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1. COMPANY DESCRIPTION

Currently, greenhouse commercial farming is rapidly growing industry in a modern globalized world. It provides great opportunity and control over the growing environment of various crops. Keeping vital factors such as temperature, levels of light and shade, irrigation, fertilizer system, humidity under the control by using technical and specification of greenhouse design it is possible to take the advantage of greenhouses. Simply, greenhouse is used to overcome deficiency in the growing qualities. Greenhouse enables certain crops to be grown all through the year regardless of the climatic conditions. There are several reasons for choosing this type of business:

- First of all, over 50 % of the Azerbaijan Population depends on agriculture for their incomes and livelihoods;
- The country has a very suitable environment for building such greenhouses
- Russian (neighbor country with 150 million population) vegetable markets mostly depends on foreign suppliers from Turkey and Azerbaijan.
- Agriculture is considered as the second leading income generating mechanism for the country.
- According to the real examples, this business is profitable since people are growingly interested in buying vegetables whole year-round.

Agricultural industry including greenhouse farming is well known and is among the main leading industries in most countries of the world. Because of the significant role the agriculture sector plays, the government of most countries ensures farmers that they will be supported all the way. Mostly government support consists of giving free seedlings, fertilizers and farming instruments.

Tomato growing using greenhouse technology is steadily picking up in the country and the main objective of this project is to profitably position in this industry by producing quality products and aggressively marketing it to the customers. The customers of the products will include markets, supermarkets, open air markets, groceries and independent retailers, customers buying from the farm and customers who sell our products in foreign markets.

The advantages of greenhouse method of farming include:

- High tomato and cucumber yield
- Reduced disease attack
- Costs will be low due to operating system
- Stable production of the crop regardless of the prevailing season.
- Uniformity of crops in terms of size and quality

1.1. Opportunities for Starting the Business

Azerbaijan has a very favorable geographical location. The land was gifted by God such that it is suitable for almost all types of farming. According to the data of The State Statistical Committee of the Republic of Azerbaijan, it is obvious that there are some regions where tomato productivity is high and where it is low. This data was necessary

because it helps to understand that good productivity depends on the fertility of soil of that area. By analyzing existing statistics, it is possible to notice that Baku city, Absheron region and Sumgait are the best places for building greenhouse. These cities are the largest in the country and even capital of Azerbaijan and nearby cities. Although the condition is suitable the price for the land in such areas will be high due to the center location. But districts Shamkir, Masalli, Lenkeran and Xachmaz are the second-best places and land prices are relatively low comparing with the capital of the country.

1.2. Objectives of the Business Plan

The concept of this project which is called “Organic Miracle in Glasshouse” includes the idea of organization and business of tomato growing in greenhouses. Accordingly, the business aims at reaching the following objectives:

- The acquisition of high quality, export-oriented and competitive vegetables for sale in national and foreign markets
- Continuous supply for people living in nearby regions of Azerbaijan with the primary kinds of agricultural goods, especially tomatoes
- Gaining profit from the outcomes of the manufacturing and selling of agricultural products

Complete plans for achieving the objectives:

- Construction of the glass greenhouse and equip it with necessary technology, their installation and proper working
- Acquisition of the basic and auxiliary materials for the start of the business such as crops, fertilizers and other types

- Search and recruitment of the personnel necessary for the successful implementation of the project
- Start of production and processes of greenhouse complex

Based on the plans it is possible to forecast the future effectiveness of the project and risks associated with its implementations.

1.3. Mission & Vision Statement

Organic Miracle in Glasshouse's (OMG) vision is to be recognized as the leading greenhouse products selling company in Azerbaijan. The primary goal is to make a difference in the food ration of its customers by providing them healthy, high-quality agricultural products to fulfill their expectations. Besides securing required farming land and most of the farming equipment and machines; hiring some key employees who will go through training before being greenhouse farming workforces is the part of the company's mission. As a workforce of the company, the employees must fit into the ideal image of the 21st century greenhouse commercial farming workforce that we want to build.

The business aims to leverage all the available opportunities in the agriculture industry. Not only gaining personal profit but also to contribute to quota in growing the Azerbaijan Republic economy, in national food production, to export agriculture produce from Azerbaijan to other nearby countries is the long-term vision of the Organic Miracle in Glasshouse.

1.4. Competitive Advantage

The business has several benefits which creates competitive advantage for the company. One of the main drawbacks of the locally grown trend is the off season. When winter comes it becomes a tough proposition to acquire some vegetables for consumers and ingredients for restaurants. And that is why four seasons' greenhouses are as profitable as they are. Winter is best for its better profit. It does not help us to be the low bidder. By supplying tomato and other vegetables during the off season, I will make a lot more margin.

Another competitive advantage is our company will produce only organic vegetables. From the real experiences of other greenhouse owners, it is known that they use different chemicals for growing tomato. There are such chemical substances which farmers use to make green tomato become red in one day, which is not healthy for the population consuming these tomatoes. All these processes influence tomato quality and will be affected to human health. It is dishonesty to act like that in order to make more profit.

2. MARKET ANALYSIS

The future improvement perspectives of the Azerbaijan Republic emphasize the formation of socially effective national market of agricultural products, which emerges as key strategic goals in the context of the characteristics of local regional economies and worldwide trends. Agriculture is strategically one of the most important sectors of the economy. Over the past years, fundamental changes have been made in the field of agricultural development in Azerbaijan. However, there is little evidence of extensive studies in terms of the efficacy of the reforms conducted and the assessment of their impact on the general growth of the industry. In particular, the study of the peculiarities in the agricultural economy and how these features are incorporated into agriculture in the country worth to be analyzed. These features, as in all countries of the world, play an important role in the development of agriculture in Azerbaijan (UNDP, 2019, p. 1).

Market analysis of the industry provides information about the agricultural sector and its development in Azerbaijan. Moreover, industry analysis allows to access important information about the agricultural development stages of the country and the expectations that will be made in agricultural and greenhouse business development. Consequently, it will provide initial estimates about the competitiveness of the Organic Miracle in Glasshouse as a greenhouse product manufacturing and selling company.

2.1. Industry Analysis: Agriculture Sector in Azerbaijan

Azerbaijan imports food products from other countries even though the country owns all the valuable resources necessary for agricultural production including topographic and climate zones. The main issue is the low productivity of agriculture, mainly due to the fragmentation of resources and severe degradation of natural possessions (FAO UN, 2017, p. 3). Inadequate management of crops and livestock caused soil erosion, brininess, reduced soil fertility and organic matter, increased secondary salinity, mortification and erosion. As a result, agricultural growth has weakened, and sustainable food production has been negatively influenced. In the beginning of the XX century, the establishment of the independency of the country required momentous structural changes, which was also related to the land ownership and managerial potential in agriculture. At this stage, most attention was devoted to oil and gas resources for ensuring economic growth. In the country, agriculture is now a major driver of economic progress, employment and poverty reduction. Although its portion in Gross Domestic Product (GDP) is still small, special attention is paid to sectors other than oil, run by agriculture, in order to diversify economic activity and ensure a higher level of food self-sufficiency (FAO UN, 2017, p. 4).

There are also other problems which hinder the development of the agricultural sector in the country. Although there is a preliminary legal foundation for the activities of agricultural cooperatives, there has been little development of collaboration in the agricultural sphere. Farmers ' preference over individualism, lack of effort on the part of manufacturers to co-operate, absence of stimulation of financial relations in the form of joint farms and execution of unique pilot projects in this sector, allocation of land to tiny

parts and retail locations, absence of understanding of co-operation and widespread propaganda of their operations, weak agricultural information system has slowed down the development of agricultural cooperatives (“State Program on Development of Agricultural Cooperation in the Republic of Azerbaijan for 2017-2022”, 2017). The dynamics of agricultural development are determined not only by the supply of agricultural property, but also by many other variables, first of all, the quality of the soil, the pace of economic development in particular, the growth of the population of the nation, etc. The growth of agriculture in a challenging financial position is mainly determined by the reality that it is private and comparatively not monopolized: a big proportion of manufacturers are still developing the industry with their strengths and interests (FAO, 2002).

According to the State Statistics Committee, the country meets domestic demand for a number of products at the expense of local production. According to official statistics, in 2015, the production of cereals was 2999353 tons, vegetable production 1275257 tons, including cucumbers 230 747 tons, tomatoes 515 160 tons and cabbage 944 554 tons. It is important to note that vegetable products produced on covered lands are not included in these statistics and their statistics are kept separately. In 2015, the production of vegetables in the soils was 41,889 tons, with a decline in production over the past 3 years. Thus, the figure for 2012 was 53,342 tons, in 2013 - 56,801 tons, in 2014 - 51,409 tons. So, in the year of 2014, vegetable production fell by 23% (Bayramov, 2017, p. 3). The following table shows the yearly production of plant products by species by all categories of agriculture based on the data provided by the State Statistics Committee of the Republic of Azerbaijan:

Years	Cereals and Legumes	Cotton	Tobacco	Potato	Vegetables	Melon Products
2010	2000.5	38.2	3.2	953.7	1189.5	433.6
2011	2458.4	66.4	3.6	938.5	1214.8	478.0
2012	2802.2	57.0	4.3	968.5	1216.2	428.0
2013	2955.3	45.2	3.5	992.8	1236.3	429.8
2014	2383.3	41.0	2.9	819.3	1187.7	440.9
2015	2999.4	35.2	3.5	839.8	1275.3	484.5
2016	3065.1	89.4	3.6	902.4	1270.6	464.8
2017	2928.8	207.5	5.3	913.9	1405.6	438.1

