

Farm Fresh App

Convenient farm-to-table food.



Connecting farmers and consumers to share the love of farm-fresh food.

Sylvia Michael

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II. Executive Summary

Concept Description

Farm Fresh is an app designed to promote local food, support small farmers, and help consumers connect with farm fresh food. With the increasing number of small farmers – and an increasing interest in their products – this app makes it simple and easy for consumers to purchase food from their local farmer. On this modern, simplistic app, farmers can list their products for sale and consumers purchase on the app and receive the product directly from the farmer.

Opportunity

Throughout the last few years, there has been an increasing interest in local food. Especially with the COVID-19 pandemic, people are desiring food from their local farmer. However, finding these farmers can be difficult. On the flip side, farmers that raise these types of products are increasing but struggling to connect with customers. By simplifying the transaction between farmers and customers, Farm Fresh is entering a market that is rapidly growing. In addition to the increase of interest in local food, there has been an increase in customers ordering groceries/meals on their phones. Combined, these two main aspects of the Farm Fresh app – simplifying the transaction and providing a modern app experience – fit perfectly into the growing market for local food.

Innovative Solution

As mentioned above, this app is focused on connecting customers to farmers. It does so by having farmers list their farm fresh products and inventory amounts. From this selection, organized like any other grocery shopping app, customers can put items in their “cart” and pay the farmer directly through the app. Each item describes the specific farm’s pick-up or delivery process so the customer understands how they will get their farm fresh food.

While there are other apps, websites, and groups already formed to help connect customers to local farmers, these options are often outdated or inconvenient. For example, some of Farm Fresh’s potential competitors are apps or websites where there is a list/directory/map of farmers. However, the customer has to go to the individual farm’s website to order after navigating a difficult shopping experience. Farm Fresh will stand out in the market by making it easier for the customer to order from the farmer as the farm products are listed – with full descriptions and farm profiles – on the app. This makes it a “one-stop-shop” for both farmers and customers.

Value Proposition

Currently, customers solve the problem of wanting to purchase local food by going to a farmers' market or using one of the directories provided by different groups to find a local farmer. Farmers sell their products by being active and marketing themselves through these different groups. Farm Fresh will revolutionize the process by simplifying and updating the local food purchasing experience. All Farm Fresh members – whether a farmer or customer – will pay a yearly or monthly fee in order to participate on this app. Farmers who are looking for new ways to market their products will be the first customers of this app, as it will need farmers to join before it is worth anything for customers to join.

Competitive Advantage

The most likely competitors for Farm Fresh are, as mentioned previously, other directories that promote small farmers and farmers' markets. Farm Fresh differentiates itself from other directories by providing a shopping experience with a search bar and tabs for different types of products similar to any other grocery shopping experience. Additionally, Farm Fresh differentiates from farmers' markets by providing the ease of shopping from home and removing the necessity of farmers to spend time at farmers' markets. A potential challenge for Farm Fresh is farmers' markets that are already established or customers who already have steady access to fresh food from a farmer, however, this challenge is mostly irrelevant due to the ever-increasing number of customers interested in farm fresh products.

Entrepreneurial Team

The team to create and run the Farm Fresh app would begin with two individuals. The product owner, Sylvia Michael, would also be in charge of marketing, designing, and customer service. A second person would be hired to assist with the actual creation of the app and website. This second person would be knowledgeable about how to code an app but would not be doing the design for the app. This person would also fix issues and errors that come up with the app.

Financial Highlights

This concept is still in the beginning stages and will require a substantial amount of upfront capital to simply get the app up and running. It is estimated that it will take 4 months to develop and design the app and website and 2 months to advertise to farmers and get a solid number joined before sharing publicly. With this expectation and with proper funding, it will take 6 months to get the app up and running. With a yearly membership price for both the customers and farmers of \$49.99 and a \$7,967 monthly burn rate, this app will need to bring in 5 new members every day to break even. However, once the app is up and running, the cost of maintaining the app will be much lower than the initial app construction and thus the breakeven rate will decrease, and the app will become more profitable.

