

Validating Your Business Idea

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ASEAN Farmers' Organisation Support Programme (AFOSP)

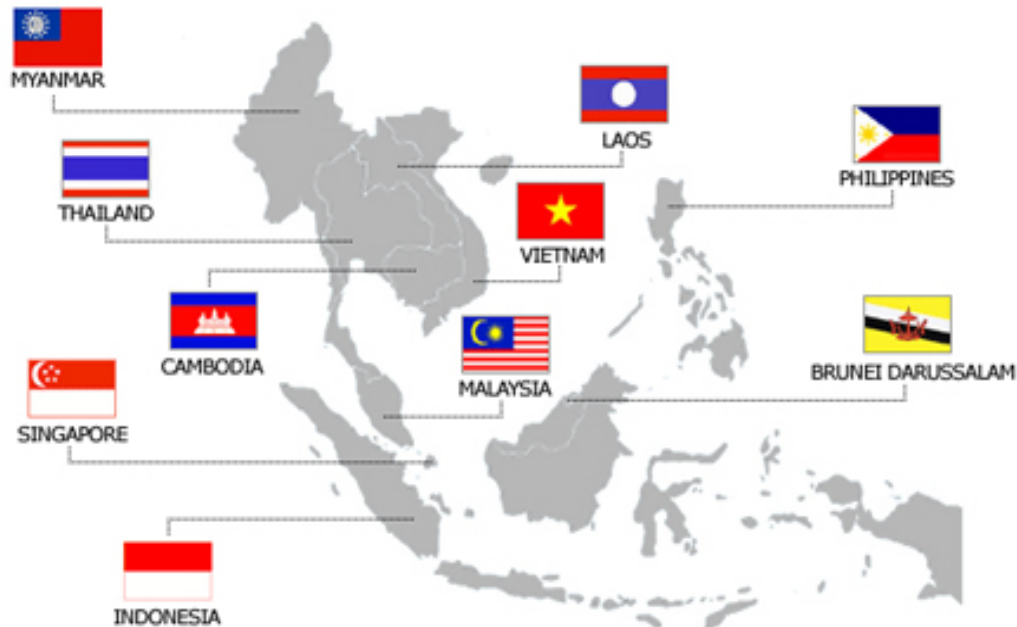
ASEAN Foundation





ASEAN Foundation

ASEAN Member Countries



Through **close collaboration** among the business sector, civil society, academia, and other stakeholders in ASEAN, ASEAN Foundation has mandates (ASEAN Charter):

1. Promoting greater awareness of ASEAN
2. Enhancing interaction among ASEAN people
3. Human resources development
4. Poverty alleviation



ASEAN Foundation Thematic Areas



Education

- Scholarship
- Model ASEAN Meeting
- Internship
- ASEAN Data Science Explorer
- ASEAN Science and Technology Fellowship



Arts & Culture

ASEAN Puppets Exchange Programme



Media

ASEAN Youth Video Contest



Community Building

- AFOSP
- ASEAN Leaders Programme
- S Rajaratnam Endowment – ASEAN Community Forum
- Social Sabbatical and Volunteerism

Agenda

11.00 – 11.15	Presentation and Briefing for Group Work
11.16 – 11.45	Group Work
11.46 – 12.15	Role Play
12.15 – 12.30	Q/A and Summary