Table 1: Production of Plant Products by Species, by All Categories of Farms (Source: State Statistics Committee of the Republic of Azerbaijan, 2018)

In the next table, there is given the productivity of tomato harvesting in the country in the most productive regions of Azerbaijan (sent/ ha) in a five year of time span:

Regions/ Years	2013	2014	2015	2016	2017
Baku	380	190	119	85	27
Absheron economic region	80	80	75	100	110
Absheron	101	101	103	115	127
Sumgait	0.4	1	1	1	4
Ganja-Gazax economic region	180	182	199	197	140
Shamkir	240	240	239	227	122
Shaki-Zaqatala economic region	131	132	141	144	136
Balakan	112	113	113	113	68
Shaki	311	310	310	301	300
Lankaran economic region	278	274	264	236	181
Astara	197	198	178	166	161
Lankaran	307	300	288	249	91
Yardımlı	202	210	224	236	181

Masallı	292	288	289	166	160
Guba-Khachmaz economic region	249	195	214	215	197
Gusar	150	151	159	159	160
Khachmaz	329	246	266	273	245

Table 2: Tomato Productivity in the Regions of Azerbaijan

The majority of agricultural manufacturers in Azerbaijan is small-scale farmers. Thus, according to official statistics, 96.3 percent of the total agricultural production in the country in 2005 was carried out by family farmers, households and private entrepreneurs, 3.7 percent by agricultural enterprises and other organizations with relatively large land areas, in 2016 these indicators were 92 percent and 8.0 percent respectively. At the same time, the share of agricultural entities and other organizations surged from 1.4% to 5.7% in the production of crop products and from 6.4% to 9.9% in the production of livestock products. Despite the favorable dynamics, the majority of agricultural manufacturing still accounts for small-scale farms. (“State Program on Development of Agricultural Cooperation in the Republic of Azerbaijan for 2017-2022”, 2017).

2.2. Policy and State Programs of Agricultural Development

In 2004 based on the order of the President of the Republic of Azerbaijan on “Additional Measures to Expand Leasing in The Agrarian Sector”, the implementation of reforms in the agrarian sector, including land reform, the abolition of collective farms and state farms and the free distribution of all the real estate belonging to them to the rural population, the liberalization of product prices, privatization of enterprises processing agricultural products and other measures gave a serious impetus to the dynamic development of this sector. The national development program, which defines the policy

of the Government of Azerbaijan in the field of agriculture, and agro-industrial development, includes four state programs and one strategic road map aimed at the effective use of natural and economic resources for the formation of a sustainable national economic system, which is incorporated into the world economic system (FAO UN, 2017, p. 6). These programs are:

- ✓ “State Programme of Socio-Economic Development of the Regions of Azerbaijan for 2009–2013”
- ✓ “State Programme of Poverty Reduction and Sustainable Development for 2008–2015”
- ✓ “State Programme of Ensuring Reliable Population in Food Provision for 2008–2015”
- ✓ “State Program on development of agricultural cooperation in the Republic of Azerbaijan for 2017-2022”
- ✓ “Strategic Road Map for the Production and Processing of Agricultural Products in the Republic of Azerbaijan”.

Agriculture of the country since the beginning shows growth after radical challenges associated with the adaptation of the former Soviet economic model to new market circumstances. Within the frame of this adaptation, there have been intense structural variations: privatization of land and property in large numbers for the benefit of employees and retirees of state-owned and cooperative farms, partly for creating opportunities for the employees living in rural areas so that can start any agricultural business or sell their share of ownership to others. Land and property of the former Soviet economy stopped to be a monolith; they could be completely or partly reallocated from

non-viable forms of activity to life-incapable (UNDP, 2019, p. 12). Consequently, the vast majority of agricultural entities became private. During the reorganization, their average size changed, about quarter out of a thousand farms was established. Nevertheless, due to lack of investment, the further development of private organizations and farms was limited. No investments were therefore made to the cost of the owners themselves — former collective farm workers and pensioners as persons without income . For that reason, there was no investment. By the middle of the first decade of the twenty-first century, favorable circumstances were created for the mass redistribution of land in agriculture: still fragile economic status of agricultural organizations owned by employees and pensioners of former collective and state farms, debt restructuring, the chance of unrestricted purchase of agricultural land, low earnings from aggregate owners land in the use of interested and not previously engaged individuals came to the agricultural business, the development of agricultural holdings began — the transition to one owner of a set of agricultural entities , which contributed to a reduction in market struggle in agriculture (FAO, 2002).

In 2017, “State Program on development of agricultural cooperation in the Republic of Azerbaijan for 2017-2022” has been approved by the President of the Republic of Azerbaijan which laid the foundations of a new state policy of support in the framework of state programs, calculated for the medium term. The State program for the development of agriculture and regulation of markets for agricultural products, raw materials and food is being implemented nowadays. State policy in the agricultural sector is focused on the growth of production to meet the needs of the population in food. Within the framework of the state program, agricultural producers have received state support guidelines for the

duration of the application of the program, but the support system suffers from many shortcomings: There is no transparent mechanism for setting up the agricultural budget; funding amounts and the list of measures laid down in the State program are not guaranteed; unfair access to assistance for all agricultural manufacturers continues; elevated transaction expenses are necessary to acquire it. At the same moment, risks are growing not only for the owners of the biggest enterprises and farms, but also for the entire population in terms of their benefits from agricultural sector:

Loss of efficiency: Agricultural holdings focused in the landowners' hands, whether small business rights remained on it, turning landowners into farm workers who act opportunistically against owners. Combating opportunism in agriculture is particularly hard in connection with large-scale production, changes in operating circumstances depending on weather conditions, etc. and involves high expenses. All this reduces the efficiency of the business. Control over many businesses, their managers, ownership, fund diversion to modernize many sectors diverts resources and limits their further development as food businesses. Unlike the largest Western companies, which develop mainly contractual relations with agricultural producers, so-called incomplete agricultural holdings operate in Azerbaijan. In particular, Azerbaijani firms have constraints in their product diversification. An unfinished holding business can restructure rapidly — enter into a fresh agreement with a farm to produce unique product supply (UNDP, 2019).

Degradation of rural life: In distinct settlements, agricultural holdings focus on manufacturing. In addition to direct government subsidies, they get profit from the use of budget resources to create transport infrastructure in the context of viable rural growth — building highways to new installations. There are places of desolation that are becoming

very popular with agriculture. The use of contemporary techniques leads to a sharp decrease in the amount of farm workers, an increase in unemployment, professional and social degradation (FAO UN, 2017). Over time, this becomes a problem for the agricultural holdings themselves, as they cannot employ qualified labor on the spot, they are compelled to attract it from the outside, spend cash on the building of accommodation and other equipment, boost salaries to maintain employees. All this decreases the system's stability.

Prohibition of certain traditional activities on the territories where agricultural holdings are located: Agricultural holdings conduct large-scale production in order to reduce costs per unit of production. The increase in the density of livestock per enterprise leads to an increase in waste, the disposal of which is difficult when the area of their land is cut for such a scale.

It is necessary to move from creating conditions for the growth of production in some companies to creating an environment for the mass development of high-performance agriculture due to the competitive advantages of Azerbaijani products. Agricultural policy will focus on changing the growth model, improving the structure of the industry, increasing the use of agricultural potential, modernization of agricultural education, science and improving living conditions in rural areas.

2.3. Greenhouse Business in Azerbaijan

Reliable food supply is considered as a prerequisite for economic stability and social sustainability of the country in the “State Program on Reliable Food Security of the Population in the Republic of Azerbaijan for 2008-2015”. The program also notes that the

full supply of basic foodstuffs in the country has not yet been achieved due to local production. This also explains the importance and relevance of the production of agricultural products in greenhouses. The 2018 report of the Entrepreneurship Support Fund under the Ministry of Economy states that refinancing of new technology-based investment projects has been continued through the last years, and 65 investment projects have been funded for this purpose (Bayramov, 2017, p. 3).

The favorable climatic conditions of covered vegetable growing in Azerbaijan allow conservation of high-quality vegetable crops all year round by spending little effort to heat greenhouses. In comparison with the open area, vegetable production in covered conditions is quite cost-effective. In the covered area, the widest beetles, mainly from fruit-bearing vegetable plants, are considered tomatoes, cucumbers, eggplants and peppers. The fruits of these plants are valuable food products and they are widely used in welfare (Alakbarov, 2018, p. 18).

The official statistics shows that, there have been operating 2,910 greenhouses with a total area of 1.3 thousand hectares in the country during 2018. According to the State Statistics Committee, in these greenhouses 205.9 thousand tons of tomatoes, 14.2 thousand tons of cucumbers, 761.3 tons of mushrooms, 425.6 tons of potatoes, 237.3 tons of peppers, 170 tons of eggplants, 36.6 tons of onions, 2.5 tons of beans, 2.5 tons of garlic, 40.9 tons of strawberries and other plant have been produced. Compared to other regions of the country, the production of greenhouse farms in Absheron, Shamkir, Khazar, Salyan, Samukh, Sabunchu, Tovuz, Sabirabad and Masalli regions was increased. In January 2019, 15,600 tons of vegetables were harvested from the land plots in the country.

