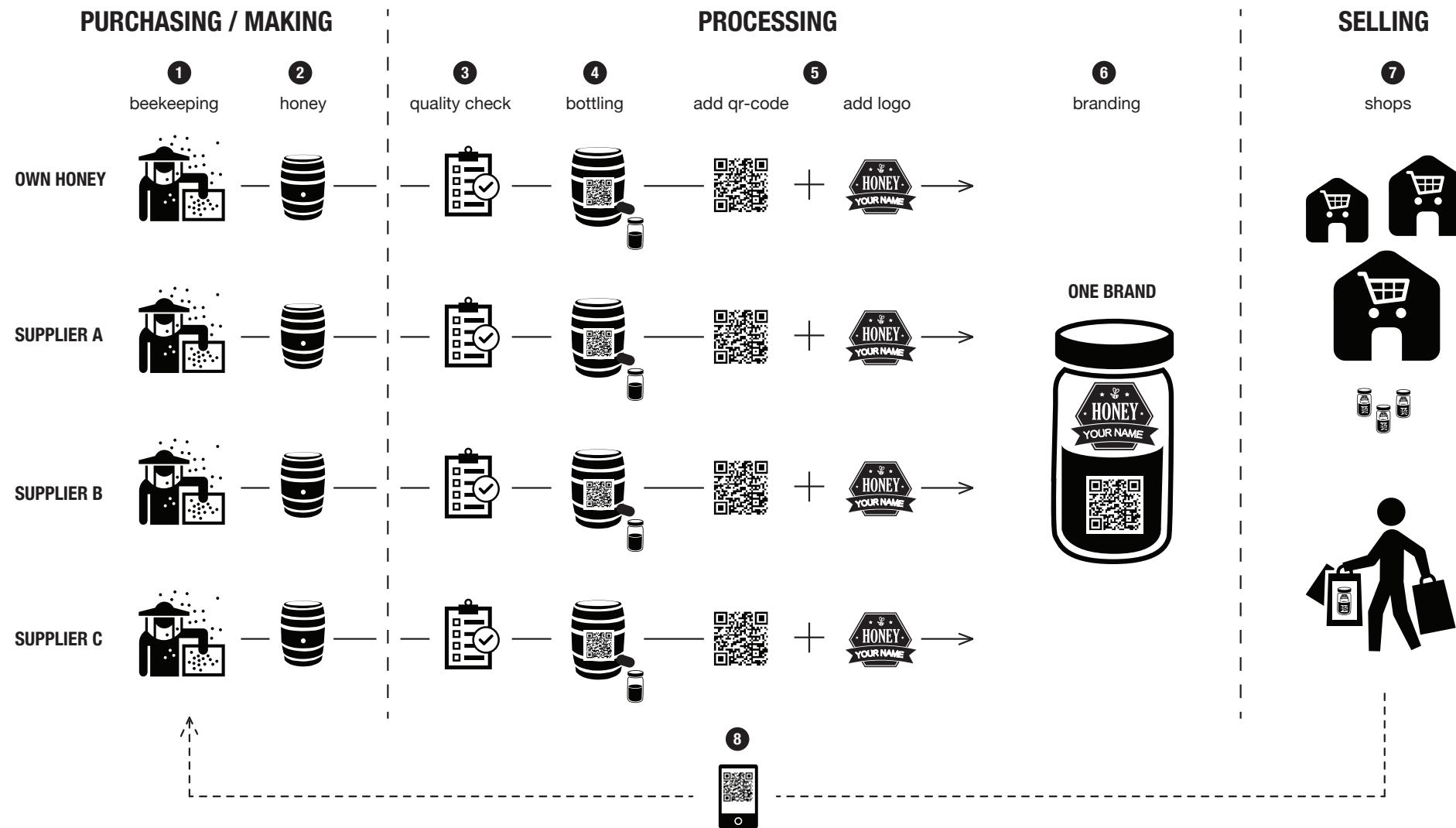
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STARTER KITS FOR ENTREPRENEURS

CHAPTER ONE INTRODUCTION

The business model in this starter kit is based on producing and selling natural honey. You add value by bringing a local, traceable and reliable honey on the market which can be bought in supermarkets. You will buy most of the honey from local beekeepers the rest of the honey is made by yourself. The reason to purchase honey from other bee-keepers is to get enough volume to sell to supermarkets and shops. After collecting the honey from the bee keepers you bottle it in your warehouse, brand it and sell it to shops and supermarkets.

- 1 You produce honey yourself and you purchase honey from others
- 2 You collect the honey in barrels
- 3 You do a quality check to see if it is real honey and add a QR code (a simple tracking code) to the barrel for traceability
- 4 You bottle the honey in small jars
- 5 You put the QR code of the barrel on also each of the jars and add a logo, so the consumer can trace the source of the honey
- 6 You give your natural honey a brand name with the image of 'local, natural, transparent and traceable'
- 7 You sell your honey to regional supermarkets and shops, which you can offer a large quantity and reliable supply of natural honey
- 8 The consumer buys the jars in the supermarket and scans with his telephone the QR code, which is linked to a your website. So the consumer can trace back the origin of the natural honey, made by a local beekeeper