III. Consumer Problem

Farm Fresh

Now you can easily find farmers in Minnesota who are growing food just the way you want!

Do you enjoy buying local food? Do you have a hard time finding local farmers? Do you get annoyed with outdated technology and directories? If so, you need to download the Farm Fresh App!

Created to bring together local farmers and customers, this app makes the process of purchasing locally grown food an absolute breeze. By downloading the app, you can find local farmers who are selling your favorite foods with ease comparable to ordering food from a grocery store. This means no more outdated, out-of-season directories with farmers that may or may not still be farming. Instead of wasting time scrolling through Facebook groups trying to find your local farmer, you can now simply put in your zip code and have a multitude of nearby farmers to choose from – as easy and as fun as any other online shopping!

Stop wasting time looking for your local farmer – download the Farm Fresh App today and find your local farmers and you will be eating a healthy, delicious, local meal in no time at all!

Price: membership fee of \$4.99/month or \$49.99/year

There are two main consumers for the Farm Fresh App. The first - of whose consumer concept is written above - is the customer. Throughout this concept paper, there will be a distinction between the consumer and the customer. The consumer is anyone who is purchasing a membership and using the Farm Fresh App. However, there are two types of consumers. The customers are the individuals using the app to purchase food from farmers. The farmers are the second type of consumers who are providing their foods for sale. An additional consumer concept directed towards the farmer is shown in the Concept Portfolio (Section X) at the end of this document.

While there are many types of customers that would be interested in using this product, one of the main customer personas considered was a health-nut mom. As can be seen in the persona graphic below, this type of consumer is very concerned about healthy eating for herself and her children. While she is interested in purchasing locally grown foods, she - and other consumers like her - find it difficult to always go to the farmer's market. The timing and seasonality of the farmer's market - as well as the outright inconvenience compared to a grocery store - make it difficult for customers to eat the locally grown food they wish they could have. Especially in light of the COVID-19 pandemic, more and more people have become interested in eating locally grown food and making the supply chain from farm to table shorter. People are concerned about the health of their food as well as potential food shortages. Currently, the main

options for people interested in purchasing locally grown food are either farmer’s markets, often outdated directories of small farms, or researching and contacting a farmer directly. All of these options fall short due to a lack of convenience for both the customer and farmer. Additionally, these options are confusing, unclear, and outdated.

Consumer Data Infographic



Customer Buyer Persona

<p>NAME: Mary</p> <p>Age: 30</p> <p>Gender: Female</p> <p>Income: \$75,000</p> <p>Location: Suburbs</p> <p>Family Situation: Mom with 2 small children</p> <p>Annual Income: 75,000</p> <p>Education: college degree</p>		<p>VALUES AND GOALS</p> <p>What does he/she strongly believe in? What are the characteristics of his/her personality? What are his/her professional goals? What are his/her personal goals?</p> <ul style="list-style-type: none"> • "healthy" foods • whatever the influencers are doing/eating • doting on her kids • wants to connect with farmers 	<p>CHALLENGES</p> <p>What are his/her pain points? What challenges is he/she facing? What is he/she afraid of?</p> <ul style="list-style-type: none"> • busy with children • wants local food but can't find it • afraid of not eating well enough • afraid of food bad for environment
<p>PROFESSIONAL ROLE</p> <p>Industry: Management</p> <p>Job Title: Project Manager</p> <p>Company Size: 100-500</p>	<p>PERSONAL PHILOSOPHY QUOTE:</p> <p>“ I'm always looking for new ways to find healthy food for myself and my kids! ”</p>	<p>SOURCES AND INFLUENCE</p> <p>Blogs/Websites: Health and Wellness Blogs</p> <p>Magazines: Mother Earth News</p> <p>Conferences: Health and Environmental Conferences</p> <p>Books:</p> <p>Thought Leaders:</p>	<p>BUYING DECISIONS</p> <p>What is his/her role in the purchase process? How does he/she regularly buy? What are his/her objections to making a purchase?</p> <ul style="list-style-type: none"> • Willing to spend money • Wants to do the "right" thing for her kids • Typically buys food at places like Whole Foods • Wants to go deeper and buy direct • Doesn't want to do anything complicated to buy

Additional Buyer Personas in Section X.

