



INNOVATIVE INTEGRATED TRAINING IN HEALING PLANTS BUSINESS

IO3 - The Total Business Plants Training Material

Module No. 4

“Business start-up in the sector of medicinal plants”

FyG Consultores



- **Summary**

Unit 1 “Business Start-Up planning” presents information related to Start-Ups and entrepreneurs. All data provided is connected with starting a new business and creating a plan that will help the learner to build its own business. Main steps are listed and explained in a way easy to understand.

- **Learning outcomes**

- ✓ **Knowledge, understanding and professional skills:**

1. Define terms connected with Start-Ups creation and preparation
2. Extensive knowledge and possibility to discuss about: Planning, main requirements, financial aspects and evaluation.

- ✓ **General and transferable skills:**

1. Understand the meaning of Start-Ups
2. Create first base and idea of Start-Up connected with Plants
3. Be able to explain and share the knowledge about Start-Ups

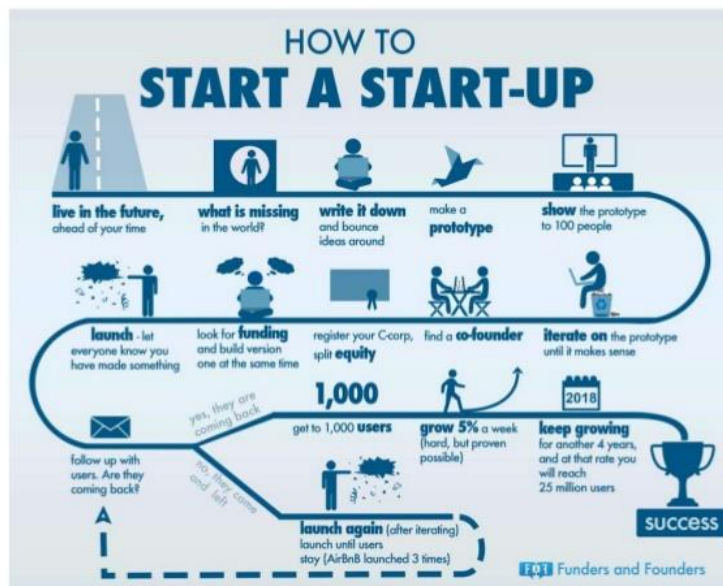
Unit 1: Business Start-Up Planning

Social media, internet, newspaper, radio and everywhere around people talk about new challenges, opportunities, business, sectors that are growing and Start-Ups that are growing everywhere from all possible sectors (IT, Marketing, Medicine, Education, Entrepreneurs etc.). The most common small business that are spreading all over the Europe. Find the idea and have an idea is one thing but build the Start-Up is another story. While creating your own business – Start-Up everyone has to know that it’s like roller coaster – one moment you are up and feeling like a start but suddenly you can “go down” and fall apart with many issues and doubts about your future. Diversity is good and can cause many positive results. A Start-Up is the opportunity for everyone – there are no limits related to age, generation, sex or nationality. This sector is open and very wide. What’s important is to have in mind that while creating a Start-Up it is made for people, for the society in order to change the way that people live their lives.

Short summary about Star-Up:

- young developing company (young doesn’t mean it needs to be run by young people)
- most of the time small at the beginning and financed by funds/government support /EU or one individual
- offering product or service that is new and has the purpose of facilitating life of the others
- offering something that already exist but in an innovative, better and modern way

Important to know that Start-Up is not the same as a Small Business. Start-Up is usually a temporary organization that is following a Business Model and searching for new possibilities and challenges. The idea that’s is creating should crash with the current market and have significant impact on it. Start-Ups starts from zero and the support is not the same as fro well known big companies.



Important to know:

- A Start-Up is **Temporary**; later with time its growing and turning into a big company.

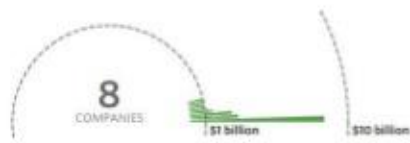
The organizational function of the Start-Up is to search for a repeatable and scalable business model. According to Blank, this means that a Start-Up founder has three main functions:

1. To provide a vision of a product with a set of features
2. To create a series of hypotheses about all the pieces of the business model: Who are the customers? What are the distributions channels? How do we build and finance the company, etc.
3. To quickly validate whether the model is correct, by seeing if customers behave as your model predicts (which he admits they rarely do).

- A Start-Up Is Funded Differently

Start-Up and any other small business might start with funds from the founder's savings, family or friends support or a bank loan. If a Start-Up is successful probably will receive additional series of funding from an investor or initial public offering (IPO). The Start-Up founder's equity is eroded but ownership of the company diversifies.

