

# The on-line Business Plan

**The National Rural Network action to provide farms and assessment bodies (public and private stakeholders) with an efficient and reliable tool for investments planning**

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## Basic Regulation

**Art. 22 of the EC Regulation 1698/2005 provides for the submission of a Business Plan to access the aids for the first settlement (measure 112)**

**In Italy, the request for the presentation of a Business Plan has been extended to the major investment measures (121, 123, 311) within the regional Rural Development Plans (21)**

# The role of the Business Plan

- ✓ as self-evaluation instrument for investments by the entrepreneur
- ✓ as assessment and selection instrument by the Public Administration
- ✓ as essential assessment report for the access to private capital

# The problem of building a Business Plan for farms

- ✓ **Basic difficulties related to the need to make predictions on future costs and prices of products**
- ✓ **The structural instability of agricultural markets even increases this problem**
- ✓ **A further difficulty exists in Italy, where most of the farms is not provided with accounting systems**
  - ✓ **The absence of accounting records makes extremely complex to assess the financial performances of the farms in the previous years**
  - ✓ **The lack of reliable data makes any predictions on future costs and revenues even more difficult**

# Needs

- 1) Modern business planning methods in agriculture**
- 2) Integration among market, institutions and production databases**
- 3) Business self-evaluation for farmers (not based on empirical evaluation criteria)**
- 4) Evaluation of the credit worthiness in agriculture**



# Goals

## Farmers:

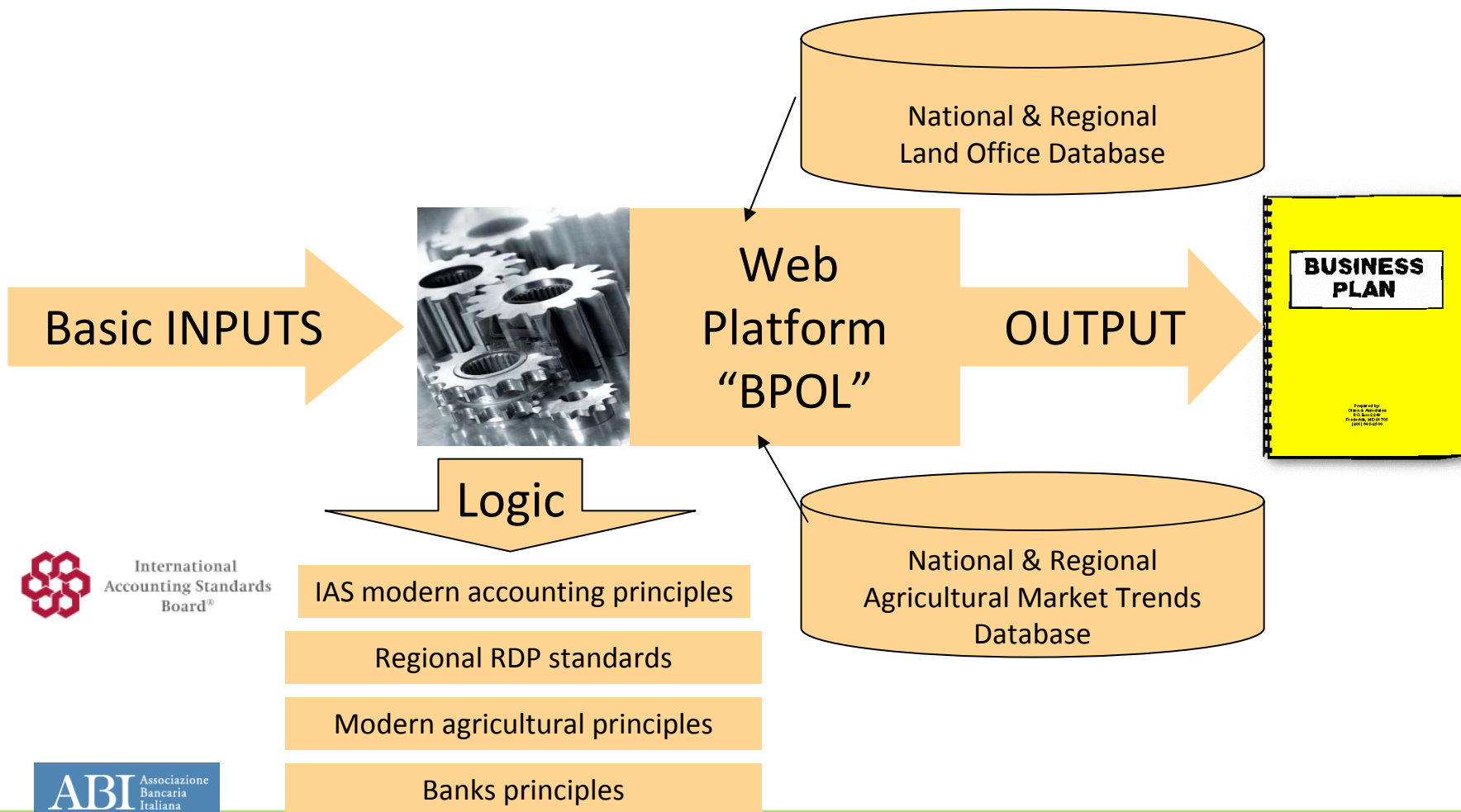
- Developing a good business idea
- Defining investment and funding sources
- Assessing the viability of the business choices
- Checking the project's implementation

