

Organa



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Strategy & Innovation

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I. INTRODUCTION

I.1 Overview of the Module

This report is written to provide information and insight about a business idea of upcoming business innovation in the United Kingdom. It presents relevant information such as the Value Proposition Canvas (VPC), the Business Model Canvas (BMC), the key market gaps to address in targeting the right segment and starting up the business.

I.2 Aims of the Report

The aim of this report is to talk about the business model of Urban Organic Farms, an innovative attempt to set up a business dealing in Herbal alternatives.

Idea: Offer Herbal and organic substitutes to edible consumables on a digital platform - a one-stop-shop for herbal choices.

Industry: Tea and Herbal Medicine Industry

I.3 Structure of the Report

This report starts with the introduction, which highlights the aim of writing. Next is the section that highlights the ideas of the business. Furthermore, the herbal medicine industry is looked at, providing information about its overview, major key players, and competitors. Highlighting the key things about the herbal industry's market.

We have developed the VPC and the BMC. In-depth information about the business model is shown and demonstrated.

I.4 The Business Idea

Business ideas are ideas that are conceived by entrepreneurs, innovators, or problem solvers to fill potential key gaps in the market, provide a better approach to the provision of service to the teeming populace, and also find a cheaper and easier way by which things are carried out (Bharti, 2019).

Urban Organic Farm's business idea is centered on providing innovatively farmed organic and herbal products directly to its customers so that they get these products with ease through digital order and logistic infrastructure.

I.4.I What is innovative?

- We are farming organic products using the latest technology to meet people's needs;
- We will educate and promote herbal products for a healthy lifestyle
- We want to make people have easy access to herbal medicines and nutrition experts on a single digital platform
- Mass campaigns to popularise the easy access to herbal products and recommendations by consultation
- Use of digital platforms and analytics to supply as per demand
- We are creating a sustainable distribution infrastructure that will help consumers easily access organic products.

2. INDUSTRY OVERVIEW

2.1 Basic Overview

The herbal medicine industry is a traditional concept that uses leaves, roots, fruits, and flowers from various plants to make infusions that serve as herbal and nutritional supplements. This industry has been in existence for years. However, it has been discovered that the industry has lost its popularity in modern times. Even though there is a tendency among health-conscious people to seek traditional products to live a healthy life.

The role of herbal medicines cannot be overemphasized. Schulz, et al. (2001) established that the role of herbs in the treatment of disease has been in existence since time immemorial. Traditional herbal medicine healing is common across different parts of the world. (Li, 2000) stated in his research that half of the Chinese population uses herbal healing methods, of which about 5000 traditional remedies are made from botanical herbs. These traditional remedies add up to about one-fifth of the entire pharmaceutical industry in China.

Morgan (2002) talks about the importance of the herbal medicines in India of which diet and herbal remedies are being used towards disease prevention and treatment. This medical system is termed the Ayurveda medical system, which has been around for nearly 5000 years.

Herbal medicines are known to be gaining popularity in the United Kingdom. Herbal medicine and therapies in the United Kingdom are associated with Complementary and Alternative Medicines (**CAM**). (Micozzi, 2002) states that **CAM** is a highly diverse group with interesting approaches to healthcare. According to several surveys, about 20% of the UK's population regularly uses conventional herbal treatments and medicine (Mori, 2008).

Today, many herbal medicine practices are being practiced in the United Kingdom. These practices include traditional Chinese medicine and Ayurveda. Consistent marketing is attributed to an increase in the demand for herbal medicines from the aging population. This development, coupled with ongoing health trends, is expected to surge the domestic demand for herbal medicines in the next five years.

2.2 Key Players

- Body and Mind Botanicals
- B3 Labs Limited

- Apex White Label
- Amelfea Limited
- Pukka Herbs

2.3 Key Competitors

Below are some of the established and key competitors in the Herbal medicine company in the UK (EuroPages, 2022).

- Body and Mind Botanicals
- CBD Herbal Store
- Apex White Label
- Amelfea Limited
- Pukka Herbs

2.4 Porter's 5 Forces Model

The Five Forces Model of organizational competition and strategy is regarded as Porter's Model. Michael Porter formulated this model in 1979. It helps organizations and businesses closely observe their competitors, examining the forces working in their industry (Jurevicius, 2021).