The legislation of Azerbaijan does not envisage obtaining of special permission for agricultural production on the land (greenhouses). Construction and commissioning of greenhouses are governed by the Town Planning and Building Code. In the list of non-required construction sites, most greenhouses and greenhouses with a maximum height of 3 meters are available in greenhouses and lounges. To ensure the operation of the greenhouse farms, ensure that they transmit drinking water, sewage services, irrigation water, heat and electricity (Bayramov, 2017, p. 12). The heat supply of greenhouses built on the basis of ready-made modules brought from other leading countries such as the Netherlands, Spain and Turkey, meeting modern standards, is transmitted by means of gas, there do not exist any problems in the transmission of electricity, irrigation water, ventilation, heating, lighting systems are carried out automatically and not mechanically. However, most of the greenhouses operating in Azerbaijan are built not from ready-made modules, but by means of special tools, welding of iron pipes and fittings. The reason is the cost of ready-made greenhouse modules of European production (Bayramov, 2017, p. 13).

In general, the organization of greenhouses and the cultivation of various types of crops is a fairly profitable business and, moreover, useful for all parties in Azerbaijan. The need for fresh and high-quality products are experienced by both retail chains and catering establishments. A constantly functioning greenhouse ensures higher income all year round. Profitability is high, return on investment is fast and this is not all the benefits that the greenhouse provides.

2.4. SWOT ANALYSIS

Starting with growing vegetables in greenhouses, it is essential to evaluate what agricultural products are most in demand in the region. Climate circumstances also play a major role in the choice of the vegetables. As a result, tomatoes can be cultivated in hot areas without greenhouses, as the cost for them may be too small for most of the year to recover. On the other side, soil composition may not allow for adequate returns for high revenues in cold areas. For example, the cold winter involve big investments in lighting and heating, so it is easier to grow vegetables in greenhouses in the warmer areas and to sell them in the areas with cold winter . In order to define which benefits and costs the business may bring to the Organic Miracle in Glasshouse, it is important to make a SWOT analysis.

SWOT analysis offers data that helps to determine why the economy is operating effectively or inefficiently in the market, a compressed assessment of market data on the grounds of which it can be concluded in which direction the greenhouse for increasing vegetables should evolve its financial operations and eventually determine the funds acquired by sections. The outcome of the study is a marketing strategy development. Strengths are particularly crucial for the strategic outlook generated during the execution of the project as they are the foundation of the strategy for achieving competitive benefits. At the same moment, to create policies to enhance or eliminate weaknesses, a successful approach needs an assessment of weaknesses. The following strengths and weaknesses were recognized in the assessment of the market position and the economic potential of

Organic Miracle in Glasshouse’s greenhouse project. Table 2 also presents opportunities and threats of the project based on market and industry analysis:

Strengths	Weaknesses
<p>The price strategy of the company which makes it more affordable for customers</p> <p>The existence of a greenhouse product market</p> <p>High quality of production thanks to the innovative technology and equipment</p> <p>The best consumer properties</p> <p>Professional personnel with adequate experience in the agriculture sector</p>	<p>Lack of a formed company image</p> <p>Small assortment of products in the beginning of the existence of the company</p> <p>Need for huge investments and leasing conditions</p>
Opportunities	Threats
<p>Improving the standard of living of the population</p> <p>Expansion of sales markets</p> <p>The emergence of new partners</p> <p>Low demand elasticity of the price Increasing the range of products</p> <p>Profit from the results of production and sales of agricultural products;</p> <p>Organization and provision of new jobs</p>	<p>Inflation growth (mainly for international market)</p> <p>Price changes because of competition</p> <p>Tax increases in the industry</p> <p>Increased competition</p>

Table 3: SWOT Analysis

Investigation of the industry and the data obtained in the SWOT analysis, it can be concluded that the project has strengths and capabilities that allow the company to carry out the projected business plan.

3. MARKETING PLAN

In a highly competitive environment, marketing is the main function of the enterprise; therefore, the marketing plan dominates over other plans and is developed in the first place. The importance of studying the issues related to the development of a marketing plan in the enterprise is due to the fact that the marketing plan performs a large functional load, namely:

- ✓ avoids unnecessary actions that do not lead to the achievement of the intended goals of the business;
- ✓ allows the owners and initiators to clearly set goals and monitor their achievement in accordance with the business plan and existed resources;
- ✓ is the document organizing work of all enterprise, considering the market conditions and also demand for the product;
- ✓ systemizes and conveys the ideas which are drafted before the implementation of the plan to all employees;
- ✓ availability of plan mobilizes the company's employees and helps them to unite their capabilities for achieving general goals of the organization;
- ✓ allows the owners and managers to clearly allocate time and other resources

In general, the marketing plan helps to improve the efficiency of the enterprise by clearly defining the goals and methods of achieving them, eliminating ambiguities and unnecessary actions that do not lead to the planned results.

As part of the marketing policy of the greenhouse enterprise, it is necessary to constantly combine various instruments of influence on the potential consumer groups.

This combination is usually called a marketing complex or "Marketing-Mix", as there are many relationships based on this amalgam of the marketing functions. The importance of these relationships allows identification and implementation of more effective pricing policy in the enterprise (Goi, 2009). For example, price increases may be justified by product policy instruments such as: "High quality of the product is more expensive" Such information is distributed in relation to environmental friendliness, taste, nutrition, medicinal properties of the product and so on .

The strategic marketing plan is, usually developed for 3 to 5 years, containing long-term goals and defining marketing strategies, indicating the resources necessary for their implementation. The strategic marketing plan is refined and revised annually, and, on its basis, an annual marketing plan is drawn up. Operational marketing plan (annual marketing plan) on the other hand, describes the current marketing situation, the objectives of the market, and marketing strategies for the current year. It includes a program of activities, resources, including financial support.

The purpose of this section is to consider the marketing plan as an element of the business plan of the Organic Miracle in Glasshouse.

3.1. Main Characteristics of the Marketing Plan

As it is mentioned above, the marketing plan of the company is the key in the planning of activities, along with the budget, production plan and its sales planning. Kotler (2015) states that most of the marketing plans are unsuccessful because some of them are overloaded with numbers and supporting materials, however they lack a compelling strategy. In other marketing plans, strategy is visible, but it has nothing to do with tactics

or the tasks are unrealistic, or a budget is not correctly estimated for the business. Furthermore, sometimes the measures envisaged to monitor the implementation of the plan do not allow for feedback and, if necessary, to revise the plan. No marketing plan, even a well - designed one, is the key to success, but a bad plan almost guarantees failure.

The annual plan of the enterprise, accordingly, establishes the general objectives of the enterprise, but for work in a competitive marketing environment - efforts in the market - are the main function of the enterprise. In this regard, the marketing plan of Organic Miracle in Glasshouse dominates in value over other sections of the annual plan, because:

- ✓ marketing plan targets have a direct impact on the performance of other sections of the annual plan;
- ✓ the decisions recorded in the marketing plan determine what the company will produce, at what price and where to sell, how to advertise its products

The marketing plan of Organic Miracle in Glasshouse will serve as a key guide for the management and the employees involved in the firm's marketing activities. The marketing plan is like a map since it shows where the company is at the moment, where it is moving and how it is going to get there.

Having identified the existing opportunities with the help of situational analysis, the project of Organic Miracle in Glasshouse will make a list of them in order of priority, determine the target markets, sets tasks and define deadlines for their implementation. The company also will set specific goals for stakeholders, reputation, technology, and

other areas that require attention. Main objectives of the marketing plan of Organic Miracle in Glasshouse are:

- ✓ establishing marketing goals, controlling their achievement in accordance with its vision and mission statement;
- ✓ systematization, formal description of the ideas of the company's managers, bringing them to employees which will undertake the responsibility of the effective implementation of the plan;
- ✓ concentration and reasonable allocation of firm resources

With the help of the market analysis which was clearly specified in the previous section it is possible to establish the marketing plan for the Organic Miracle in Glasshouse. Based on the general overview of the agriculture industry, especially greenhouse business in Azerbaijan, the target audience of the enterprise, place as a means of distribution of the products and pricing strategy will be indicated in the following sections.

3.2. Competitor Analysis

While offering its products in the market, the firm usually faces competition from other firms that produce and sell similar products. Each of them, as a rule, pursues to take a leading position, to sell as many products as possible, to capture the maximum possible market share. It is on this idea that the marketing strategy of both the production and sales firm is based. The intensity of competition and forms of competition depend on the type of market, the degree of its saturation, the number and power of competing firms, technological, financial and trade and organizational capabilities of both the firm and its

competitors. Competitive analysis is a comparative method of strategic management that can show any company its advantages and weaknesses, that is, on what fronts it is inferior to its competitors (Ghoshal & Westney, 1991). This analysis helps to find strategic ways of growth of the company and bring it to a new level of development (Fleisher & Bensoussan, 2007). Therefore, in the business plan competitive analysis section is a vital component. It shows that the business is aware of competition, that it understands the market it wants to penetrate and that it has plans to compete at the same level as established competitors.

In this competitive analysis part of a marketing plan, there is a need to describe the product or service the company will offer and how it compares to the competition.

In modern conditions of market development is the preferred process of non-price competition — the allocation of its product from a number of competing products and to make it unique for the buyer of the properties, improving maintenance, developing innovative forms of distribution, improving the structure and functional aspects of the activity of the company, to the specifics of customer demand, including individual requests. In case of non-price competition, relative financial stability is ensured, which makes it possible to effectively manage the enterprise. Non-price method of competition is more effective, as competitors cannot as quickly as in the price; take retaliatory steps (Etzhel, Walker & Stanton, 1997). Thus, competition can be defined as the process of managing an organization's competitive advantages or owned property in order to achieve a goal.