## Regional public institutions:

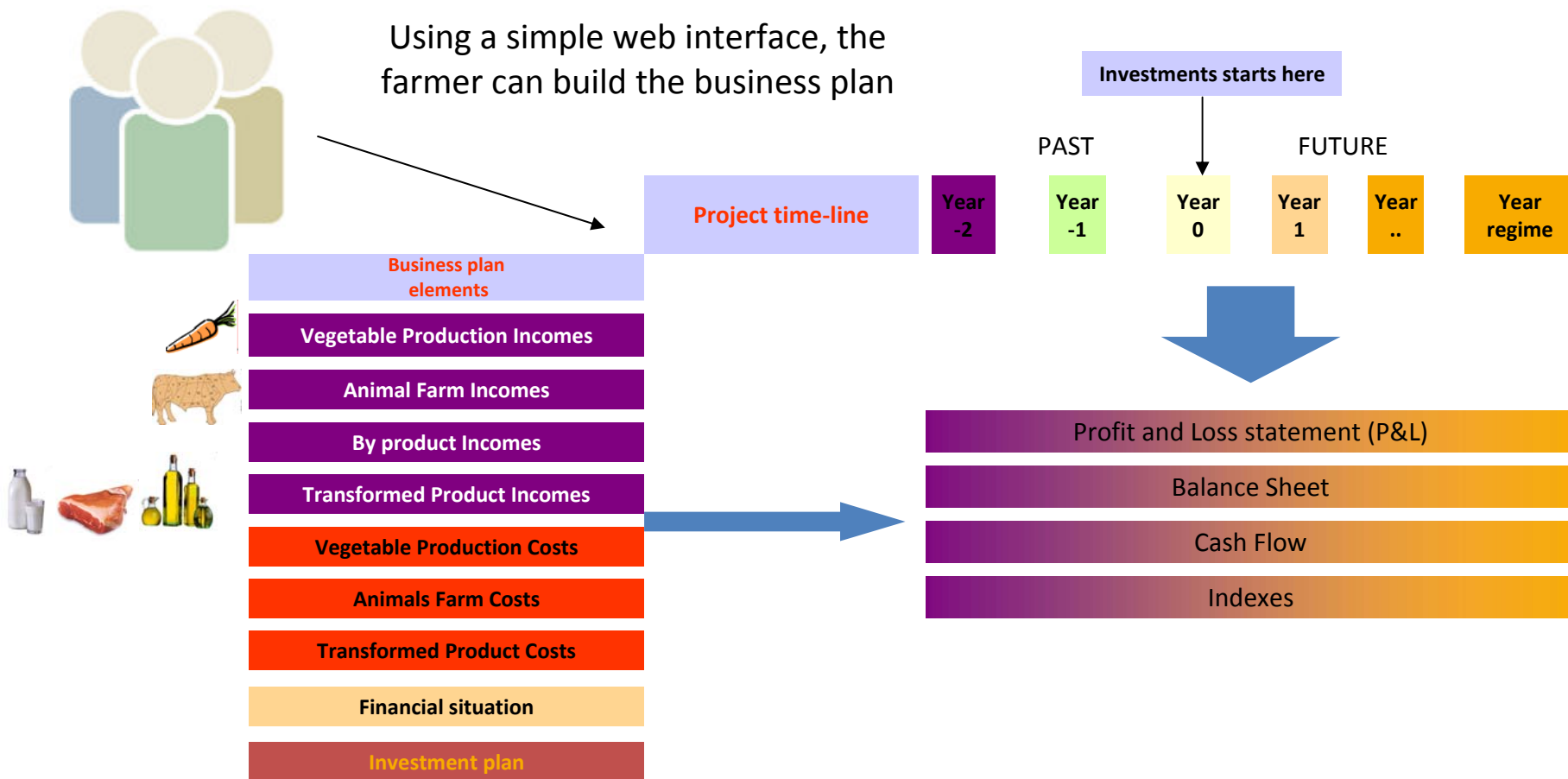
- Analysing the financial viability of the business projects using international accounting standards
- Decreasing the risks related to the disbursements of public loans