1. OBSERVATION

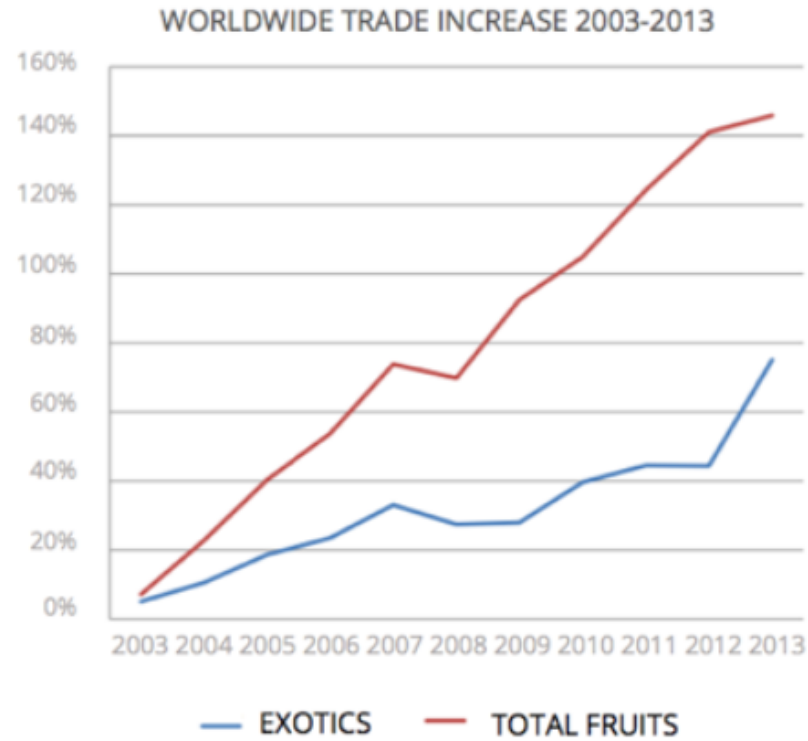
- Read newspapers and reputable online media/platform,
- Observing trend of trade, demand, or consumption

Let's us start with Fruit Consumption (credit to Java Fresh, www.javafresh.co)

