
STUDY ON THE RESULTS PROGRAMMED AT A COMMERCIAL COMPANY

Alexandra Diana Chirescu (chirescuaalexandra18@stud.ase.ro)

*Facultatea de Economie Agroalimentară și a Mediului, Academia de Studii
Economice din București*

Coordonator: conf.univ.dr. Simona Roxana Pătărlăgeanu

*Facultatea de Economie Agroalimentară și a Mediului, Academia de Studii
Economice din București*

Abstract

In this paper, it will be presented a synthetic business plan for an apple orchard in the South-East of the country. In the first part of the paper it will be presented a bibliometric analysis for the field of entrepreneurship together with the summary of the market analysis, the strategy and implementation, the management and operations in brief, the financial plan, the financing request and the exit strategy.

Keywords: *business plan, orchard, bibliometric analysis*

JEL classification: D2 Production and Organizations

Introduction

The aim of this paper is to analyze the economic performance of an orchard. The paper is organized in 3 sections: review of the scientific literature - in which the bibliometric analysis on the field of entrepreneurship was performed; methodology, data, results and discussions - in this section the analysis of the market, the strategy and the way of implementation within the enterprise, the management of operations, the financial plan were discussed; the last section being dedicated to the conclusions.

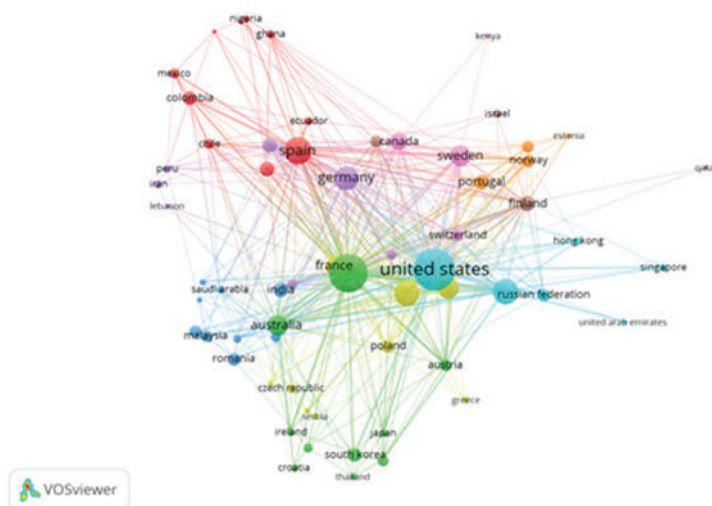
I. Literature review

Quantitative analysis of scientific documents found in the Scopus database - Bibliometric analysis performed in VOSviewer

In this chapter, a bibliometric analysis for the field of entrepreneurship was performed. Thus, the figure below shows the analysis of the collaboration relations between the states.

Analysis of the collaboration relations between states

Fig.1

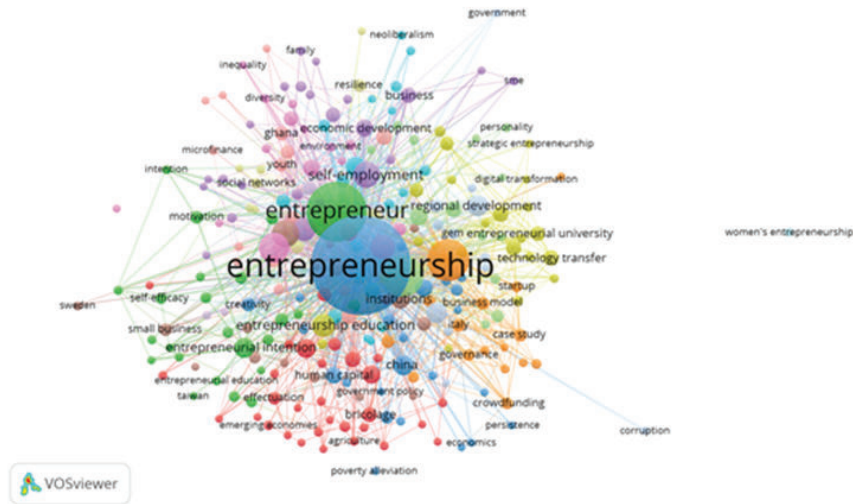


Own conceptualization based on data from Scopus

The analysis was performed for 63 states. In the first place in terms of the number of collaborative relationships is the United States with 40 links and 369 published documents. In second place is the United Kingdom with 47 links and 308 published documents. The analysis also identifies Romania with 9 links and 34 documents published in the field of entrepreneurship. Figure 2 shows the analysis of the keywords used by the authors.

Keyword analysis

Fig.2



Own conceptualization based on data from Scopus

The most commonly used word is entrepreneurship with 714 appearances, followed by entrepreneur with 262 appearances, economic development with 23 appearances and others.

