

Action Project (Juice Fiji)

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Product Development Proposal

Generating ideas for product

SWOT analysis

Strengths - Strong presence in local community - Integration of fresh ingredients	Weaknesses - Lack of online presence - Limited number of products
Opportunities - More people are looking towards healthier options - Bigger market outside of Fiji	Trends - People are looking for efficiency (fast and quick options)

Brainstorming

1. Looking at previous products, Juice Fiji can identify the product market they would like to reach (i.e., for athletes)
2. Juice Fiji can reach out to different members of communities, previous customers or even current/past employees and ask for their opinions on what can be improved/what they would like. This part is brainstorming and picking the best ideas to capitalize.

Screening ideas

Customer Analysis

1. Customer Analysis Questions

- What do your customers have in common/what makes them unique
- What influences their decision making (price, quality)
- How much are they willing to spend?
- How often are they likely to make repurchases?
- What products resonate best with your customers?

2. Customer Analysis Data

- Demographic data (age, name, geographic location)
- Average order value – how much they tend to purchase per transaction
- How they originally found your business
- Interaction with social media (i.e., Facebook monthly visits)

3. Benefits of Customer Analysis

- Personalized content (once you have a better understanding of your customers' preference, you can better tailor your content to meet their needs)
- Customer retention (attract and retain loyal customers)

4. Conducting Analysis

- Segment your customers (recent purchasers, repeat purchasers, big spenders)
- Identify their needs (how, why did they chose your business?)
- Determine how your brand meets those needs
- Apply the analysis (use the data collected through surveys and apply it)

Competitor Analysis

1. Determine who your competitors are (<http://www.herbex.com/>)
2. What products do they offer
3. Look at their pricing, marketing, content strategy, sales tactics
4. Perform a SWOT analysis on them

Feasibility and Final Idea Selection

- Based on the customer analysis and competitor analysis, you can now determine which idea is best for the next stage. Go through the different ideas proposed and run different scenarios which outline the benefits and weaknesses if those products were to go to market.

Concept Development

Specifications and Prototype

- Now that you've chosen the idea, it's time to get to the specifics of it. Look at how you want to present the product to your customers (type of bottles, labeling etc.), the ingredients needed for it and the name of the product. After that, you can begin prototyping the product and making it real. Based on the prototype, people can touch, see and feel the product. You can get feedback and continuously create more prototypes which will challenge your original ideas and test your assumptions.

Product Optimization

- Product optimization allows you to improve the efficacy and effectiveness of implementing the product to markets. Identify the possible issues that may arise (lack of supplies, issues with suppliers or manufacturing). Making sure that equipment and workforce is available at all times is beneficial. With that, you can implement the best possible way to introduce the product and incorporate sustainable ways of production.

Business Analysis

Pricing Analysis and Break-Even Analysis

- When pricing your product, it's important to look at different factors. Competitor pricing allows you to maximize how you want to price your products. Looking at how much your consumers are willing to pay will also allow you to set the best price. Legal and ethical price limitations also help you to maximize your profit and ensure that you won't be overcharging your consumers.
- Break-even analysis will tell you what you need to do in order to gain back the initial investment and turn a profit. It helps you to set sales revenue target and catch missing expenses. Take into account the fixed costs, variable costs and average price.

Sourcing/Implementation

Quality Management System

- A system needed to document processes, procedures and responsibilities for achieving quality objectives. Improves effectiveness and efficiency on a continuous basis.

Operations Planning

- Future-oriented planning. Mapping out the budget, goals with the strategic plan for next 1 – 3 years. This helps to plan the trajectory for the product's future.

Supplier Collaboration

- Working with a good and trusted supplier helps to ease the operation. A supplier that can consistently deliver the products needed to fulfill the product helps to ensure the success of the product. Also, making sure that you get the best bargain in order to fully maximize the product capacity and achieve sustainable profitability

Logistics Plan

- How do you plan on getting the product from point A to point B with efficiency? Do you plan on making daily shipments using the best transport route? Finding the right logistics company also helps to fulfill your goal

Contingency Planning

- How do you plan to minimize the impact of a significant foreseeable event? i.e., floods. Identifying what and how things can and might go wrong enables the ability to put in place strategies to deal with the risks.

Commercialization

Marketing & Advertising Campaigns

- There are different ways you can approach this. Using radio, print and online platforms are the most optimal options. Radio is easy to spread the message to daily commuters using cars. Print such as brochures can be handed out in the streets, newspapers can print out your ad. Using the available social media platforms, i.e., Facebook can be easy as there is already a social media following. Time to expand to other platforms, Instagram and TikTok are widely used by the younger generation.