IV. Product Problem

The Farm Fresh App solves one of the largest issues facing small farmers and health-conscious customers today which is the connection between farmers and customers. Currently, it is often quite difficult for customers to find a local farmer to purchase food from. Additionally, farmers struggle with the time it takes to market their products and the difficulty to find interested customers. Compared to some of the main competitors in this area - especially farmers markets - this app offers a level of convenience and stability that is not available for a farmers market. The app makes it easy for customers to purchase from their local farmer even during the off-season when there are no farmers markets, even if it is raining on market day, or even if there are concerns about COVID-19.

Throughout careful consideration of the current consumer problem, market situation, and business analysis, this project solution has arrived at a solid concept stage of development. To arrive at the current version of the product, other farm-to-table services were researched for both pros and cons that could be used in the Farm Fresh app. While there are already ways for customers to purchase from farmers, the Farm Fresh app is the ideal option as it fits the criteria of connecting farmers to customers while also being extremely convenient, safe, and reliable. The app combines the best of all worlds related to food in our current day - food delivery, mobile food ordering, and locally grown produce. In a society that is becoming increasingly environmentally conscious, supporting local farmers is a real thing customers can do to help save our environment and their individual health.

The main benefit of this app is for customers to be able to purchase directly from farmers. This benefit comes about with some of the main features which are shown in the Benefit Map below. The Benefit Map is categorized into 5 key aspects of the app: membership, functionality, sales system, connection, and products.

Benefit Map

	Feature	Customer Perceived Desirability	Customer Perceived Feasibility	Customer Benefit Consequence	Customer Archetype
App membership	membership	helps customers keep track of who they have orderd from	eaier to remember when products have bought/when to purchase again	customers can have all of their info of farmers to purchase from in one app	busy individuals whol still want farm fresh products
	map	makes finding local product easy	don't have to fitler out products from farms far away	ability to find lcoal products	individuals who don't want to drive long distances to purchase farm fresh products
	software	app is aesthetically pleasing	app runs smooth and fast	software allows for all aspects of app to work together	
	price comparison	find the cheapest/ideal priced product	compare prices to choose best product	easy to compare prices between farms	budget-tight individuals would particulary appreciate this
	testimonials	what have other app users said about this app?	if others enjoyed the app/found connections, user will choose to as well	read others review of app	anyone that doesn't want to waste money on a membership would read testimonials of app
	ability to message farmers	ability to talk directly with a farmer	helps with questions about products/ordering	don't have to wonder - get to talk to a farmer just like you can at a farmers market	anyone with questions/specific requests
	find local products and farms	app works together cohesively to find local products	all aspects of app lead to smooth experience of finding local farm products		
	write reviews and rate farmers	can complain or praise farms and products depending on experience	leaving a review will help future customers	by sharing experience, others can read it and user would do this after benefiting from others comments	anyone who really cares about farm fresh food would rate and review farms and products
	categories of products	opinions about healthiest options can be met	specified search/browse for preferred products	don't have to look at products that don't fit criteria	everyone would use this but especally customers who have very specific food criteria
	password/signup with email	data will be secure	secure login system with password and email verification	ability to securely store customer data	everyone would have to make this choice to be a member