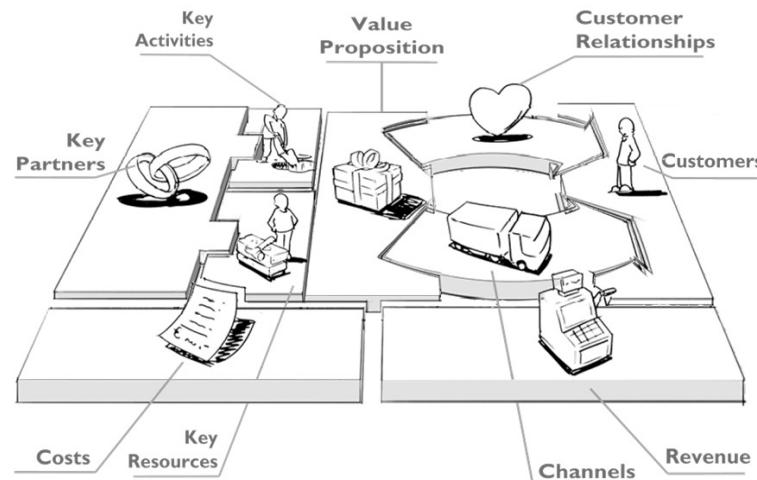
BUSINESS MODEL



CHAPTER TWO

BUSINESS MODEL BLOCKS

We will clarify the honey business model with the Business Model Canvas. This is great tool to make and describe a business model. It splits the business in nine basic building blocks to describe the whole business model.



CUSTOMER



The Customer Segments Building Block defines the different groups of people or organizations an enterprise aims to reach and serve

Your customer segment will be the critical consumer who buys already natural honey because of the health benefits, but doubts if the honey is really natural.



CUSTOMER RELATIONSHIPS

The Customer Relationships Building Block describes the types of relationships a company establishes with specific Customer Segments

The relationship with your customer is very important, because it is based on trust and transparency. Your identity has to be clear, traceable, local and trust-able. All your promotion materials, like your website, brochure and displays, should represent your clear identity (see the inspiring marketing tools in this starter kit).



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CHANNELS

The Channels Building Block describes how a company communicates with and reaches its Customer Segments to deliver a Value Proposition

Supermarkets prefer to buy the natural honey from a few reliable big suppliers. That is exactly what you offer. You produce honey yourself and you purchase honey from different small suppliers, so you will have a high volume of honey. When you start your business it will not be possible to sell direct to big supermarkets because you will not have enough stock. It is also better to supply first a few smaller shops, so you gain experience and you learn from your mistakes. Thereafter you slowly expand your customer base with bigger supermarkets. Make sure your customers are all in your region, to lower transport costs.



KEY RESOURCES

The Key Resources Building Block describes the most important assets required to make a business model work

You need a warehouse to bottle / store the honey, bottling tanks and equipment for beekeeping. And you need a mean of transport to collect the honey from the small holder beekeepers to the own workshop and to bring the honey to the shops.



VALUE PROPOSITION

The Value Propositions Building Block describes the bundle of products and services that create value for a specific Customer Segment

Critical consumers want to be sure they buy natural honey because of the potential health benefits. They don't trust the natural honey in the shops, they believe the honey is processed. The QR-code on the label of the honey will contribute to the trust. The consumer just has to scan the label with his mobile phone and will directly see from which bee site his honey originates. He will discover that the honey is from a local beekeeper in the region which will give him extra trust in the nature of the honey.



KEY ACTIVITIES

The Key Activities Building Block describes the most important things a company must do to make its business model work

- Keep a good relationship with the small holder beekeeper suppliers. Supply them with the manuals and video in this starter kit.
- Set up a clear track and trace system for the honey: Your suppliers should store the honey of each bee site in a separate container (a bee site is a location with bee hives). You collect the container with honey and put a QR-code sticker on the container. You bottle the honey from the container into jars. You stick the same QR-code sticker on each jar. The consumer scans the QR-code with his mobile phone or looks direct at the website. The QR-code is linked to a page on your website which has a picture, a story and the location of the beekeeper who made the honey.
- Build up a good and trustworthy brand.



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REVENUE STREAMS

The Revenue Streams Building Block represents the cash a company generates from each Customer Segment (costs must be subtracted from revenues to create earnings)

Your revenues will come from the honey you sell to the shops. The success of this business model depends on the difference between your sales price and purchase price. You have to negotiate a good sales price with the shops and a good purchase price with your suppliers. Make sure you create a good relationship with the supermarkets. It is important for your cash flow that they pay in time, so be strict with your term of payment.



KEY PARTNERS

The Key Resources Building Block describes the most important assets required to make a business model work

Your suppliers will be your key partners. These beekeepers should not be too small otherwise the transport costs to collect the honey will be too high. A solution for this is to instruct the suppliers to bring their honey to an assembling point which could be the beekeeping association. These beekeeping associations could be another important potential partner. Many of your suppliers will be united in this association, so it is easy to reach them.



COST STRUCTURE

The Cost Structure describes all costs incurred to operate a business model

Your highest cost will come from your stock. In this business model you are a kind of middle man. You have to find a good balance in quantity of stock. If you keep too much stock, it will cost you too much. If you don't have enough stock your customers will complain. You should try to get a flexible pool of suppliers, so you can easily increase or decrease your stock.

Other cost components are:

- Beekeeping equipment in case you want to keep bees yourself (see Profit and Loss statement Beekeeping)
- Purchasing of honey
- Rent of a warehouse
- Packaging material like jars and stickers
- Marketing material
- Transport to collect and bring honey

CHAPTER THREE

SWOT

SWOT analysis is a model to evaluate the strengths, weaknesses, opportunities, and threats of your business.



STRENGTH

- Natural honey is popular
- Original beekeeper is traceable
- Good and easy track and trace system
- Different suppliers
- Entrance to supermarkets



WEAKNESS

- Honey of different beekeepers can not be mixed, so bottling process is more complicated
- High marketing cost to have a visible brand



OPPORTUNITIES

- Many potential small scale honey suppliers
- Buying beeswax from your suppliers
- Selling beekeeping equipment to suppliers
- Expanding business model to other regions



THREATS

- Processed, imported honey is cheaper
- Payment by supermarket is not always reliable
- Bee diseases with loss of colonies



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