The market competitiveness of Urban Organic Farms shall therefore be examined through Porter's five forces model as shown below:

2.4.1. Threats of New Entry

Urban Organic Farms possesses the necessary competitive elements that enable it to withstand any form of displacement by new entry businesses. The business's competitive advantage includes giving customers the ease of getting organic products directly from the manufacturer, which will be price efficient. . By aiming to be the most popular digital platform for products and advice experts in the field, the business will have loyal customers.

2.4.2. Threats of Substitutes

Urban Organic Farms possesses the necessary competitive strategy based on health benefits that helps the brand to stand against the threats of substitutes companies. Such strategy involves producing services for a wide range of customers, including The business also provides a dedicated 24/7 consultancy service that gives it an edge over its competitors.

2.4.3. Bargaining Power of Customers

Urban Organic Farms has a wide range of distribution channels that allow it to stay competitive in the market. It is a modern company with a dedicated website to facilitate the easy access of products to its customers. Also, Urban Organic farms have created various schemes, campaigns, and discounts, which helps to allow the purchase of its products to be accessible and affordable.

2.4.4. Bargaining Power of Suppliers

Urban Organic Farms has an excellent market reputation. Due to this stellar reputation, it has many reliable suppliers. These suppliers sport a healthy relationship with the business and provide raw materials and products at pretty affordable prices.

2.4.5. Competitive Rivalry

Due to the market's competitiveness, Urban Organic Farms is positioned strategically to engage in healthy competition with rivals. The company comes up with innovative ideas now and then that helps to strengthen its position among rivals.

3. MARKET RESEARCH

This chapter aims to conduct extensive research on the herbal medicinal industry market.

3.1 Market Overview

The herbal medicine market is a broad market that has seen a drive-in size and capacity over the years. This drive in the market is due to increased demand for natural organic products and medicine. As such, in recent years, there has been an increase in the industry's market value on a global scale and the United Kingdom in particular (Verified Market Research, 2021).

3.2 Market Size

The global market size of the Herbal Medicine Industry was provided a market valuation of \$98.60 Billion in 2020. By 2028, this valuation is projected to reach an estimated value of \$400 Billion. The CAGR is expected to grow 18.8% from 2021 to 2028 (Verified Market Research, 2021).

Due to the large size of the herbal medicine industry, it is divided into segments. These segments includes :

- Herbal Pharmaceuticals
- Herbal functional foods
- Herbal Dietary Supplements
- Herbal Beauty Products