	Feature	Customer Perceived Desirability	Customer Perceived Feasibility	Customer Benefit Consequence	Customer Archetype
App Sales System	software	simple and easy to order	easier to order than driving to a farmers market	sales/ordering system works well and there are no technical issues	anyone looking for farm fresh foods and a simpler life
	ordering system	ordering system works	ordering system is not confusing	ability for customers to purchase products from farmer through the app	
	Stripe	reputable	many use Stripe so it will work well	app uses Stripe as an online payment processing system	
	credit card info	easier if app remembers CC info	if app remembers, don't have to re-enter every time	app remembers credit card info for next purchase	
	credit card security	don't want scammers getting into credit card	security when giving out credit card is always important	app keeps credit card info safe and secure	
	delivery/shipping options	users can choose from list of delivery options	multiple delivery/shipping options make products more appealing	users can choose preferred delivery method	

	Feature	Customer Perceived Desirability	Customer Perceived Feasibility	Customer Benefit Consequence	Customer Archetype
App Functionality	home page	invites users to join in catchy, inviting way	answers question of what the app even does	use this page to decide if going to signup or login if already a member	
	browse page	customers unsure of what to buy can simply browse different categories and products	don't have to know what to search, can just look around at what is offered	browse categories and sections for an introductory look around at products offered	customers who are not entirely sure what products they want to buy
	search page	on a mission for a specific product and can easily search	don't have to browse through products that don't fit criteria	search for a specific product	customers who have a clear criteria and idea of a product to buy
	product page	learn about product before purchasing	have enough info before spending money	see details of product/pricing/delivery options/etc	
	farm page	feel connected to farm	learn if farm matches criteria/fits your personal values	feel as connected to farmer as you would at farmers market	
	shopping cart page	organize products you want to buy	put items in cart before purchasing	organize multiple items you want to buy/select delivery/shipping method	
	ordering page			purchase products	
	membership area	keep everything organized	see previous orders/farms you ordered from	all your farm fresh food info in one place	
	farmer management area	simplistic and less work than marketing alone	don't have to go through the work of marketing products alone	manage inventory, pricing, delivery options, view orders	
	new product alerts	first to get new products	not going to go refresh the app everyday, notifications from farms you like about new products helps keep things straight	notifications of new products	especially helpful for individuals who are new to app
app FAQ page	helps remove confusion about app	needs answer to how the app works	answers all questions about the app	new app users	

	Feature	Customer Perceived Desirability	Customer Perceived Feasibility	Customer Benefit Consequence	Customer Archetype
Connection on app	messaging system	customers would enjoy connecting directly with farmers	customers don't have to wonder about details of product/delivery options	customers can ask farmers questions about the products/delivery/etc	
	farm profile	feel connected to farm after looking at profile	answers basic questions about location/products offered/farm	customers can learn about farm/farming practices	
	reviews of farm	like being able to praise/complain and read other comments before purchasing	can share experience and read others	customers leave and read review	
	ratings of farm	simple way to rate experience with farm	helpful in determining if user is going to purchase	customers leave and look at ratings	
	regular farmer updates	first to get a new product		get updates about new products from farms purchased from	
	text reminders to re-order	often forget about a new app/new way to shop if new	reminder notifications helpful	reminders to order from farms purchased from and new farms/new products	
	farmer update notification	farmers are busy and reminders to update/ensure everything is accurate are helpful	farmers need to update product listings regularly	reminders for farmers to update their farm/products	

Feature Customer Perceived Desirability Customer Perceived Feasibility Customer Benefit Consequence Customer Archetype