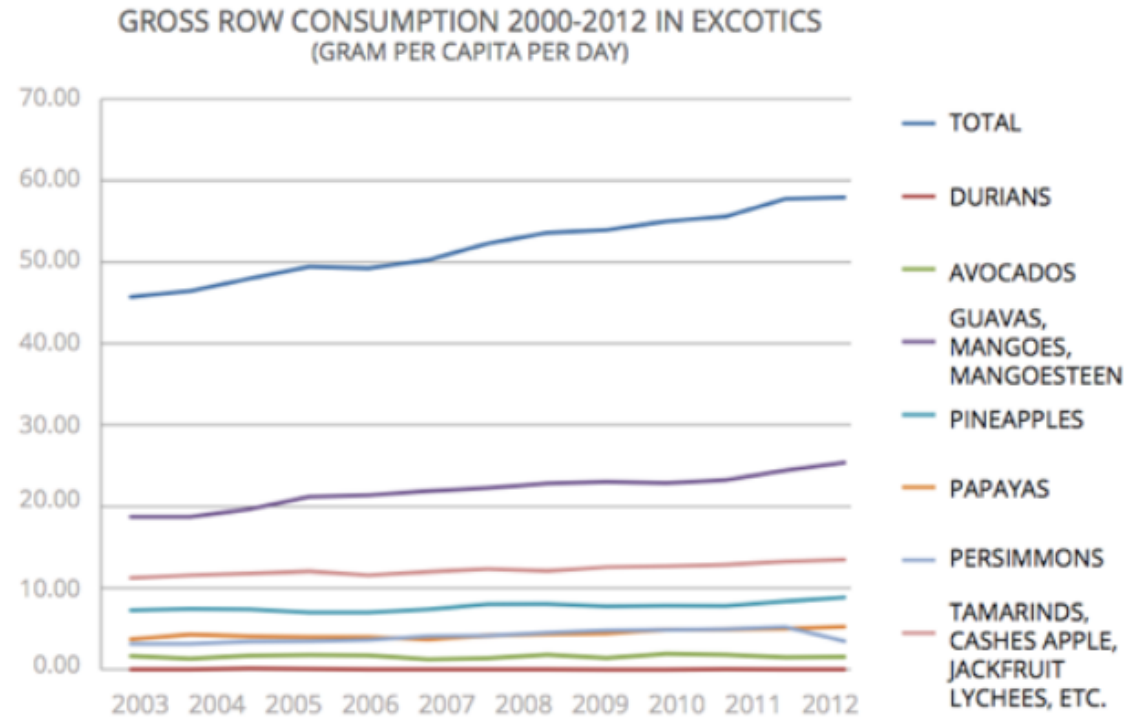




EXOTIC FRUIT CONSUMPTION



Exotic fruit consumption keep increasing year by year



Consumption growth are shown in 5 types of fruits grown in Indonesia



INDONESIA FRUIT BUSINESS OPPORTUNITIES



Indonesia has an area of 191.9 million ha , with Average rainfall 180 – 200 mm per month Average temperature 23° - 28° Celsius



Suitable to produce a wide range of **tropical and sub-tropical** fruits



As the third in rank of fruit production, Indonesia is the land of tropical fruits



Yet, we're not in in Top 10 fruit exporter countries, still running behind Thailand, Malaysia and Vietnam due to lack of marketing and quality stability

Sources: European Fresh Produce Association, 2015





EXOTIC FRUIT PRODUCERS

Indonesia is one of top 10 exotic fruit producers

WORLDWIDE LARGEST PRODUCERS OF EXOTICS (IN 2012, VOLUME IN t)

INDIA	26,249,390
CHINA	12,560,458
INDONESIA	8,505,228
THAILAND	7,740,347
PHILIPPINES	6,666,567
BRAZIL	6,265,850
MEXICO	4,946,412
KENYA	3,587,803
NIGERIA	3,055,000
COSTA RICA	2,643,097

WORLDWIDE LARGEST EXPORTERS OF EXOTICS (IN 2013, VOLUME IN t)

COSTA RICA	1,973,376
MEXICO	1,100,351
THAILAND	1,093,613
SPAIN	559,001
PHILIPPINES	495,495
NETHERLANDS	450,174
INDIA	338,761
PERU	247,638
UNITED STATES	243,333
BELGIUM	199,314



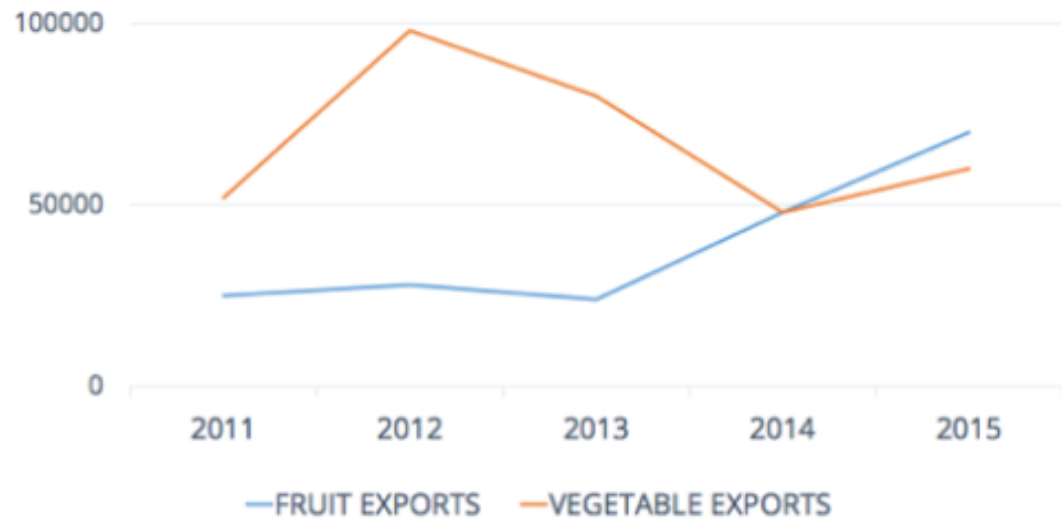
OPPORTUNITY INDICATORS

INDONESIA FRUIT EXPORTS | VOLUME (TONNES)