4. VALUE PROPOSITION CANVAS

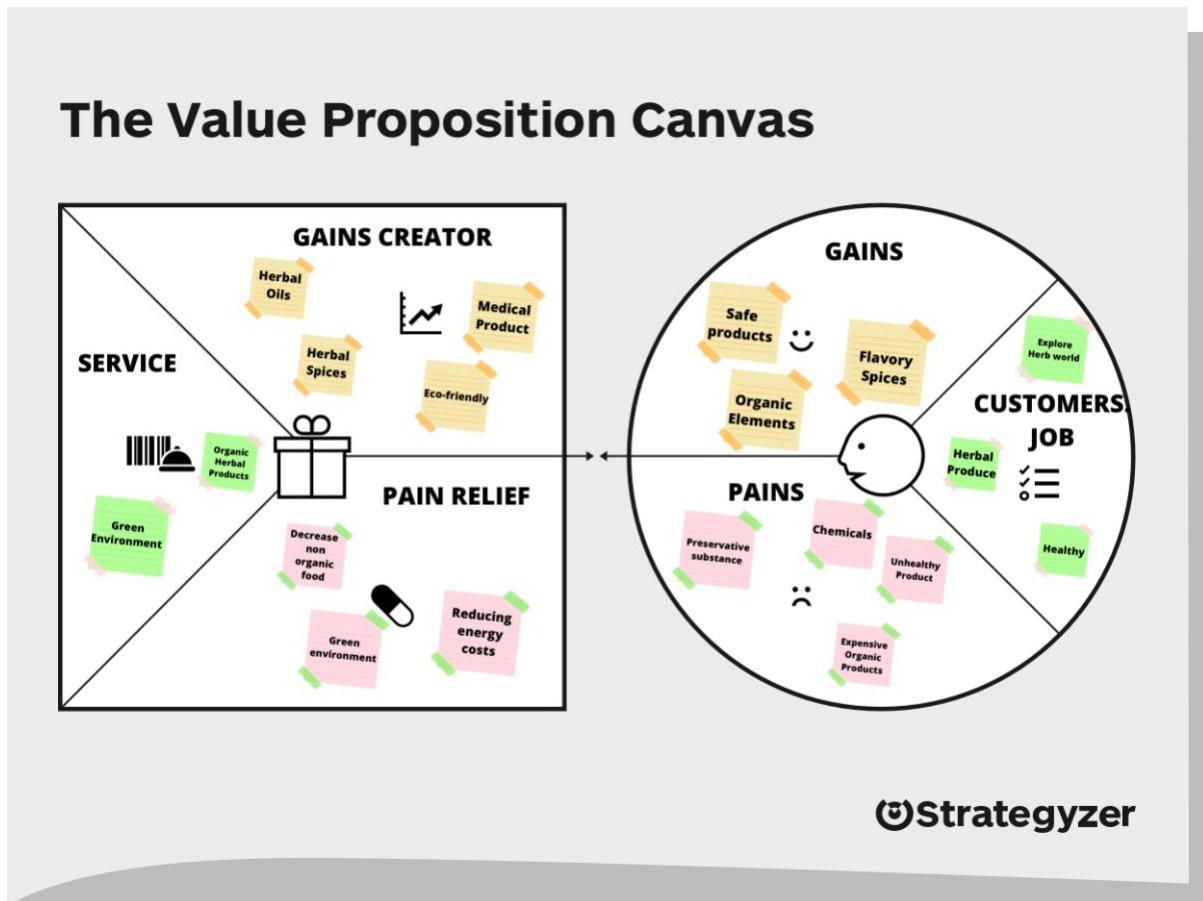


Figure 1. The Value Proposition Canvas

4.1 What is a Value Proposition Canvas?

A Value Proposition Canvas is a business model tool that helps ensure that a company's product or service is centred on customers' values and needs. It is how a company delivers value to its audience.

The Value Proposition for Urban Organic Farm aims at canvassing for healthy farming, a healthier lifestyle for Britons, and a healthier eco-system. This is a modern farming method for a healthier lifestyle using eco-friendly methods. We make herbal and organic element purchases easier through our platform. This is where you can get more information about herbal and organic produce and meet medical and nutritional experts.

4.2 Customer Profile for Urban Organic Farm

Following the tremendous surge in the interest and public acceptance of herbal medicinal products in the UK, many Britons are now resorting to exploring the herbal world as reliance and trust in the healing treatments of organic products are on a constant buildup.

Britons constantly need pure, freshly grown organic herbal products to maintain their healthy lifestyles. The reason for this high demand stems solely from the fact that organic products are usually free from artificial flavors, colors, and preservatives, unlike conventionally packaged products which contain large amounts of chemicals that could be leading causes to many health problems, including diabetes, ADHD and obesity.

Gains

By buying and consuming organic herbal products and spices, customers expect many benefits from the 'naturalness.' Popularly known herbal medicinal products like Ginseng, Turmeric, Ginger, and Chamomile are more effective, natural, and safer to use than some chemically produced form of treatment. This stems partly from the fact that herbal products like these have been in use for a long time before the inception of a chemically based form of healing treatment. Thus, there is an already built credibility system concerning their safety and health benefits.

Organic food products are also believed to contain higher organic elements and nutrient content. Cinnamon, for instance, has a high antioxidant activity, fights inflammation, and has been shown to lower cholesterol and triglycerides in the blood system. Turmeric consists of curcumin, a potent anti-inflammatory drug, and Holy Basil is an immunity booster. It also helps fight infections.

Besides the nutritional value and health benefits of organically grown produce, customers believe that organic spices taste better than their counterparts and have a longer shelf life.

Pain Points

By being pesticide and herbicides free, organic farming is usually labor-intensive. This highly affects the cost of organic feeds as the added cost for labor gets passed to the consumer. So, organic herbs and spices, as well as foods/produce, are usually more expensive. This can be more disadvantageous if the economy is weak as people are less likely to pay more for organic products. They will instead opt for the cheaper non-organic ones.

However, consuming non-organic produce has many disadvantages. Many non-organic products contain harmful chemicals that could cause adverse side effects to the human body.