Product Launch

- The time has come to launch the product to the public. This requires all components leading up to this to be fully prepared. A successful marketing campaign creates anticipation for the product and a fully-tested product can ensure that the customer's needs are satisfied. The goal of a successful product launch is to ensure that the product resonates with customers and generates momentum to market success.

Funding Proposal

Find prospective grants

There are various ways to raise funding either locally or abroad

- Fiji Government Funding = <https://www.fiji.gov.fj/Media-Centre/News/ASSISTANCE-TO-HELP-TRADE-ENTREPRENEURS>
- International Professional Services Consultant (Grant Thornton) = <https://www.grantthornton.co.uk/about-us/supporting-global-entrepreneurs-in-the-developing-world/>
- USAID = <https://www.usaid.gov/partner-with-us/find-a-funding-opportunity/opportunities-funding>
- US Embassy in Fiji = <https://fj.usembassy.gov/education-culture/grants/>
- Fiji Development Bank = <https://www.fdb.com.fj/small-medium-business-loans/>
- Australia Pacific Regional Development Program = <https://www.dfat.gov.au/geo/pacific/development-assistance/development-assistance-in-the-pacific>

Identify the needs and goals

How funding will help

- Sufficient working capital is a key aspect of any company's financial health, and not having enough working capital can have a serious impact on the future of your business. A loan can cover short-term funding requirements while giving the business the money it needs to grow, or can bridge the gap between customer orders and supplier payments to help the company meet its funding obligations.

- Growing your business and increasing sales often requires you to purchase assets such as new machinery or vehicles. While you may have enough cash to cover working capital expenses for your company, you may look for a loan to cover the purchase of new assets to enable your business to expand. An asset funding loan is a great way to spread the costs of acquiring an expensive new asset. Fixed monthly repayments and loan terms from 6 months to 5 years can help you plan your cash flow in advance so you can make the most of your opportunity to grow.
- If you're looking to grow your business to take it to the next level, you may very well need funding that enables you to execute on your business plans. Whether you want to increase sales, expand your range of products or services, move into new premises, hire more staff, or expand internationally, a loan for growth finance can help. However you are planning to expand your business, growth finance that's right for your company can help you take advantage of new opportunities and make your ambitions a reality. If your business has its daily running costs covered, external funding may be the solution you need to grow.

Detailed budget of how funds will be used

BUDGET ITEM	DESCRIPTION	TOTAL COST
Salary & Wages		
Program Director	o 160 Hours/Month x \$30/hour x 12 months	\$76,800
Program Manager	o 160 Hours/Month x \$30/hour x 12 months	\$57,600
Program Assistant	o 160 Hours/Month x \$20/hour x 12 months	\$38,400
Contracted Services		
Translator	o 40 Hours/Month x \$35/hour x 12 months	\$16,800
Supplies		
Printing	o Workbooks: 300 books x \$12/book	\$3,600
	o Name tags: 300 attendees x \$3.50/tag	\$1,050
Workshop supplies	o Writing pads: 300 pcs x \$2.10/pc	\$630
Equipment		
	o Asus Laptops: 4 x \$600/laptop	\$2,400
	o AV system: 1 x \$800	\$800

- When preparing a proposal to raise funding, it is important to outline the budget of how the funds will be used. The table above is an example of where the funding will go to. Example: If you are raising funds in order to expand the business, you need to list out where it's going i.e., hiring more workers, purchasing new machinery to expand production capacity, increasing inventory of supplies, expanding the logistics network.

Provide info about company's track record

Relevant experience

- List out the achievements that Juice Fiji has made since its inception 2 and a half years ago. Provide the last financial year revenue as well as profit/loss statistics. Use this as a backdrop to the expected ROI that Juice Fiji may have had during the first year. This gives the investors/grant givers the proper information that is required in order to build trust. Give the mission statement for Juice Fiji, the long-term vision alongside customer testimonials which will help boost the profile for raising funds.

Why the funding is necessary

Market opportunity

- Based on the product development proposal, you can look to listing the various opportunities that requires the appropriate funding. i.e., more people are looking towards healthier products that Juice Fiji can provide, there is a gap between the younger generation to which this target audience can be capitalized by using local influencers, there is also a bigger market outside Fiji and within the pacific (Tonga, Vanuatu, Australia, New Zealand).