FRESH FRUITS	2015	CHANGE ^	SHARE
MANGOESTEENS	38,071	277.6%	53.7%
BANANAS & PLANTAINS	22,308	-15.1%	31.5%
TAMARINDS	2,288	-28.0%	3.2%
SALACCA (SNAKE FRUITS)	2,202	130.3%	3.1%
LEMONS & LIMES	1,259	1.9%	1.8%
MANGOES	1,241	8.1%	1.8%
STRAWBERRIES	408	99.0%	1.0%
MELONS	336	41.8%	0.8%
PINEAPPLES	874	1098.1%	1.2%
OTHER	2,602		3.7%
TOTAL	70,845	58.6%	100%

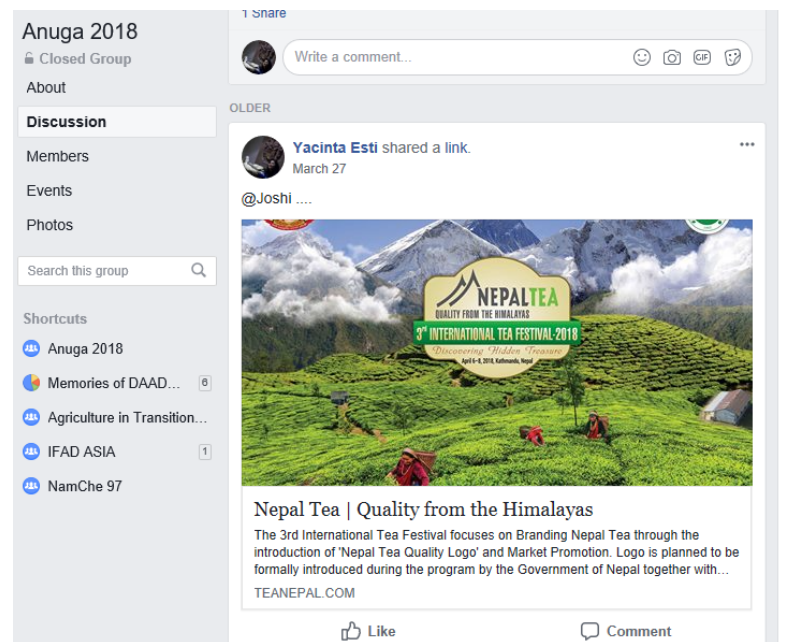
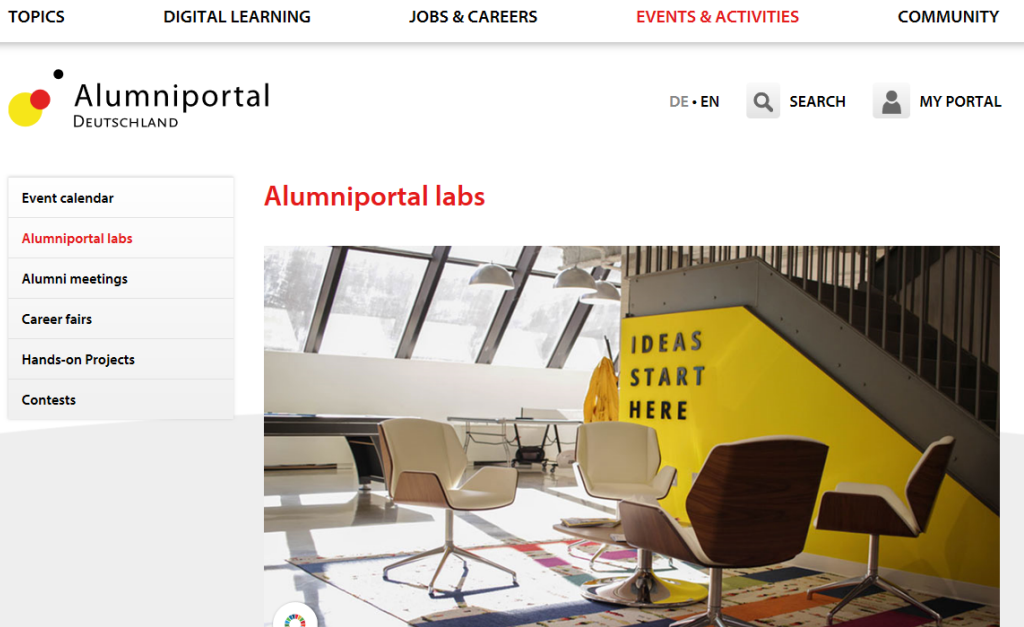
SOURCE. ASIA FRUIT LOGISTICA STATISTIC BOOK 2016