Gain Creators

In line with Britons' high demand for pure natural organic produce, Urban Organic Farm offers a wide range of organic products ranging from herbal oils to herbal spices to freshly grown organic produce to herbal medicinal products. Each of these products has been grown in its most natural element. We engage in the safest, healthiest, and eco-friendliest farming procedures to give Britons the healthy lifestyle they deserve.

Consuming our products comes with numerous health benefits as they are grown fresh without pesticides and herbicides, and our oils are directly extracted from their plant source.

Pain Relievers

We choose to operate in an eco-friendly green environment by implementing an environmentally-mindful lifestyle. By reducing energy costs and using reusable and recycled pieces of equipment, we contribute to protecting the environment and the conservation and preservation of natural resources, and biodiversity. We stand the chance of providing our customers with fresh organic produce at a cheaper cost.

We are aware of the high cost of organic feeds due to the labor intensity of organic farming. We aim to reduce this economic restraint to a healthy life by our 'green environment plan.' With this, we aim to decrease the high rates of non-organic foods consumption by our customers and provide them with healthy, tasty organic foods and herbal products at an affordable cost.

Products and Services

We offer diverse, highly beneficial, chemical-free, nutrient-filled organic and herbal products. Our products are undiluted and as rich as grown and nurtured on organic-rich chemical-free soil. Our products are our way of assisting every Briton on their journey to health and wellness. We offer a healthy and environmentally safe method of grooming organic produce, herbs, and spices to deliver the most quality products to our customers. As much as we care about maintaining the healthy lifestyles of our customers, we also care about our planet. So, we keep an eco-friendly relationship with our environment by implementing our 'green plan.' We reuse and recycle objects and pieces of equipment, and we try as much as possible to reduce energy-consuming activities. By doing this, we aim to sustain our planet. Also, we aim to

reduce the massive intake of non-organic products by making our fresh and healthy organic herbal products and spices affordable to our customers.