The Eight Most Successful Start-ups in Europe which you might know and use their service



Company	Latest Valuation	Total Equity Funding	Last Valuation
Spotify	\$8.5 billion	\$1.0 billion	May 2015
Delivery Hero	\$3.1 billion	\$1.3 billion	June 2015
Powa	\$2.7 billion	\$156 million	November 2014
Adyen	\$1.5 billion	\$500 million	December 2014
Home24	\$1.0 billion	\$20 million	December 2014
Shazam	\$1.0 billion	\$170 million	January 2015
Farfetch	\$1.0 billion	\$195 million	March 2015
Funding Circle	\$1.0 billion	\$273 million	April 2015

Source: <http://graphics.wsj.com/billion-dollar-club/>

You are probably asking yourself what kind of skills you need to build your Start-Up. Let's be honest:

- You should be patient
- You have to know you might work more than 8 hours per day and probably during the weekends
- You have to be motivated and have positive attitude – with positive attitude everything is possible!
- You should be open-minded in order to keep your business innovative
- Be creative in order to make your business different and beat your competitor
- Do not be afraid to fail

"Forget about the consequences of failure. Failure is only a temporary change in direction to set you straight for your next success." **Denis Waitley**

"I can accept failure, everyone fails at something. But I can't accept not trying." **Michael Jordan**

How to start my Start-Up?

First of all, think and have an idea as it's the basic and very important step. Without any idea, we can't start. Make a list of your possibilities, advantages, ideas and skills – everything that you have today.

We share with you some features and facts that might help you believe that you can do it because for sure you have one or more from those:

- The idea
- Knowledge about the sector/field/market
- Energy to work
- Motivation – I want to work and earn money
- Have large field

- Love plants and I grow plants
- You work hard
- You have marketing/sales/finance/IT experience
- You have positive attitude
- You very well organized and you go-ahead

As we mentioned, first you need to think about the idea, so what medicinal herbs/plants you would like to grow and what kind of herbs you can grow in your environment – not the same plants can grow in Greece, Italy or Poland. Remember that the market is huge and there are hundreds to choose from.

Don't feel like you have to grow everything, it is best to focus on the one that might bring clients and help your business grow! If you start with all kinds of plants at the same time, it might create more headaches and unnecessary hard work than if you just focus on a selected few. That way you'll become an expert on those ones and you will build a reputation as a medicinal plants/herb expert.

It is very important to know before you start - think carefully about the time when you start (which period of the year). Do you want to start when your plants will grow or maybe before in order to prepare everything?

Opening new Medicinal Plants Business is very similar to any other IT, Marketing, Cosmetics, Sales business. Before you "Go Live" you have to read a lot, learn and be ready for everything that might come. The key for your business is the space and good conditions for your plants which are your power!

Each sector needs other environments in order to succeed, that's why its critical to have in mind which kind of requirements are related with your area.

Before you decide the plants to cultivate, think about:

- Your climate, soil and irradiation
- Place that you have and space
- Time that you can and want to spend
- Proper equipment that you need
- Delivery service – by car, train, post office?
- Working a lot with nature – do you like it?
- Kind of plants you would like to grow – if you grow something you like you will enjoy it!
- Amount of plants you can afford and you want to sell – do not start with so many as it might be difficult at the beginning. Better go step by step
- What kind of winter and summer temperatures your plants need
- Who will work with you, who will support you – it might be difficult at the beginning
- Who will take care of the plants
- Who will manage the business?
- Who will work with the clients
- Who will be responsible for the marketing and financing part
- Who will sell the plants?
- What's the way to sell the product?
- Where will you store seeds and plants
- How much space each plant needs
- If you need a greenhouse or not
- Your motivation and involvement – without that it will not work!

Here are a few popular medicinal herbs to consider growing for profit:

Catnip – Used primarily as a stimulant for cats. Used also for pain and stress relief, as well as helping with cold and flu symptoms.

Chamomile – Can make for a great, soothing tea. Medicinal benefits such as: being a digestive, calming and sleep aid.

Lemon Balm – the strongly scented leaves of this herb can make for a great tea in addition to being an immune booster and beneficial to the digestive tract.

Marshmallow – this herb, also known as *Althaea officinalis*, used to treat many skin conditions, coughs and bronchitis, helpful for the digestive tract.

Mint-Mentha – Originally used as a medicinal herb to stomach ache and chest pain.

Which are the advantages of creating Business related to Plants?