FIVE-YEARS TREND FOR EXPORTS



2. ACTIVE LISTENING AND QUESTIONING

- a. Visiting Exhibitions: ANUGA, THAIFEX, Trade Expo
- b. Participating in workshop or seminar related to your ideas (Geographic Indications, gamification
- c. Start networking
 - Having discussion with experts, peers, potential customers, potential investor



Remember:

- Identify who you want to serve
- Find their biggest pain, then try to solve that pain.

OR

- Start with your own problem and solutions to offer

All ideas are valid
Opposing trends are O.K

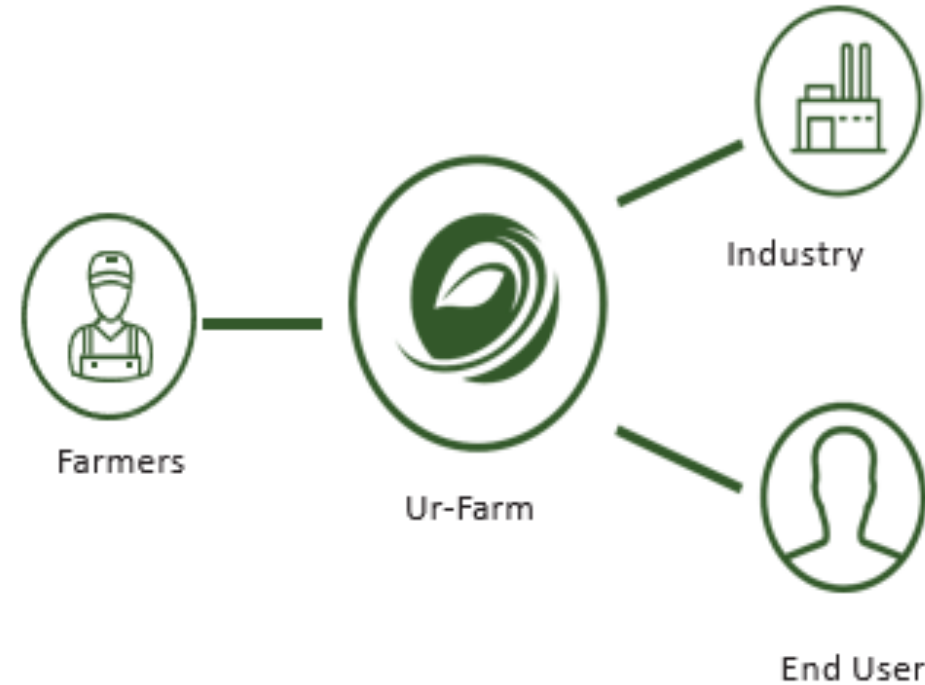


Validate your Business Idea

1. Objectives: what do you want to achieve?

Case study Ur-Farm Coffee

Shortening the supply chain --- aiming more income generation at farmer's level



We provide fair-trade for farmers and fair-price for consumers.
Ur-Farm maintains the livelihood of the farmers.