No organization can achieve superiority over competitors in all commercial characteristics of the goods and means of its promotion in the market. It is necessary to choose priorities and develop a strategy that is most consistent with the trends of the market situation and the best way to use the strengths of the enterprise.

When it comes to the pricing strategy for the Organic Miracle in Glasshouse, for domestic companies-producers of fresh vegetables, berries and fruits in the market, the policy of import substitution is considered an absolute plus, but the pace at which a set of measures aimed at the formation of food security of the domestic market from the provision of Azerbaijani fresh vegetables and fruits does not give a chance to radically change the situation. The market of fresh vegetables and fruits in Azerbaijan has a huge potential for progress, but entirely block the import of fresh vegetables, and fruits to the market in the near future, domestic market players will not succeed. There is a need for new large-scale projects with greater dynamics of increase in production capacity for the manufacture of fresh vegetables and fruits in the market, to establish vegetable stores etc. On a yearly basis, the demand for natural products is growing, due to the promotion of a healthy lifestyle and increased attention to their nutrition and body condition. In addition, there is now a significant increase in the number of farm shops offering visitors a range of healthy products that are delivered there, including from greenhouses. This means that the need for healthy food in the near future will gain momentum.

The main competitor of the Miracle in this sector is Richel Group which managed to achieve a yield of 35 kg / m² from November to June and gave priority to volumes to achieve better control over the internal climate. Currently, the company is building a new greenhouse Richel 12.80 with a height in the "ridge" to 9.8 m, covered with a new 7-layer

film. In this greenhouse, we expect to achieve a yield of 40 kg / m². The company aims to expand winter production of high-quality tomatoes and the main share of products (80%) is export oriented (Richel Group, 2019).

Another direct competitor of the Organic Miracle in Glasshouse is greenhouse project implemented by CTC Agro located in Bina settlement, Baku. Covering an area of 43 hectares, the main objective of the project is to provide the population with agricultural products including tomatoes and cucumbers in the non-agricultural seasons of the year. The project consists of several stages, in the first stage it is planned to increase this figure to 10 hectares, and in the next stage to 43 hectares. Advanced Dutch technology is the choice of the company while implementing their projects ("CTC Holding | CTC Agro", 2019)

Buta Agro is also among the direct competitors which is one of the largest producers of premium grade greenhouse tomatoes, potatoes, onions and garlic in Azerbaijan. One of its companies, Aztomato, is engaged in the production of tomatoes in greenhouses, Ismayilli vegetables and potatoes and onions in the open field. Inspired by the local traditions, rich and baroque soil, the company produces ecologically clean product by using modern computer system to control climate factors such as irrigation, fertilization, light, temperature, and ventilation ("Buta Agro", 2019).

Organic Miracle in Glasshouse aims to gain competitive advantage over other companies by ensuring high-quality, taste and the aroma of tomatoes which will destroy the idea that greenhouse products are not as organic as the vegetables grown in open

areas. Additionally, the pricing strategy will also ensure that the company could compete with its competitors by maintaining quality of its products.

3.3. Description of the Target Audience

The main segment of buyers of greenhouse products is not the final buyers, but legal entities. The products of the Organic Miracle in Glasshouse will be sold to the following groups of buyers:

1. Grocery stores. In each shop there is a department with greens and vegetables, there it is possible to deliver the production. These stores can also be considered as the intermediaries or the wholesalers.
2. Vegetable stalls. Nowadays more and more common stalls at home, selling fruits, vegetables and herbs. In addition, farm shops are currently more common, which also buy vegetables including tomatoes
3. Manufacturing plants can buy vegetables for the preparation of their products (seasonings, sausages, semi-finished products, canned food);
4. Catering establishments such as cafes and restaurants also regularly use green ingredients in preparation of the food for their customers. It is possible to get in touch with the institutions of healthy food, because their range is directly related to the useful ingredients.

In short, the target audience of the business is stalls, shops, cafes and restaurants. At the first stages, it is impractical to cooperate with large manufacturing plants, because the performance of the greenhouse has not yet been evaluated, and for such buyers, an appropriate scale of production is needed.

Moreover, considering the fact that Azerbaijan increased tomato exports to the Russian Federation by 1.5 times - to 151,000 tons in 2017, produced tomatoes within the Organic Miracle in Glasshouse project can be exported to the Russian Federation in the near future. The share of our country in the annual volume of Russian imports of these vegetables increased to 30% in 2017, which was 22% in 2016. According to a report by the Russian Federal Customs Service, China is the second largest supplier of tomatoes to Russia (109,000 tons - 26 percent) and Morocco - third (97,000 tons - 23 percent). Although Turkey was the first country to export tomatoes to Russia in previous years, it became impossible after certain events between the two countries. Despite the resumption of tomato exports to Russia from November of 2017, the fact that the export was done only by the companies agreed with the other party does not allow Turkey to return to its former position. But last year's figures allow it to say that concentrating around 80 percent of the Russian market in the hands of three countries can make it difficult to regain Turkey's fourth position in tomato production. Last year Azerbaijan exported \$ 503 million worth of fruit and vegetables, worth \$ 151.6 million. Thus, tomato exports were the first in non-oil exports. Taking into account the growing demand for this type of vegetables in Azerbaijan and abroad in recent years, the area of tomato production increased only 1.6 times in 2014-2016. In 2016 alone, the total production of tomatoes in Azerbaijan was 502.7 thousand tons. This has created great opportunities for tomato exports. The company can also take the opportunity for export along with its main competitors.

3.4. Sales and Marketing

To develop a successful marketing program should be based on the research work on the assessment of the market situation and its impact on the company for a number of indicators. The analysis of quarterly sales volumes and the establishment of influencing factors are the major features of the sales of the products of the company. It is planned to monitor market trends and foreign economic situation, macroeconomic situation in the country and prerequisites for development, sales volumes similar products and the level of competition in the market.

The Organic Miracle in Glasshouse plans to move to the active phase of advertising from the beginning of deliveries. Effective tools of marketing promotion will be the use of various Internet resources such as website, its promotion by search engines, active advertising company in social networks, outdoor advertising, etc. Before launching an advertising campaign, it is necessary to determine the positioning in the market: it is necessary to highlight the main competitive advantages, to develop the logo of the advertising campaign, to determine the prices, terms of delivery, promotions and special offers.

Due to the fact that the target audience of the business is legal entities, the advertising campaign has certain specificity. The following main directions of marketing policy will be considered for effective sales and marketing activities:

- ✓ telephone marketing which means calling on the telephone database of existing stores and networks;

- ✓ creation of a website and Facebook page (Figure 1) with a customized advertising campaign based on keywords. Many are looking for tomato wholesale in search networks, so the site that will be a potential customer in the search will be very useful;

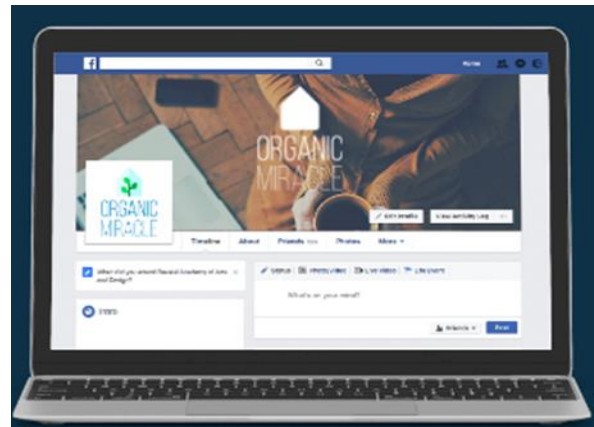


Figure 1: Provisional Logo and Facebook-page of Organic Miracle in Glasshouse

- ✓ checking on specialized wholesale of online venues. This will also allow to find already warm customers who are in search of a reliable supplier;
- ✓ cooperating with many local news websites and inform them about the production process and the future objectives of the company;
- ✓ participation in specialized exhibitions - so the company representatives can meet the owners of supermarkets and shops

As it is already known Social Media Channels have great influence on the purchase power of the customers. Both individual buyers and companies that want to obtain the products start their purchase decision-making by searching information about the product. Even though, the first social networks emerged as a means of communication for distant from each other friends, relatives and other people, over time,

they began to perform another role – to unite producers and consumers, sellers and buyers. Users share attractive ads in through social media channels, see "seductive" advertisings, search for information and reviews about products. Social media has become an important part of our lives which is proven by latest statistics. On the one hand, social platforms attempt to satisfy first buyers and then sellers and motivate companies to maintain a middle ground between selling and useful content. Social networks can sell directly, but often they develop subscribers ' loyalty to the company. More widespread sites only contribute to the interaction of the brand with the target audience; everything else depends on the company itself. Thus, social media promotion is more effective than some traditional marketing tools. There is no point in handing out leaflets on the street if you can create an attractive group on Facebook, Instagram or other sites and promote your product in more modern ways. In this ground, Organic Miracle in Glasshouse will create its own page in Facebook (which is illustrated in Figure 1) and first of all, give detailed information about the project to all who search for this kind of healthy products. The contact details and office address of the company will also be provided on Facebook Page. The webpage of the company will allow direct orders from the company and also help all the potential customers to learn more about the products and the conditions of their harvesting.