Competitive advantages

- Having a competitive advantage gives Juice Fiji an edge over your competitors, helping attract more customers and grow your market share. There are three types of competitive advantage
- Cost advantage = producing a product that is priced lower than your competitors
- Offer advantage = differentiating a product by adding features valued by customers (i.e., fresh/healthy ingredients, recycled bottles).
- Niche advantage = specific segment of the market (i.e., health/sport segment)

Address potential risks and challenges – how will it be managed

- Investors/grant givers would like to know the potential risks and challenges that may arise with new funding. Potential risks such as low sales volume, low customer satisfaction is important and should be followed with a detailed plan how to combat this (i.e., marketing campaigns). Other risks may be caused by indirect causes (i.e., stolen inventory, logistics issues) as well as natural causes (i.e., floods). Juice Fiji needs to come out with a contingency plan to tackle these examples of issues as investors need confidence. When it comes to providing funding.

Develop a financial plan

Expected ROI

- Juice Fiji needs to provide investors with an expected return on investment like the template below

ROI calculator

name Freitag

RETURN ON INVESTMENT

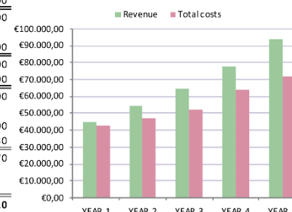
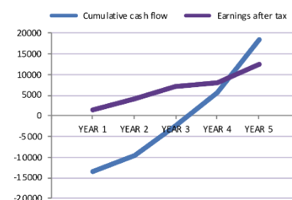
122%

PAYBACK PERIOD

3,3 year

INITIAL INVESTMENT € 15.000,00
TAX 42%

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Products sold	€500,00	€600,00	€720,00	€864,00	€1.037,00
Price	€90,00	€90,00	€90,00	€90,00	€90,00
Revenue	€45.000,00	€54.000,00	€64.800,00	€77.760,00	€93.330,00
Variable cost per product	€45,00	€45,00	€45,00	€45,00	€45,00
Total variable cost	€22.500,00	€27.000,00	€32.400,00	€38.880,00	€46.665,00
Fixed costs	€20.000,00	€20.000,00	€20.000,00	€25.000,00	€25.000,00
Total costs	€42.500,00	€47.000,00	€52.400,00	€63.880,00	€71.665,00
Earnings before tax	€2.500,00	€7.000,00	€12.400,00	€13.880,00	€21.665,00
Tax	€1.050,00	€2.940,00	€5.208,00	€5.829,60	€9.099,30
Earnings after tax	€1.450,00	€4.060,00	€7.192,00	€8.050,40	€12.565,70
Initial investment	-€15.000,00				
CUMULATIVE CASH FLOW	-€13.550,00	-€9.490,00	-€2.298,00	€5.752,40	€18.318,10



date _____



Projected revenues and expenses

- Below is a template that Juice Fiji can follow to provide projected revenues and expenses

Fit Small Business		RETAIL SALES FORECAST				
*Fill up unshaded cells only.		OPERATING DAYS:			300	
	Year 1	Year 2	Year 3	Year 4	Year 5	
CUSTOMERS						
Est. Daily Foot Traffic Passing Store	4,000	4,150	4,300	4,500	4,700	
% of Foot Traffic Entering Store	1.25%	1.75%	2.00%	2.00%	2.75%	
Total Customers Per Day	50	73	86	90	129	
SALES						
% of Customers Who Purchase	20.00%	21.00%	22.00%	23.00%	24.00%	
Total Number of Sales Per Day	10	15.25125	18.92	20.7	31.02	
REVENUE						
Average Sale Value	\$20.00	\$25.00	\$30.00	\$35.00	\$40.00	
Revenue Per Day	\$200.00	\$381.28	\$567.60	\$724.50	\$1,240.80	
Total Revenue Per Year	\$60,000.00	\$114,384.38	\$170,280.00	\$217,350.00	\$372,240.00	
OTHER REVENUE						
Other Source # 1	\$200.00	\$200.00	\$200.00	\$300.00	\$400.00	
Other Source # 1	\$100.00	\$200.00	\$300.00	\$400.00	\$500.00	
Other Source # 1	\$210.00	\$220.00	\$230.00	\$240.00	\$250.00	
Other Source # 1	\$320.00	\$360.00	\$320.00	\$350.00	\$350.00	
Other Source # 1	\$55.00	\$57.00	\$59.00	\$61.00	\$63.00	
Other Revenue Total	\$885.00	\$1,037.00	\$1,109.00	\$1,351.00	\$1,563.00	
REVENUE GRAND TOTAL	\$60,885.00	\$115,421.38	\$171,389.00	\$218,701.00	\$373,803.00	

Potential exit strategies

- Where do you see yourself in the next 5 years? In terms of expanding Juice Fiji, do you see possible funding rounds in the future? Or do you see an acquisition by bigger companies? Investors need to know the possible path that you may take with Juice Fiji whether it is through getting acquired, raising more funds or bootstrapping the company till a possible listing?