Our Products

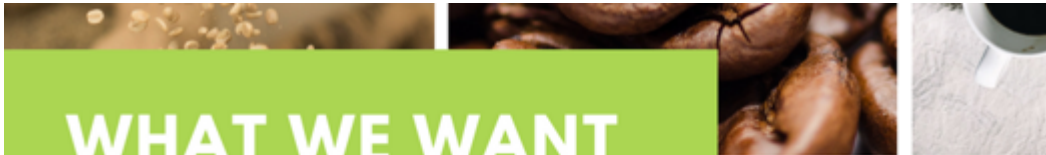
"We classify our coffee beans based on specific mountain regions"



UR-FARM PLANTABLE PAPER

SOCIAL IMPACT:

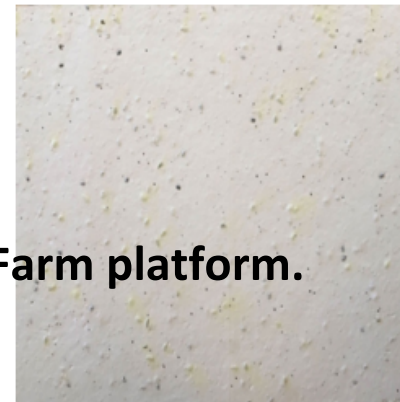
- The monthly income of our farmers has increased between 100% - 200% on average.
- They currently have adequate lives, which enables them to have more personal savings, and their corps are well maintained.

WHAT WE WANT TO DO IN THE FUTURE?

80 farmers registered in Ur-Farm platform.

CREATE AN OPEN PLATFORM WHERE COFFEE FARMERS FROM ASEAN NATIONS CAN SELL THEIR UNPROCESSED GREEN BEANS.



Ur-Farm Plantable Paper

(Don't throw away the paper. Simply place it in soil! it's biodegradable and the seeds will grow.)

Validate your Business Idea

1. Objectives: what do you want to achieve?

Case study Sarjana Tani Jaya Farm:
sutarjo@gmail.com

- Producing fresh agricultural products, especially dragon fruits
- Capacity building for young agripreneurs through hands-on experience