# The Idea...

HOW DO WE RESPOND ?...SOFTWARE AND SYNERGY !!!



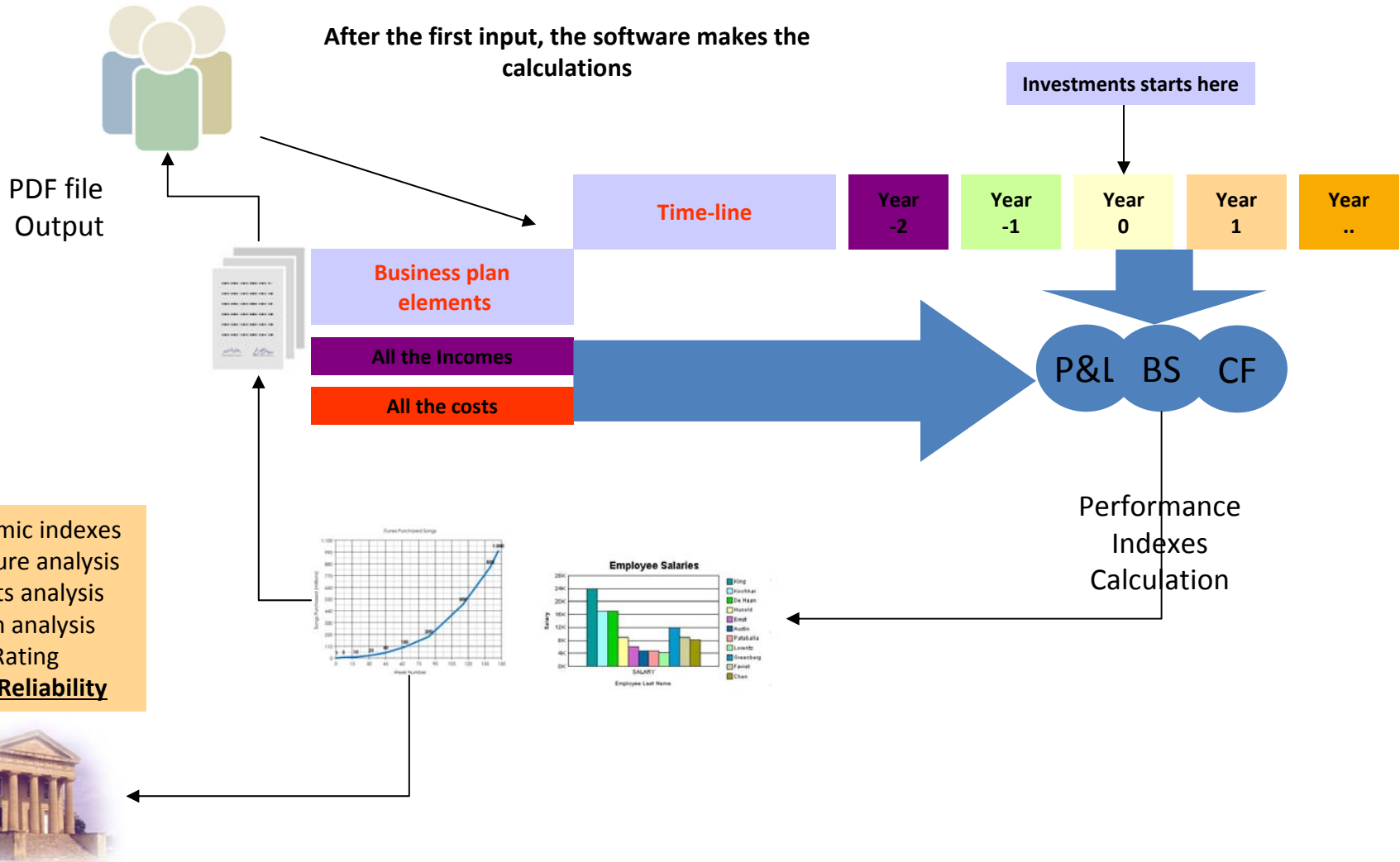
# What does the software do?