When it comes to the exhibitions, in Azerbaijan there are not so many agricultural exhibitions which may create suitable conditions for acquiring customer base and partnerships with different other companies such as restaurants, manufacturing firms and so on. One of the main exhibitions held in Azerbaijan in agriculture sector is International Agriculture Exhibition Caspian Agro. The Azerbaijan International Agriculture Exhibition

Caspian Agro is held annually at the Baku Expo Center on May. The exhibition confirms the status of the largest regional platform providing thematic demonstration of agricultural equipment, equipment and technological solutions for companies representing the most diverse sectors of the agricultural sector. The purpose of this exhibition, which presents modern agricultural technologies for vegetable growing, industrial gardening and viticulture, is to demonstrate the best products and services available both locally and globally within the entire process of the fruit and vegetable business from the fields and gardens to the consumers. Caspian Agro features producers and distributors of agricultural products and equipment from Germany, the United States, Belarus, China, Georgia, the Netherlands, Italy, Spain, and the Kingdom of the Netherlands, Russia, Turkey and other countries. Along with foreign producers, local companies also participate in the exhibition (Caspian Agro, 2018). These companies are greenhouse, irrigation system, fruit and vegetable, fertilizer, etc. they present the products to visitors. Traditionally, the Caspian Agro exhibition features info tours for entrepreneurs and businessmen representing the regions of Azerbaijan to get acquainted with the latest equipment and techniques. Within the framework of the exhibition's program, B2B meetings and a seminar and conferences are held to provide more information about all new technologies available in the agricultural sector. In general, the exhibition covers the most active areas of the agricultural sector and includes equipment for poultry mills, greenhouse equipment, equipment for the livestock sector, seeds, mineral fertilizers, agricultural machinery, laboratory equipment, etc. it will provide an opportunity to get acquainted with a number of new products in the sectors (Caspian Agro, 2018).

Participation in this exhibition can open new perspectives for the Organic Miracle in Glasshouse.

The promising markets for this business include online stores, which have recently gained popularity and offer customers fresh, farm products. For development of this market it is possible to unite with the vegetable cooperatives presented on the Internet platforms. In the future, with proper advertising of its products, it is possible to open its own outlet. Each distribution channel has its advantages and disadvantages, which relate to the total value of greenhouse tomatoes, the volumes sold of the parties, terms of cooperation, etc. to establish the distribution channels and do not suffer losses from overproduction, there is a need a few months before harvest to create a stable network implementation

3.5. Pricing Strategy

The problem of pricing for vegetable products is one of the cornerstones in the market conditions for greenhouse enterprises of Azerbaijan. The most popular method in the system of greenhouse enterprises is based on the decision of the price commission of the enterprise. For these purposes, the company creates a permanent price commission, which collectively, on the basis of price and market information sets at each time the price of a particular vegetable product produced. Its solution is required in the process of establishing and selling prices during the contracts - Contracting and the marketing of products (wholesale and retail) . As the market of agricultural products with adequate transformation of the management structure in the greenhouse enterprise market pricing methods are further developed and improved.

In many cases, the market price for some local and imported vegetables is often almost equal. In this regard, in the formation of pricing policy, Organic Miracle in Glasshouse will take into account all the main factors affecting the price of their goods. The initial price factor is own costs plus profit, taking into account the current ratio of demand, supply and inflation.

When choosing a pricing strategy Organic Miracle in Glasshouse will be guided by the following principles:

- the price of products should not be reviewed very often;
- buyers are not always attracted by low prices;
- it is important to assign special price packages for different companies based on the amount of order and the period of partnership;
- in case of the extraordinary situations, such as natural disasters, technological problems the prices should be set in accordance with the financial situation of the company and also the welfare of the society;
- certain part of the products is sold in the order of distribution

Tactical price decisions include:

- price modifications of the sales products depending on market conditions;
- Transparent financial calculation in determining the price of current costs for product promotion and other elements of the marketing mix (design, brand development, packaging, etc.)
- price response to the current price change, carried out by partners and competitors;

- translation of the base prices in the sales price

When considering tomato prices in Azerbaijani agricultural market, The Ministry of Agriculture try to ensure the sale of tomatoes harvested in the field directly transferred to the market. Occasionally, the price increase may be due to the postponement of the market release of field tomatoes. It should be borne in mind that the stage of the release of greenhouse tomatoes to the market is about to be completed in July. Usually, at the next stage after this process, field tomatoes are brought to the market, thereby ensuring the sale of tomatoes on the market at a low price. This also causes the price to remain stable. Although the market launch of greenhouse tomatoes comes to an end in July, there can be delays compared to previous years. The reason for this is due to more and more weather conditions. In this regard, the market may decline in supply and scarcity may arise. The decline in supply may lead to an increase in prices. Because the volume of tomatoes in the field may be small, this also affects prices of tomatoes.

At the same time, high quality can be combined with high prices. Environmentally friendly products are a new trend and not cheap. Having determined the purpose of the greenhouse and the grown product it is possible to adjust pricing strategy accordingly. In addition, when determining the price, the prices of competitors for similar products are taken into account, considering the fact that the consumer mainly perceives the price as an indicator of quality.

3.6. Customer Purchasing Power

In this section I would try to get information from different internet sources about tomato prices in Azerbaijan and in Russia in order to decide which price to put on our

product. Customer purchasing Power will show us how much money customer is willing to pay for our product. I have not made a survey because the price of tomato differs significantly by month and also by season and by product itself. I decided that survey result will not give me the exact data which I want. From different internet sites I analyzed that tomato prices differ from AZN 0.60 to AZN 3 based on season period. If we look at Russian market wholesale price for tomato it differs from \$ 1.21 to \$ 2.74. (Overview of Tomato Market in Russia, 2019).

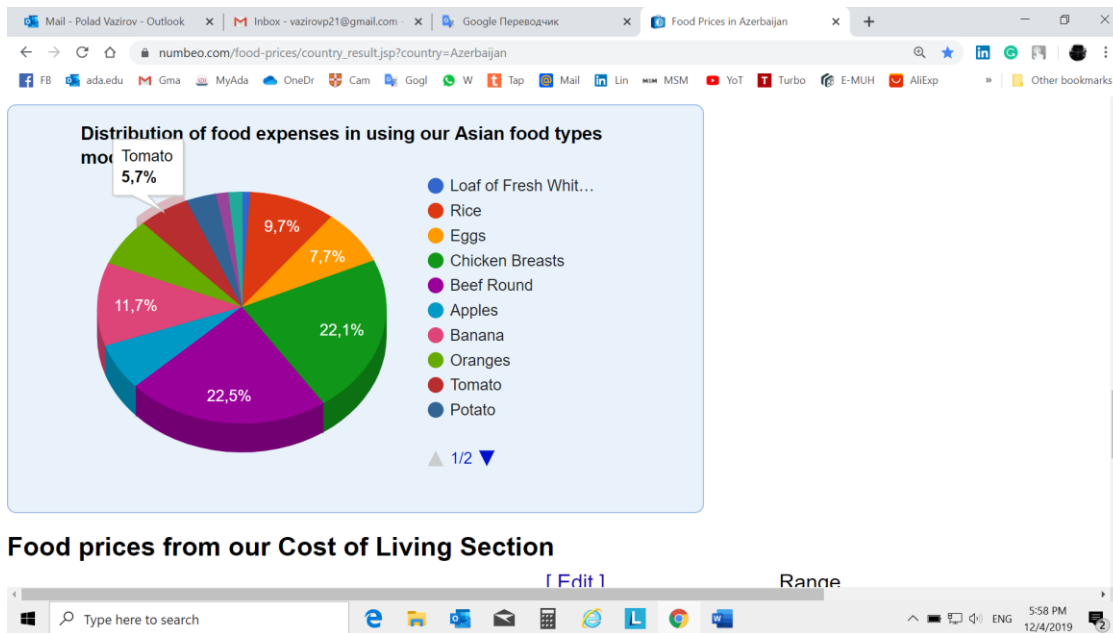


Figure 2 Russia's Wholesale Price Trend

From the site TRIDGE we can see that the maximum price for tomato in Russia was AZN 4.65. This price is three times bigger than the prices in Azerbaijan. Also, here the statistics say that overall tomato import to Russia was \$ 647.29 M and it is 10 % increase from last year. By looking at this data we can assume that in every time of the year the price is three times more than the price in Azerbaijan, and that gives us another opportunity to export our product to Russia and gain more profit.

Another investigation about tomato was calculating food expenses in Baku using different model. I wanted to know how much money the one citizen of Azerbaijan

spends on food especially on tomato. From the cite NUMBEO.com I took some data about such expenses also price range about different products.



Food prices from our Cost of Living Section

Figure 3 Distribution of food expenses in using Asian food types model

Food prices

Item	Price (man)	Range
Milk (regular), (1 liter)	1.64	1.40 - 2.00
Loaf of Fresh White Bread (500g)	0.50	0.40 - 0.50
Rice (white), (1kg)	2.17	1.00 - 3.00
Eggs (regular) (12)	1.98	1.44 - 2.50
Local Cheese (1kg)	7.06	5.00 - 13.00
Chicken Breasts (Boneless, Skinless), (1kg)	5.59	4.00 - 6.00
Beef Round (1kg) (or Equivalent Back Leg Red Meat)	11.85	10.00 - 14.00
Apples (1kg)	1.27	1.00 - 2.00
Banana (1kg)	2.33	1.90 - 3.00
Oranges (1kg)	2.36	1.53 - 3.50
Potato (1kg)	1.73	1.00 - 3.00
Potato (1kg)	0.91	0.70 - 1.00
Onion (1kg)	0.75	0.50 - 1.30
Lettuce (1 head)	0.99	0.40 - 1.70

Last update: November 2019

Figure 4 Food prices

From above charts we can see that tomato prices differs between AZN 1 to AZN 3. But it is again not exact price. Because sometimes it may rise to AZN 5 or AZN 6 and can be lower than AZN 1. That is why we will calculate approximate price for our calculation and take medium price. The medium price will be AZN 3.5.