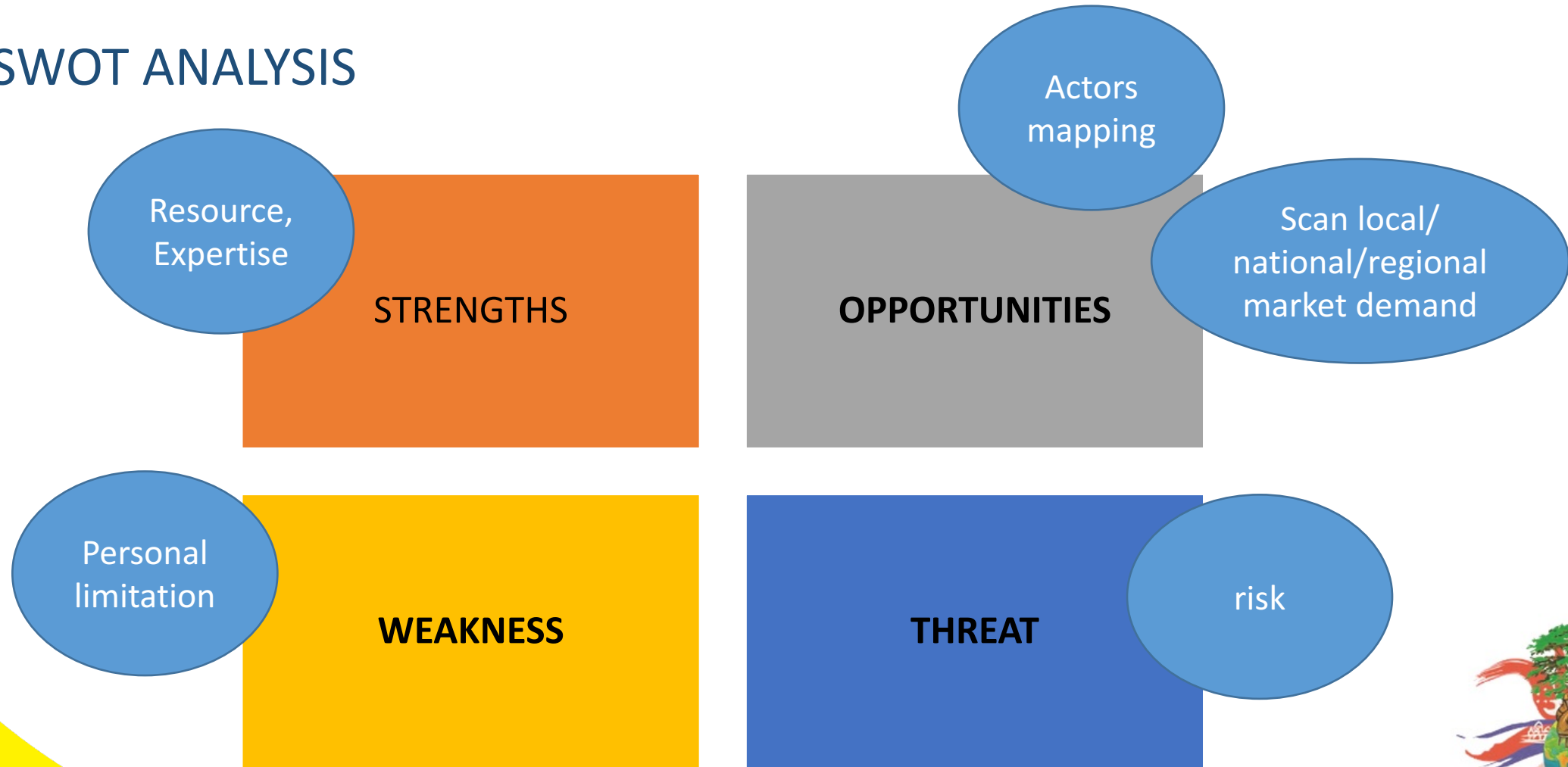
Exhibition and Expo

Delivery Order



Validate your Business Idea

2. SWOT ANALYSIS





Validate your Business Idea

Not all types of fruits from Indonesia are allowed to enter China. For example, Durian aka. “The King of Fruits” are not allowed to be imported from Indonesia, only from Thailand and Vietnam.

Indonesian inflation rate is lower than Chinese inflation rate. At the same time, Chinese currency over Indonesian currency is continuously increasing.



There is only a small region in the southern part of China that produces mangosteen. But this supply is not enough to accommodate the country's need.

In mainland China, mangosteen is regarded as delicious fruit with lots of health benefits especially the one pertaining to antioxidants.

3. PESTEL ANALYSIS: case study Java Fresh



Remember:

Solution Validation:

- Does your proposed solution meet customers/targets needs?
- Is your solution feasible?
- Is your solution financially viable?
- What is the path to financial sustainability

Stakeholders (investor/donor) Validation:

- Who can provide the financing?
- How can their purpose be aligned with yours?