5. THE BUSINESS MODEL CANVA

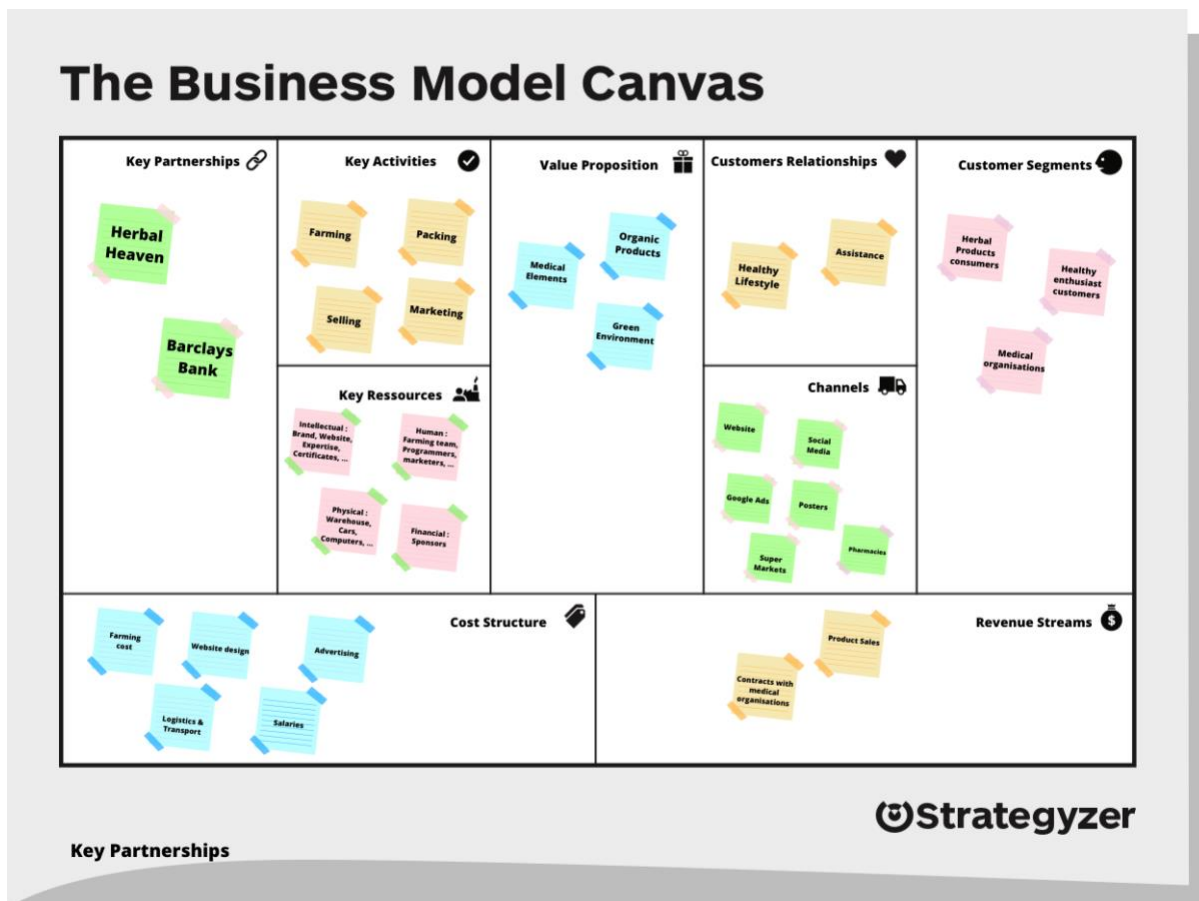


Figure 2. The Business Model Canvas

5.1. Customer Segment and Strategy Implementation

With the recent growing concerns for the environment being affected by global warming, Urban Organic farm seeks to help create a modern farming method for a healthier lifestyle using eco-friendly methods. At Urban Organic farms, we make sure that herbal and organic purchases are made quickly and straightforwardly on our platform.

With many people paying more attention to the use of traditional herbal medicinal practices, there is the need for a service to be created not only to provide ease of purchasing these

Our main customers are the healthy enthusiast consumers, finding that our produces should be meeting their needs. we are also developing our products sustainably to give the best product tailored to our customer segment. Organic herbal farming is an important part of the market since always, and through our digital platform, we will provide dozens of herbal produces that are chemical-free, tasty, and healthy.

We are also targeting medical organizations to close deals with the goal of either providing them with our organic plants as raw material or by arranging the whole process until the ready product, then transporting it to their storage area.

5.2. Customer Relationship

5.2.1 Target Market

Our objective is to give assistance to our customers who would like to adopt a healthy lifestyle. Assisting them with their needs and ensuring their satisfaction through private conversations on our website or through phone calls. Delivering the best quality products at affordable prices.

The services we offer at Urban Organic farms target many classes of individuals Anyone who wants to convert to a healthy substitute can be targeted.

As we provide the sales of herbal products and advice to those health-conscious segments, seeking alternatives to those products already widely consumed.

On our digital platforms, we aim to educate visitors about the long-term health benefits of switching to herbal choices. A virtual assistant will be available to offer a herbal diet.

5.3. Value Proposition

Using urban organic herbal farming is one of our main principles, especially in a market where there is no big competition. By using many modern techniques we will deliver the best product to the consumer with 100% environment friendly, taking into consideration the ISO 14000 family.

5.4. Key Activities

The business is going to run based on different activities, starting from the agricultural level, with the use of our sophisticated warehouses to get the best quality of plants, then the harvesting phase, passing by choosing the right raw material and assigning it to the convenient

role, and making the process according to the nature of each product, then packing, where it will be assembled and stored in spaces with the minimum CO2 footprint.

Then there will come the work of our marketers to launch the campaign and list the product on the website and social media accounts. In addition to the role of the merchandisers to manage the product in the supermarkets and pharmacies.

At Urban Organic Farms, we provide a wide range of products and services for our teeming customers. The following activities are some of the services that we engage in;

- Provision of consultancy.
- Sales of Herbal products.
- Continuous Sale and subscription from health-conscious consumers.

5.5. Key Resources

To ensure our success and keep it high, we have our key resources leading us by the **intellectual resources**, which are people in charge of business management, maintaining a good quality of the products, and looking at our business gaps then we have the IT team constituted of programmers and digital marketers in charge of developing the online content. The website is our interface to the open to the national and international world, and also which contains our online store which is one of our main selling channels and meets up with the customer. The accumulating expertise is growing continuously, giving us an advantage in the market and providing us with the tools and data to improve our products. Also, the certificates that classify our company at the medical, environmental, and business levels are reflecting the values and principles.

Human resources: a team of qualified farmers in charge of planting, harvesting, packaging, and delivering the products.