3.7. Implementation Plan

The main task of Organic Miracle in Glasshouse project is to expand the market for products and strengthen their positions by expanding the range. In order to follow the development strategy, the tactical plan of the necessary measures is as follows:

- Use of internal capabilities to improve product quality. Internal capabilities of the company are defined by the equipment used, the area for the greenhouse establishment and the employee effectiveness;
- In a current economic condition saving prices for products with stable productivity which is the part of the pricing strategy for the tomato production by Organic Miracle in Glasshouse;
- The formation of consumer preferences towards greenhouse products-vegetables. Naturally, the demand for the tomatoes are rather stable than changing. However, the sort of the tomatoes chosen can be based on the preferences of the target audience.
- Enlargement of the customer base within the surrounding towns and region. As it is mentioned before, Absheron region, Sumgait, Shamkir, Masalli, Lenkeran and

Xachmaz are the most suitable regions for the opening of greenhouse business. However, by considering the growth rate of the business it is possible to expand consumer base in other regions.

- The establishment of the clear feedback from customers which will help to identify main strengths and weaknesses of the company products.
- The promotion of products through all available advertising channels mentioned in the marketing plan of the business.
- Ensuring the dynamics of the development of competitive advantage such as price and quality of the products and stability on the market.

Maintaining a stable, high quality of products will allow Organic Miracle in Glasshouse to consider the possibility of adjusting the pricing policy to maintain high profitability of products. However, the company is not restricted to one type of vegetable; there is a need to create a variety of interchangeable products which, alternate seasons, will guarantee the most efficient use of soil and equipment. Since within the particular project depicted in this business plan the company will develop a few crops, the most important thing is the compatibility of the cultivated plants. Plants are all different; they need distinct care, distinct watering, and distinct soils. Market research has shown that a big greenhouse with big fields and intended for the mass buyer can be developed in the presence of big resources . With restricted economic possibilities and tiny areas-it is better to bet on exclusive products and a wealthy buyer.

3.8. Technology and Preparation

Market rivalry in the sale of agricultural goods is increasing every year based on the growing demand of the people. Accordingly, the greenhouse company which plans to

enter the market or already has started the business and intends to increase the variety or the amount of vegetables should consider novelties in plant cultivation technology and predict manufacturing development. Naturally, a unique structure and design is not necessary for summer greenhouses, a frame and healthy seed is enough for gaining success in the business. However, if the business aims to be a full-fledged company it should take into consideration certain subtleties. Ventilation and heating system, air conditioning and surplus sun shading should also be used for the industrial greenhouse. A sufficient number of lighting and equipment are needed to heat the room throughout the year. The establishment of automatic irrigation is similarly essential. The Organic Miracle in Glasshouse business will consider the next important aspects in the technology of greenhouse tomato cultivation.

First of all, it is important to mention that the average soil temperature should be not less than +18C, while soil moisture should be more than 85 percent and greenhouse air temperature around+ 20-22C. A complicated greenhouse automation system theme should be regarded with unique attention. It regulates controls and normalizes the entire increasing and maturing crop cycle. This also enables the use of human labor in the era of fruit harvesting to a higher extent. A tray system with drainage solution release is the equipment in contemporary greenhouse farms which will also be applied by Organic Miracle in Glasshouse business. Nowadays, hydroponic-based greenhouse cultivation has achieved higher reputation as it is the most cost-effective technology. This technology allows harvesting from one hectare up to 3 tons of tomatoes. Moreover, the vegetative cycle in greenhouses with this type of technology is about twenty days, which is approximately 6-8 times faster than normal growing conditions. The reason for the fastest

growing is that the plant does not grow in the soil, but in trays in a special nutrient liquid. The hydroponic greenhouse's service circumstances are very convenient and easy, so for one hectare of region, seven individuals are enough. The following technique, which has an intermediate choice between soil and hydroponics, is to add peat blend to the tank, trays with nutrient solution. This technique of working is 20-30 percent more costly. Organic Miracle in Glasshouse will construct greenhouses which is more innovative and developed significantly throughout past years. The following table presents all the equipment necessary for the greenhouse:

	Name of the Equipment	Amount
1	System of shading with fabric (the entire area) (single)	1
2	Heating system	1
3	Drip irrigation system	1
4	Evaporative plant cooling system	1
5	Electrical equipment, lighting system	1
6	Electric lighting system for the entire area	1
7	Automatic climate control system	1

Table 4: List of Necessary Equipment for the Greenhouse

Moreover, there is a need for Isothermal van "Gazel" with installed refrigerator. Organic Miracle in Glasshouse project will order this van from Russia -Nizhny Novgorod, brand Rime of the Russian production with use of completing world leaders in the production of refrigerators. The price is based on the installation of this equipment.

Preparation and cultivation of vegetables in Organic Miracle in Glasshouse greenhouses will follow the next stages for the implementation of the business plan:

- i. The construction of a greenhouse complex. The complex consists of greenhouses and equipment necessary for growing plants, boiler room, vegetable storage, necessary equipment, administrative unit, dining room and showers for employees.
- ii. Purchase and installation of greenhouse equipment which is presented in Table 1.
- iii. Planting tomato seeds, fertilization and pruning of the crops during the harvesting season
- iv. Harvesting vegetables
- v. Sorting, packaging and sale of vegetables

Before the start of cultivation, protective measures should be carried out - disinfection of the greenhouse and seed material. The process of tomato cultivation will be based on the life cycle calculation of average Ontario tomato production (Figure 2) in greenhouses provided by Deas et al. (2016).

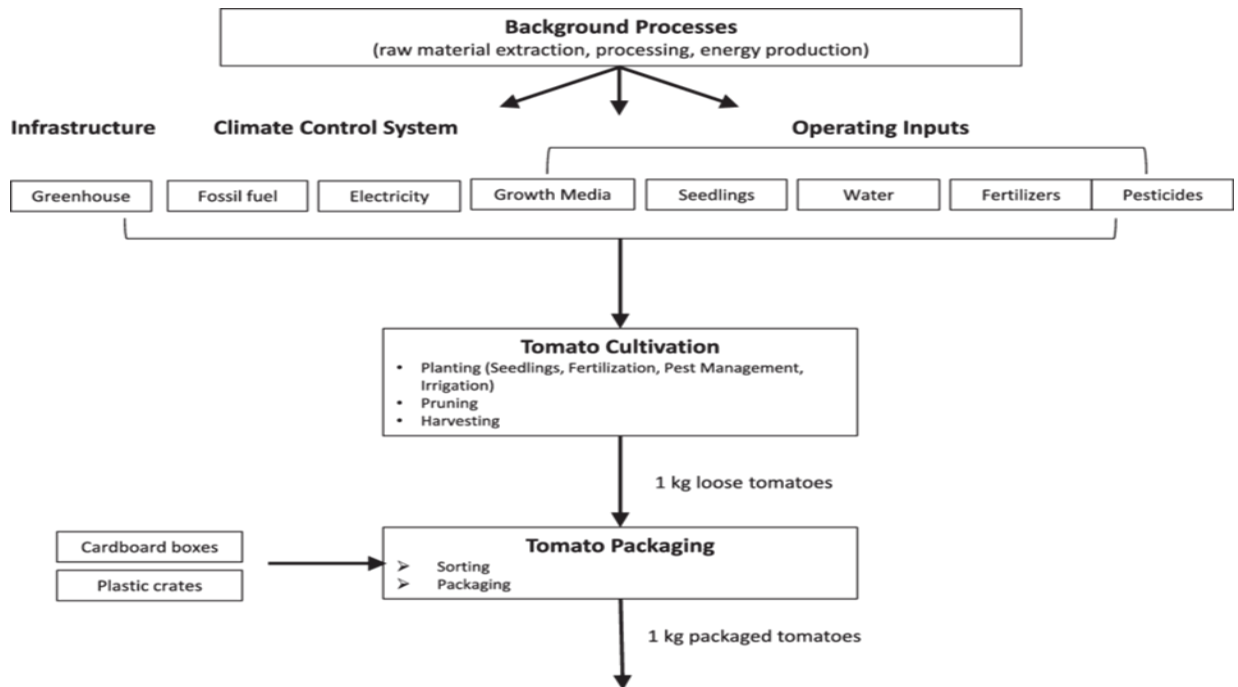


Figure 5: Background Processes (Deas et al., 2016, p. 3)

Pickling of tomato is carried out in the phase of the first real leaf and when picking the root is shortened by a third, which stimulates the formation of the fibrous system. After 18-20 days after the pick there carried out the balance of the seedlings. The main issue is that if the seedling is tight and the light falls only from above, there is a predominance of apical growth, the seedling is stretched and becomes weak. When covering plants not only from above but from the side, in the tissues decomposes hormones that cause elongation of the stem and seedlings will be low and sturdy. Therefore, there is a need for balancing.

The following table presents plan for production of Organic Miracle in Glasshouse:

Indicators/ Years	2020	2021	2022 - 2025
Tomatoes, tons	200	220	220

Productivity of tomatoes, kg/m ²	22
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Table 5: Plan of Yearly Production

In summarizing all the written technological and organizational aspects of greenhouse business mentioned above, it is possible to draw some conclusions regarding the business. Before all, the communications such as electricity, gas, and water should be made accessible to the greenhouse business. Therefore, before the purchase a plot of property in the region and the lease for a greenhouse, Organic Miracle in Glasshouse will investigate these important features and connect network organizations and local authorities for information. Taking into account the fact that the area of the greenhouse should be flat and not shaded, while the slope is negligible to 5%. Additionally, Organic Miracle in Glasshouse plan to establish greenhouses on the leased property and thus the building should be collapsible. This will make it possible to transfer the farm to another location if there will occur some risks regarding the property. Significant costs are incurred for heating greenhouses, so initially Organic Miracle in Glasshouse plans to choose the most efficient equipment. State subsidies and tax benefits for agricultural producer is another critical point which will be included in the financial part of the business plan.