II. Research methodology, data, results and discussions

In the first part of the paper, a bibliometric analysis in the field of entrepreneurship was performed. 2,000 documents were analyzed using VOSViewer software. The following is a summary of the market analysis, strategy and implementation, brief management and operations, financial plan, funding application and withdrawal strategy.

2.1 Summary of the market analysis

The table below shows the analysis of orchard launch costs.

Golden Apple Orchard - Launch costs (Euro)

Table 1

Launching costs	2.000 Euro
Legal costs	4.300 Euro
Equipment rental	25.000 Euro
Employees	40.000 Euro
Orchard expenses (fertilizers, treatments, seedlings)	50.000 Euro
Land rent	15.000 Euro
Administrative human resources	50.000 Euro
Website development and hosting	500 Euro
Logo	200 Euro
Miscellaneous	1.000 Euro
Total launching costs	188.000 Euro
Launch assets	170.000 Euro
Cash required	30.000 Euro
Stock launch	0
Fixed assets	0
Total assets	200.000Euro

Source: own conceptualization

Golden Apple Orchard - Launch costs (Euro) - Continued

Table 2

1.Starting expenses to be financed	188.000 Euro
1.1. Launching assets to be financed	170.000 Euro
1.2.Total funding required	388.000 Euro
2.Assets	
2.1.Non-monetary assets for launch	25.000 Euro
2.2. Cash required for launch	15.000 Euro
2.3.Additional cash attracted	0
2.4. Cash availability at launch date	15.000 Euro
2.5.Total assets	200.000 Euro
3.Liabilities	
3.1Current loans	0
3.2. Long-term liabilities	0
3.3. Debts (unpaid invoices)	500Euro
3.4. Other current liabilities (non-interest bearing)	0
3.5.Total liabilities	500 Euro
4.Capital	
4.1. Planned investment	199.500Euro
4.2.Other	0
4.3. Additional investment required	0
4.4. Total planned investments	199.500Euro
5. Launch costs	188.000 Euro
6.Total capital	199.500Euro

Source: own conceptualization

The Golden Apple Orchard focuses on all categories of customers, given the fact that the fruits are consumed by most people, regardless of age, social status, etc. As can be seen, start-up costs are less than assets and investments.

The situation of expenses for an orchard that is not fruitful

Table 3

Explanations	Financial year 1 (Euro)	Financial year 2 (Euro)
1. Expenses for treatments + tree care	30.000	31.000
2. Expenses for safety nets	4.000	0
3. Water costs	300	450
4. Mechanical works (semi-clearing plowing, autumn plowing, leveling, loosening, digging holes, transporting planting material, fertilizing, spraying)	60.000	30.000
5. Handicrafts (picketing, planting, stem protection, whitewashing, hoeing, green cutting)	9.000	1.000
6. Unforeseen expenses (10%)	10.330	6.245
7. Total expenses	113.630	68.695

Source: own conceptualization

In the situation set out above, start-up and other pre-planned expenses are not included. The expenses presented in the table refer strictly to the works necessary for an orchard that has not yet borne fruit, according to the technology. Expenses related to the fruiting of the orchard will be covered by using the liquidity left over from the opening of the company and making the related payments.

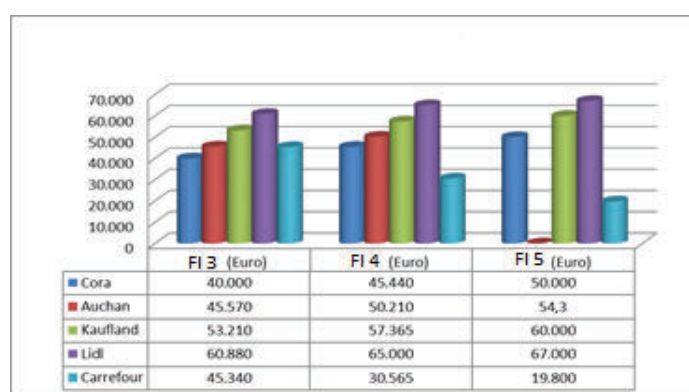
2.2 Strategy and implementation - summary

The Golden Apple Orchard will enter the market both through distribution networks and through the sale of fruit to individuals. Thus, they can buy apples directly from the orchard or from the partner stores Cora, Auchan and Kaufland. The Golden Apple Orchard has identified its market as made up of all the people who regularly eat fruit (apples) and who want to have a healthy lifestyle. The Golden Apple Orchard offers consumers fresh, natural and very tasty fruit. The competitive advantage presented by the Golden Apple orchard is simple, it offers high quality fruits, tasty, fragrant, natural and at a competitive price. The fruits can be bought either from the orchard gate or from partner stores. In terms of marketing strategy, Golden Apple Orchard is a partner with Cora, Auchan and Kaufland, hypermarkets with a high number of customers. Thus, they can buy fruit from us and when they see how tasty they are, they will definitely come back. The Golden

Apple Orchard will implement a low-cost advertising campaign, which could contain radio spots during peak traffic hours, small TV commercials. The Golden Apple Orchard promotes a healthy lifestyle and therefore will build relationships with schools, high schools and colleges, to educate young people about regular fruit consumption. The chart below shows the expected sales for fiscal year 3, 4 and 5.