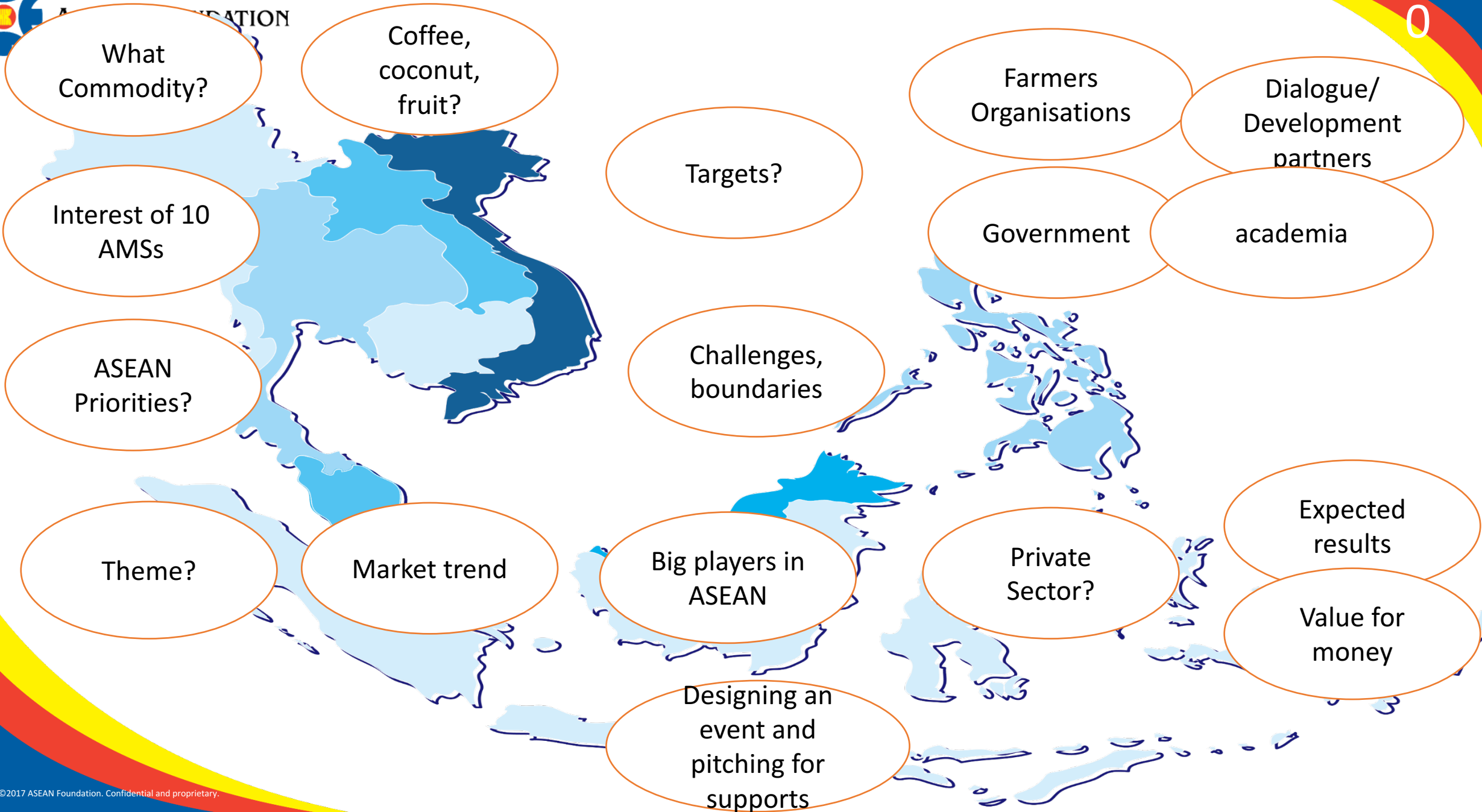
Benchmarking
Troubleshooting





Best Practice for Validating Project (Business) Idea:

ALSPEAC 2017 Inclusive Agricultural Value Chain: Coffee



Next Steps

1. Do it
2. Company profile: Creating a good executive summary
 - Vision: meaningful core business and activities (short-medium-long)
 - Concept: branding and 'packaging' (Maligood Co.ltd)
 - Value: educational or social value (Ecofun, 2HJ)
 - Make a business plan
3. Pitching your ideas: Building relationships with investors and buyers
 - Less than 5 minutes explain the project, return on investment and growth strategy (positive communication)
 - Due diligence: proposal writing (investors) or company research (buyers)
3. Make a team: Developing the product/service
4. Marketing and monitoring on the target achievements





ASEAN FOUNDATION



THANK
YOU

Think,
Feel,
and **#BeASEAN**

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www.aseanfoundation.org



Group Work: Validating your Business Idea

1. Start Networking: only 10 minutes to do profiling based on list of participants and make a group of 4
2. Observations: use the newspapers, online information and find ideas
3. Validate the ideas: determine your objectives, using SWOT and ACTOR Mapping (identification of donors/investors/buyers/relevant partners)
4. Presentation: pitching your ideas to donor (role play)