4. ORGANIZATION AND MANGEMENT

Greenhouse enterprise is a multifaceted production system that includes the components of fixed assets, labor and monetary capitals. The most significant task of management is the usage of these elements in a way that to maintain successful production of the entity survive in a competitive agricultural market and meet the requirements of the customers (Shevchuk, 2017, p. 305). Since the entity is divided into several parts, which requires the efforts and coordination of several people, there is a need for adequate management and organization system which will ensure that the company is reaching its main objectives. Modern management includes other activities such as planning, coordinating and making decisions in accordance with the company strategies. For the enterprise to function effectively, management tasks should be clearly defined and communicated. Moreover, the duties and responsibilities of each employee should be identified before their recruitment.

The general management of the entity will be carried out by the Director of Organic Miracle in Glasshouse. The engineer will control the work of the staff members including security guard, plumber, electrician and supply assistant. Agronomist coordinates the work of production workers such as technician, greenhouse technician, employee of plant, and operator.

Main responsibilities of the Director of Organic Miracle in Glasshouse are the following:

- ✓ general management of Organic Miracle in Glasshouse
- ✓ search and recruitment of greenhouse personnel

- ✓ control over the implementation of the production plan of the greenhouse
- ✓ improvement of production processes for mechanization of production in the Organic Miracle in Glasshouse
- ✓ assignment of technology and equipment to employees and control of maintenance, management of the construction of greenhouse facilities
- ✓ development and implementation of agribusiness strategy within the overall mission and vision of Organic Miracle
- ✓ planning and organization of activities of the company
- ✓ ensuring timely and quality implementation of production plans, contracts, commitments
- ✓ management and control production process
- ✓ controlling advertising activities of the company, ensuring effective pricing strategy, developing public relations of the company

The organizational structure of the enterprise is presented in below chart:

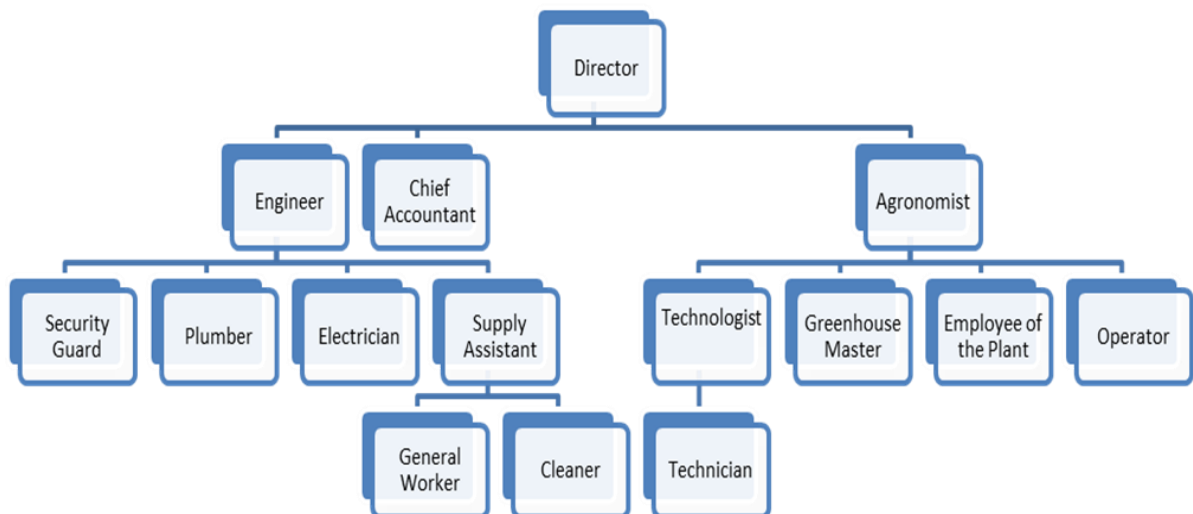


Figure 6: Organizational Chart

The number of the employees for each position and total number of employees are presented in the projection of the labor cost section.

The company will pay special attention to the conditions in which the employees perform their duties, as the most important thing for Organic Miracle in Glasshouse is human life and health. From the very beginning of activities performed within the framework of the project, every year the company will analyze the level of safety and health protection of workers in the territory of the greenhouse. Additionally, the company will systematically analyze the effectiveness of the measures taken and, if necessary, make appropriate adjustments to ensure that the working circumstances in the greenhouse meet all safety requirements.

It is essential to mention that the company knows the enormous impact that environmental conditions have on workplace safety. Therefore, continues efforts will be made for the safety and security of all employees.

5. FINANCIAL PROJECTIONS

This chapter will provide the information about the realization of the project and the financial projections. Based on the main assumptions, the implementation of this project will take the period of around seven months from January 2020 to July 2020. The following table presents main milestones in the project with the according time of realization:

Activities within the project/ Months	2020						
	January	February	March	April	May	June	July
Marketing Research and Feasibility Study							
Financial Projections and Funding Issues							
Credit for the Greenhouse Establishment							
Advance Payment for Equipment							
Employee Search and Recruitment							
Supply process and Installation							
Promotional Activities							
First Planting							

Table 6: Schedule for the Implementation of the Project

5.1. Main Expenses for the Realization of the Project

As it is mentioned previously, there is a set of equipment necessary for the implementation of the business plan. The price of each equipment is given according to

the market prices available in the official webpages of the distributors and direct sellers.

The following table presents the cost of necessary equipment:

Description	Amount/AZN (Total)	2020	
		April	May
Greenhouse span (8x 4 x 4.5) with cold house	279000	111.800	167200
Glass (app. 4mm)	30100	16600	13500
Design of the greenhouse (project work)	25300	10800	14500
System of shading with fabric (the entire area)	7150	2480	4670
Heating system	220400	80540	139860
Drip irrigation system	55200	22680	32520
Evaporative plant cooling system	20350	7290	13060
Electrical equipment, lighting system	13100	5080	8020
Electric lighting system for the entire area	380320	175800	204520
Automatic climate control system	35800	15300	20500
GAZ-3302 (Isothermal van)	25550	-	25550
EvoTech 2.7 (Refrigrator)	28200	-	28200
TOTAL	1,120.470	448.370	672.100

Table 7: Cost of Necessary Equipment

The price of the technology and equipment already includes the delivery and installation price from different countries through/without wholesalers.

Operating costs which consist of variable costs necessary for the fertilization of the seeds (potassium nitrate KNO₃, Calcium nitrate Ca (NO₃)₂, Potassium monophosphate KH₂PO₄, Orthophosphoric acid, Ammonium nitrate NH₄NO₃ Magnesium sulphate MgSO₄) will be bought directly from the company Grow Group Azerbaijan, according to which the total price for one year will be around 23200 AZN (Grow Group, 2019).

General and administrative expenses of the enterprise per month are presented in the following table:

Description	2020/ AZN
Bank services	50
Office Rental Price (65 m2)	250
Internet	90
Communication services	45
Office supplies	70
GSM	320
Maintenance and repair of OS	45
Advertising expenses	450
Other incidental expenses	150
Total	1470

Table 8: General and Administrative Expenses

The labor cost for the implementation of the project is depicted in the following table according to the organizational chart:

	Position	Number of Employees	Gross Salary	Net Salary	Total Gross Salary
	Administrative personnel				
1	Director	1	2000	1794	2000
2	Chief Accountant	1	1400	1257	1400
3	Engineer	1	1000	899	1000
	Total number of employees	3			
	Production Personnel				
1	Agronomist	1	900	809.5	900
2	Technologist	1	700	630.5	700
3	Operator	2	700x2	630.5	1400
4	Technician	1	800	720	800
5	Greenhouse master	1	850	764.75	850
6	Employee of the Plant	6	500x6	451.5	3000
	Total number of employees	12			
	Service Personnel				
1	Cleaner	1	500	451.5	500
2	General worker	1	600	541	600
	Total number of employees	2			
	Supplementary personnel				
1	Security Guard	1	700	630.5	700
2	Plumber	1	600	541	600
3	Electrician	1	600	541	600
4	Supply assistant	1	600	541	600
	Total number of employees	5			
	Total	21	13,525.41	11,868.75	15,650

Table 9: Labor Cost of the Personnel

The amount of labor cost is 15650.00 AZN per month.

Based on the given financial projections the total investment cost of the project is given in the next table:

Costs/ AZN	2020
Investment for fixed assets	1.120470
Working Capital	180000
Total	1,300.470 AZN

Table 10: Cost of Total Investment

Financing of the project is planned to be organized out both at the expense of own funds of the initiator of the project, and at the expense of investment and borrowings. The table below presents the share of the capital:

Source of the Investment/ AZN	Amount	Share
Capital of the Initiator	455.164	35%
Borrowed Funds	845.305	65%
Total	1,300.470	100%

Table 11: Source of the Investments

The leasing conditions for the financing of the project are presented below (Pasha Bank). It is planned to be for 6 years and the interest rate is usually depending on the project. For this type of the project the rate is estimated to be 18%.