- ✓ Working with nature – no need to be 8hours watching your PC and stay in the same position for minimum 8 hours
- ✓ Getting back to basic stuff – working with nature which is good for your body and soul
- ✓ Work close to your home as many people dream about the job that allows them to stay at home and “work from home” so they can spend time with family and be closer with them
- ✓ You start with small field and if you see it’s growing you make it bigger
- ✓ You can always add or change the plant if you see that there is a need for it

Creating a Start-Up is like going for a trip somewhere where we have never been before. You have the basic knowledge about the place – in this aspect about you have the basic idea and know the sector but there are still missing facts that you will learn while “travelling”.

Have a look on 7 Steps you should walk through during your Business Journey:

1. Manage a personal evaluation

- What’s the reason that you want to start a business? What motivates you? Money, different life, changes, dignity or other reason?
- What competences do you have and which ones you can use?
- About which area or sector you know more?
- Will you offer a product or service?
- Do you feel like working part time, full time, weekends or night sheets?

2. Evaluate your industry

As soon as you make a decision on which kind of business you want to have. The one that fits your goals and expectations, you should evaluate your idea in order to make sure that it's a good one and will work out. Who is your customer? Will they buy the product? Do you have competitors, if yes who they are? Don't forget about money – it's important to know how much you need to start.

- How big is the market? Are there other services like mine and people are paying for it? Maybe the idea you have is no longer existing and people won't pay for need as they don't need it anymore. Example: "handwriting classes" is almost anachronism.
- How easy or hard is it to get a customer? How much do I have to spend in order to acquire a new customer?
- How much time, effort and money you need in order to deliver the best profit and service?
- How long will it take for you to get to the market? Is it an easy/small market or on the contrary very difficult one? Is one month, year enough to be recognize and connect with this market?
- What do you have to invest before you start?

3. Remember to work legally

- Check very carefully pros and cons of this specific business
- What papers and perditions you need
- What conditions are required

4. Start the planning process

"Our goals can only be reached through the vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success."
– **Pablo Picasso**

You can start planning process by creating a roadmap – business plan. It will help you chart your progress and at the same time show you missing aspects you have to accomplish in order to achieve specific goal. Business plan is not another paper that later you might throw away, think about it as a document where you can formalize your ideas and intentions. Again, we come back to the topic of travelling, before going somewhere you plan the trip with more or less details but you do it. The same with Start-Up, you need a plan that you will follow or at least you will a based that might be changed. Planning helps to uncover missing parts that you have not thought trough before. Basic planning refers to simple questions, for example: When do I want to start? Where will I work? What do I need? Do I need a team? How much money and equipment I need?

5. Get financed

Depending on the size of your business it's always complicated to find financing help at the beginning. Most of the time people start with their own financing savings. Before you go to the bank of ask you family to support you check all possible governmental or European help for Start-Ups from many different sectors. Maybe it won't cover all your needs but it's always good to receive some extra money.

6. Set up shop

Slowly you are getting there, to the end. Business Plan done, money collected and waiting in the bank, ideas ready to go and get on fire so you are also ready to go. Still there is a long list of tasks to do. From many steps, you still have to take some of them are related to setting the shop. If you decide to sell online and have also a shop think about: location, place, furniture, printer, phone etc. Location is very important as it might dictate the type of customer you attract, what kind of promotions and events

you can run. Great location doesn't guarantee a big success but from the other hand a bad location might definitely guarantee failure.

If you are thinking about Shop or sale your products online anyway you have to think about:

Price – How much people can spend on this product? How much you have to earn to keep working and growing?

Visibility – Is it easy to see your shop? Is your website easy to ready? If you run a promotion, will they see it? Do you have a parking place? Are you in the centre or far away without any access to the public transport?

Competitors –Do you have your competitors close to you? If yes, maybe the location is not the best and you should change it? Who are your competitor and how can you do your business better and provide the service that will attract the customer more than the other.

Local, city, village, rules and regulations—Look into regulations, as areas may be more stringent than others. Make sure there are no restrictions that might limit your operations.

Good to know:

- If you place your products low on shelves that can cost a situation when people are unlikely to see them and therefore unlikely to buy them, whereas placing them at eye-level will mean they're seen first and are therefore probably more likely to reach and be bought.
- Your choice of products and how you decide to price them will create a reputation.
- If you're a service business, build your services in a similar manner, considering your different clients and the value they will get from the different options you offer.

7. Expect to make mistakes

Whether you're starting your first or your third business, always expect to make mistakes. This is natural and at the same time making mistakes means learning and improving.

If you do not make mistakes, you do not learn what to do more and what less. Be open-minded, creative, adapt to the situation, look for opportunities, and above all, enjoy what you do!

The great thing about owning your own business is that you get to decide what you want to do and what direction you want to grow in.

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