Physical resources are essential for our activities, by having a warehouse where it can be situated in the middle of the city, the manufacturing area and also the storage area. Vehicles that are used mainly for the transportation of seeds, plants, and ready products are a resource. In addition to computers which the IT teams use to do their missions.

We are also motorized by our **financial resources** to keep the wheel of the intern economy working perfectly. Based on our sponsors and key partners.

5.5.1 Competitive Advantage

The competitive advantage over our competitors is the sophisticated range of services we offer our customers. These include

- The production of products with the best accepted eco-friendly practices.
- We ensure that our employees are well taken care of by ensuring that they have the best welfare packages
- Provision of excellent working conditions and remunerative commissions to our freelance sales and marketing agents.
- We have dedicated customer service that is open to hearing complaints or suggestions from customers.

5.6. Key Partners

The Urban Organic farm partners with Herbal Heaven and Barclays Bank

5.6.1 Key Partnership

Vision Statement

To emerge as a leading business consortium that offers easy accessibility to herbal medicinal materials in the United Kingdom.

Mission Statement

- To redefine the sale of herbal products in the United Kingdom
- To provide ease of access to herbal products to customers through effective channels
- Exploring all available markets where our products can be successfully sold to customers.
- Engaging in globally accepted eco-friendly practices in the production and processing of herbal medicinal products

5.7. Cost Structure

Having conducted extensive research in the company's expected to deliver top-notch services to customers, we analyzed our chances of success in the industry. We, therefore, came up with some cost projections that will ensure that we achieve our set goals and objectives.

5.7.1 Capital Requirement

After conducting a proper analysis and estimation, we projected £400000 to set up our business. This startup capital is expected to be sourced through Wilko and Barclays Bank partnerships.

5.7.2 Cash Flow Projection

We anticipate generating profits from the wide variety of services we provide to our clients. We expect to generate revenue streams from consultancy, sales of herbal products, subscriptions from health-conscious consumers based on sales projects. In the first fiscal year, we are project generation of £300000 from these sources listed above.

5.7.3 Cost Structure

Our Running costs includes:

- Seeds cost
- Website Design and maintenance
- Advertising
- Logistics & Transport
- Salaries

8. Channels

Delivering our product to the customer will be easier using modern channels, such as websites, social media, Google Ads, posters, supermarkets, and pharmacies.

One of our most important channels is the digital platform to sell our products. it will contain all our products' detailed prices and with one click you get all the benefits of the product. customers will add their purchases to the basket and have them delivered to their doors. On our website also we will have a customer service section where customers can share their experience, rate each product, and suggest more products they would like to see in our store.

In order to promote our products, social media is our first target. our audience spends hours on social media looking for things that can bring an addition to their life. so our marketing team will create a page on Instagram dedicated to our products, listing them and explaining the benefits of each product. We will also produce videos of how all the farming is processed starting from the seeds planting to irrigating, harvesting, packaging, and delivering in a 100% organic procedure.

Sponsored Facebook ads and pages are considered in order to pop up to people who are interested in organic food and invite models and famous figures to try our products for free and promote them on social media.

Google Ads will play a big role in promoting our products, pop-ups will be on google pages with mouthwatering hot sales and limited offers to target the maximum of internet surfers and also a brief video on youtube introducing our company.

We also print posters with a range of our products and stick spread them through supermarkets and pharmacies such as the Boots and Superdrug.

8.1 Marketing Strategy

We seek to popularise our service through different channels. We shall use social media platforms for marketing our services and providing consultancy for our customers. We also intend to provide our services to people through our website that has been designed to be easily accessible and understood. Our strategy also cut across marketing our services through posters, leaflets, google ads, and supermarkets (through word of mouth and referrals).

9. Revenue Streams

Our revenue streams are practically from products sales, this can be either by selling products to the individuals, through the digital selling points or through the physical stores.Or by selling the product to companies through agreements with commitments to provide certain raw materials to their manufacturers or to provide them with an assembled product ready for sale.

9.1 Financial Forecast

ITEMS	YEAR 1	YEAR 2	YEAR 3
Total Revenue	£400000	£650000	£800000
EXPENDITURE			
Equipment	£200000	£300000	£320000
Running Cost	£350000	£350000	£480000
Total Expenditure	£550000	£650000	£800000
Gross Profit	£700000	£1000000	£1250000
Net Profit	£250000	£350000	£450000

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