Currency of the Leasing	AZN
Interest Rate (per annum)	18%
Maturity rate, year	6,5

Grace period of interest payment	monthly
Grace period of	6
Grace period of principal repayment, months	6
Type of repayment	Equal payment

Table 12: Leasing Conditions

In the final table it is possible to see the projection of the final annual profit calculated based on the production and the sales of the vegetables per year and return on assets of the company:

Annual Profit	199.308
Return on Assets	17%

Breakeven Point for the Company Sales

After calculating our expenses now, we need to know Breakeven point in order to be sure that we will earn profit or not and how much sales we need to realize for covering our fixed costs while the company will begin to earn profit. First, we need to determine variable costs and fixed costs and price of the product in order to calculate our breakeven point. All my fixed costs are about AZN 1,121.940 AZN (AZN 1,120.470 will be spent on equipment and façade of greenhouse plus AZN 1470 general administrative expenses). Variable costs consist of AZN 23200 fertilization products and plus AZN 15650 employee's salary. The sum of variable costs equals to AZN 38850. Unit Variable Cost = V/Q where V is total variable cost and Q is the quantity.

Unit Variable cost equals $38850 / (200 \cdot 1000 \text{ kg}) = 0.20 \text{ AZN}$

Breakeven Point = Fixed cost / (Price per unit – Variable cost per unit)

$$\text{BEP} = 1,121.940 / (3 - 0.20) = \text{AZN } 400692$$

$$400692 / 3 = 133564 \text{ kg}$$

From above calculation, we see that the companies BEP is AZN 400692. Which means that I need to earn AZN 400,692 for covering my fixed costs. And, if we divide it the unit price, we will understand that 133,564 kg tomato needs to be sold for reaching Break Even Point. As we mentioned above our target for the year 2020 is 200 ton, which equals 200,000 kg. That gives us opportunity that we will be able to cover our fixed costs even earn profit. Now, let's create the Statement of Financial Position.

Balance Sheet

Current Assets:

Cash and Cash Equivalents -----	845,305+455164	AZN	1,300.469
Inventories			
Account receivables			
Total current assets -----			1,300.469

Non-current Assets:

PPE (Property, Plant and Equipment) -----			1,120.470
Total assets -----		AZN	2,420.939

Current liabilities:

Accounts payable -----			15,650
Income Taxes -----			27,331
Deferred revenue			
Current portion of long-term debt -----			12,680
Total current liabilities -----			55,661

Non-current liabilities:

Long term debt -----			832,625
Other non-current liabilities			
Total liabilities -----		AZN	888,286

Shareholders' equity:

Equity Capital -----			455,164
Retained earnings -----			1,104.820
Shareholders' Equity -----			1,077.489
Total liabilities and shareholders' equity -----		AZN	2,420.939

5.2. Risks Related to the Implementation of the Plan

Market risk owing to the uncertainty of accomplishment, as a result of not always predictable behavior, counteractions, complicated variables of impact. It is almost impossible to totally prevent the danger. The marketing strategy of the economy makes it possible, in several situations, to handle hazards by taking targeted action to decrease them to an acceptable level. The general risks related to the implementation of the projects can be divided into two parts:

- Objective risk factors due to external circumstances- natural, economic, political or social events such as war, inflation, stagnation, etc. Its effect is not limited to a single project and cannot be disregarded by diversification in the plan. As far as this risk is concerned, it is important to notice that the risk is between 25 and 50 percent for any investment project.
- Subjective risk factor (subject to diversification) that can be excluded or lowered by diversification

During the implementation of each project there is a set of measures which can be taken in order to predict and reduce the risks related to its implementation and the success. These measures in case of the project Organic Miracle in Glasshouse could be:

- More complete forecasting of prices, which relates to the both short and long-term forecasting;
- To organize agreements with “conditional” suppliers, in case the first-order supplier faces some challenges regarding the products;

- High quality products, a regular study of consumer demand and market regulations, competitor analysis and technological innovations;
- Identifying the causes of danger through an assessment of mistakes in marketing operations and operational management choices on the outcomes of the assessment;
- Creation of a complete set of marketing actions to assess potential risks and to carry out commercial, monetary and credit, manufacturing, trade, marketing and organizational operations directed at decreasing risk or insurance;
- Constant development of quality, enhancement of prescription choices, application of sophisticated techniques;
- Meaningfully strengthen the advertising campaigns and promotional activities of the company;
- Forecast of possible responses of rivals, their change strategies and pricing activities to the people responsible for the organization and management of company actions;
- Other marketing activities to guarantee decreased risk and enhanced markets.

Analysis and identification of investment hazards enables errors and economic losses to be avoided in the future when implementing a business idea.

5.3. Corporate Social Responsibility

Corporate Social Responsibility is the phenomenon discussed together with the organizations and companies and one of the main factors that influence corporate image of the enterprises. Organic Miracle in Glasshouse will consider all the aspects of Corporate Social Responsibility and will adhere to its main requirements.

Organic Miracle in Glasshouse considers Corporate Social Responsibility as a strategic platform for sustainable business development. The company links its business objectives and goals with public interests, takes into consideration social, environmental and economic factors that make certain its sustainable development. First of all, Organic Miracle develops in the strategic mainstream of maintaining sustainability on the basis of common values and synergy with all the upcoming projects. In its practical activities, the company will strive to guarantee that its involvement in sustainable development is long-term and reliable for its main stakeholders, which are:

- ✓ Owners and investors
- ✓ Customers
- ✓ Employees
- ✓ State
- ✓ Partners & suppliers

Issues of corporate social responsibility will be annually considered by the Director and Chief Accountant of the company. Organic Miracle in Glasshouse will ensure that follows the policy on “Corporate Social Responsibility”, which outlines CSR as a philosophy of long-lasting and sustainable development of the company, allowing to cooperatively assimilating business with core human values and national development priorities of the country. Socially accountable method of doing business, above all, includes refining the quality of life of stakeholders, assuring wellbeing and development of human resources, contributing to the growth of local communities, containing through the formation of equally favorable social corporations in the provinces where the company operates.

From the environmental point of view, in order to obtain environmentally friendly products (tomatoes), it is necessary to know the main biological features of these crops, namely, the requirements for the conditions of water, heat, light, food regimes for the periods of vegetation. In greenhouses, it is essential to produce microclimate circumstances that would add to an increase in yield and quality of greenhouse tomatoes. With an optimum mixture of variables such as agrophysical and agrochemical properties of the soils used, the biological features of cultivated varieties and hybrids, agricultural methods and plant safety, elevated yields of greenhouse tomatoes with great flavor and marketable properties can be achieved annually. In addition, in order to acquire environmentally friendly products, it is essential to study individual cultivation techniques and a comparative evaluation of their effect on the growth, development and productivity of greenhouse tomatoes. The extensive use of water circulation schemes as well as the creation and application of biological techniques to combat illnesses and pests are very promising to eliminate damaging effects on the environment and the quality of products. Therefore, Organic Miracle in Glasshouse will obtain "Eco Certificate".

In Azerbaijan, genetically modified organisms and their derivatives should not be used in the production of ecologically clean agricultural products, only natural food additives permitted in international and national standards should be used in its processing, sanitary and hygienic rules should be strictly observed, the principle of directly from the soil to table should be taken as the basis. In this way, the potential hazards of raw materials, water and other additives used in food production for the organism are eliminated and ultimately create confidence in the guaranteed sale of the product. Based on The State Service for Antimonopoly Policy and Consumer Protection

of the Ministry of Economy the products must be certified, have a natural storage period, contain pesticides, mineral fertilizers, antibiotics, height hormones, various bondservants, antioxidants, aromatizes, stabilizers, colors, buffers and other additives of artificial origin. The product should be produced mainly based on three parameters – ecologically pure mustard, ecologically pure ingredients, ecologically pure technology. It should be noted on their labels that the goods are ecologically clean. Ecologically clean agricultural products should be marked with the permission of the relevant certification body with the indication of the words “eco-transition” and “Eco”, and the marking procedure should be determined by the relevant executive authority. Moreover, the sale of ecologically clean agricultural and food products should be carried out in specialized stores for this purpose. In the absence of such a store, the sale of such products should be carried out in special departments of trade enterprises. Sellers should inform consumers about the consumer characteristics, composition, caloric content, rules and methods of using the product, storage conditions and other necessary information on ecologically clean agricultural and food products.

Organic Miracle will ensure that all the products harvesting in the greenhouses are ecologically clean and have the “Eco” label. It will also guarantee for the customers that the products are clean and meet all the requirements of the state agency.

Socially responsible greenhouse business is generally carried out at the level of the external and internal setting. The inner climate of social responsibility in Organic Miracle includes:

- ✓ job security;

- ✓ wage stabilization;
- ✓ maintenance of socially important salaries;
- ✓ extra medical and social insurance for staff;
- ✓ aid to staff in critical circumstances.

The external environment of social responsibility of Organic Miracle involves:

- ✓ environmental aid;
- ✓ interaction with local communities and local authorities;
- ✓ willingness to engage in crisis scenarios;
- ✓ accountability to customers of products and services (production of quality products).

Additionally, social responsibility of the company can be realized through the application of the several social programs in practice in the future such as partnership programs of organizations with local, regional and federal government bodies; co-operation programs of agribusiness with public organizations and professional associations, partnership programs with mass media.

In general, Organic Miracle in Glasshouse will keep its compliance with environmental requirements and social development goals in order to be responsible for the stakeholders' wellbeing and ensure long-term benefits for them. Although financial profitability is the main indicator of the success of the project, no company can acquire full efficiency without being responsible for its activities.

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