# Outputs

After the first input, the software makes the calculations



# Plan Reliability Check... The warning system

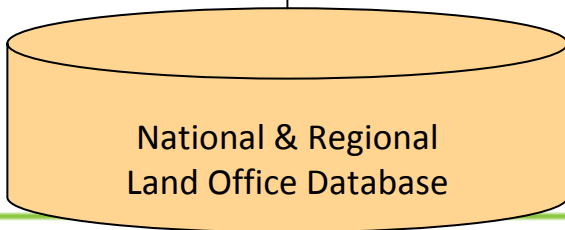
## Vegetable production interface

Categoria	Coltivazioni	Codice	Qualità	SAU Ripetuta (HA)	SAU (HA)	Prod Unitaria	Prod tot	Prod Venduta	Reimpieghi aziendali	Prod trasformata	Prezzo unit €	IVA%	Crediti al 31/12 €	Rimanenza al 31/12 €
Non Definito	Non Definito	Princi	Non I								Non I			
Uve da vino Doc-Docg	Uve per Prosecco	Principale	DOC-DOCG	0,00	3,49	98,50	343,77	0,00	0,00	3.377	400,00	4%	0,00	0,00
Uve da vino Doc-Docg	Uve per Prosecco	Principale	DOC-DOCG	0,00	0,23	0,00	0,00	0,00	0,00	0,00	0,00	4%	0,00	0,00
Actinidia	Varietà emergenti e precoci	Principale	Convenzionale	0,00	10,00	50.000,00	500.000,00	500.000,00	0,00	0,00	0,90	20%	0,00	0,00
Cereali	Frumento tenero	Principale	Convenzionale	0,00	24,45	4,25	103,91	103,91	0,00	0,00	140,00	4%	14.547,40	0,00
													€ 14.547,40	€ 0,00

The total cultivated land is higher than the property

The unit production is out of range

The unit price is out of range



JiT interaction

JiT interaction

# The Pilot Project



## Implementation of the BPOL in Veneto Region:

- 1) Concerned measures: Youth Aid (measures 112, 111, 121, 114) and measure 121**
- 2) Implementation period: November 2009 - December 2010**
- 3) Using the BPOL for the first tender (measure 112 - Youth Aid) 15 Jan. – 12 Mar. 2010: 500 Business Plans submitted**
- 4) Technical assistance: training of farm advisors (10 days for 350 consultants); training of assessment body experts from Regions (4 days for 25 experts); on-line support (web assistance and toll free number)**
- 5) Following phase, Jul. – Sept. 2010: presentation of the BPOL for the measure 121**

## In conclusion

### Strong points:

- 1) Actual increasing of the overall quality of the investment plans
- 2) General standardization of the process (according to the basic international accounting system)
- 3) Improvement of the preliminary analysis of a project
- 4) Simplification of *ex-post* controls
- 5) Enhancing the global spending of public funds

# Thank you!

**The “National Rural Network 2007-2013” working team**

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