Expected sales for the Golden Apple orchard

Fig.2.2



Source: Own conceptualization

It is expected that in the financial year 3, 4 and 5 apple sales will increase by about 15-20%.

2.3 Operations management at a glance

The Golden Apple Orchard has a relatively simple organizational structure. The management expenses related to the management will be kept to a minimum and all managers will be involved in the work specific to the economic activity carried out. It is not intended to build a centralized company because in this way the expenses are higher and the decisions are more difficult to make. The owners will be actively involved in the management and operation of the orchard. The founders of the orchard bring a solid managerial and technical foundation. Tasks will be divided equally. The production system practiced in the Golden Apple orchard is semi-intensive. Thanks to the technology used and the order delivery system, stocks can be controlled through optimized orders, through a computerized system. Through the proper care of the orchard, we aim to obtain constant production and quality.

2.4 The financial plan

The break-even point is the value from which the company starts to make a profit. At a turnover of 251,000 Euros in the 5th year of financing, the expenses are worth 91,550 Euros, which means that the quantity of apples sold at the price / kg of 3 lei, ensured the exceeding of the profitability threshold with a value of 159,550 Euro. In order to reach the break-even point, it is necessary to sell 253,862.5 kilograms of apples, at the price of 3 lei / kg. If the net profit of the company is 199,600 lei, and the own capital is 199,500 lei, the rate of economic profitability is 79.9%. If we refer to the rate of financial return, it is 100% if the same conditions are met. In the same situation, the rate of return on expenditure is 209.7%.

Financial planning

Table 4

Explanations	Financial year 3 Euro	Financial year 4 Euro	Financial year 5 Euro
Increase sales	0%	101,5%	AF 5
Percentages of total assets			102,5%
Inventory	0%	0%	
Other current assets	100%	100%	0%
Total current assets	100%	100%	100%
Long term assets	0%	0%	100%
Total assets	100%	100%	0%
Current liabilities	%	%	100%
Long-term liabilities	0%	0%	%
Total liabilities	0%	0%	0%
Net value	0%	0%	0%
Percentage of sales			0%
Sales	100%	100%	
Gross profit margin	79%	79,4%	100%
General liquidity	5,5	5,6	79,4%
Immediate liquidity	5,5	5,6	5,7
Total debt / Total assets	0,179	0,177	5,7
Return on assets	66,4%	66,7%	0,175
	AF 3	AF 4	66,7%
Additional indicators			AF 5
Net profit margin	79%	79,4%	
Return on capital	80,9%	81,1%	79,4%
Payment days	20	21	20
Total assets turnover	245.000	248.580	251.100
Debt indicators			
Liabilities/Capital	21,8%	21,5%	21,2%
Current liabilities/liabilities	100%	100%	100%
Liquidity indicators			
Net working capital	161.800	164.807,2	166.924
Current liabilities / Total assets	17,9%	17,7%	17,5%

Source: own conceptualization

According to the table, the gross profit margin registered high values, of approximately 79% in the analyzed period. It can also be seen that the return on capital is 80%. As for the debt / equity ratio, it was 20%. The net working capital is 161,800 Euro in year 3, 164,807.2 Euro in year 4 and 166,924 Euro in the last year. Last but not least, the ratio of current liabilities to total assets is approximately 18%.

2.5 Funding application and exit strategy

The Golden Apple Orchard requires an initial funding of 388,000 Euros for the launch phase. The expenses incurred after the launch phase will be made from the remaining money, the company having the amount of 1 million Euros, its own sources. In order to recover the investment made, the following scenario is proposed. The Golden Apple Orchard is a well-developed company from an economic point of view. According to the previous analyzes, there is a substantial increase in sales by 102% compared to year 3, which leads to an increase in turnover of 102% and profit of 103%. As can be seen, the company has no debts, all expenses being made from its own funds. The orchard will become more and more known on the market for the quality of the fruits obtained, which will lead to an increase in market share and, implicitly, in the selling price of the orchard. For added value, you can buy a plant for making fresh apple juice.

Conclusions

This article aims to summarize a business plan for an apple orchard. Thus, the scientific interest for the field of entrepreneurship was analyzed and the main components of a business plan were studied.

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