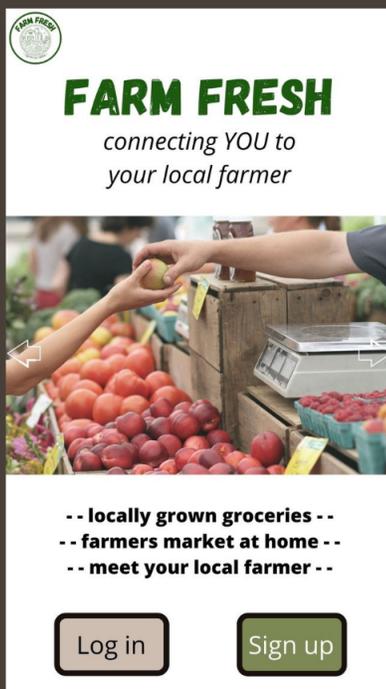
Products on App	local to MN	users like the clarity and narrowed focus	don't have to see products in other locations	find farm fresh products in MN	
	organic food category	users have strong opinions about categories so all must be represented for clarity	some users don't want to waste time looking through products that don't match their criteria	find organic foods	especially customers with a specific set of criteria for food purchases
	non-GMO food category	^	^	find non-GMO foods	
	niche food product category	^	^	find niche products	
	pasture-raised category	^	^	find pasture-raised products	
	allergy friendly foods category	^	^	find allergy friendly, local products	
	produce section	some users only want local produce	sections make shopping easier	find local produce	
	meat section	some users only want local meat	sections make shopping easier	find local meat	
dairy section	some users only want local dairy	sections make shopping easier	find local dairy products		

As for the consumer experience, this app makes the purchasing of locally grown food easy and accessible. Farmers and customers both download the app. After identifying the products they sell, the price-point for these products, and the delivery methods available, the farmers will be able to manage the inventory and price of their products. Additionally, the farmer will be asked to write a farm profile with information about the farm, its history, and its farming practices.

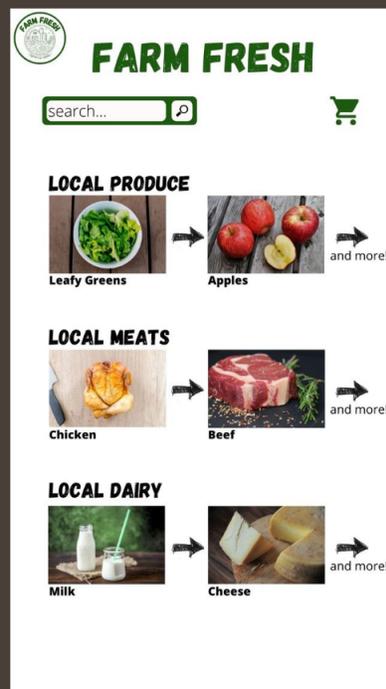
The customer experience will be slightly different in that, after downloading the app and becoming a member of Farm Fresh, they will be able to select their common preferences or browse the entire selection of locally grown foods. If the customer is looking for a specific product, they will be able to use the 'search' bar to find that specific product. After selecting a product they may be interested in, the customer will be able to read a description from the farmer, look at the delivery options, and check out the farm's profile. If the customer chooses to buy the product, they 'add to cart.' In the shopping cart section of the app, the customer chooses the delivery method of the options the farmer provides and purchases the product with their preferred payment method. This payment is then immediately sent to the farmer who will fulfill the order.

The main product development risks of this project are that the app does not work as expected. The main hypothesis to be overcome is that an app can be made with all the features and benefits desired while still being simple and accessible for users.

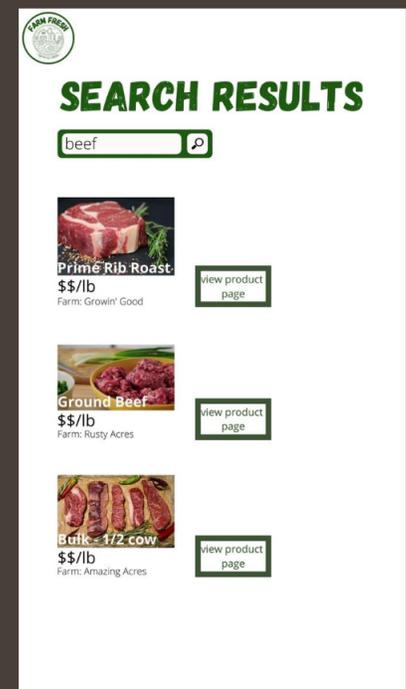
Proposed Screen Images



Home page



Browse page



Search results



PRIME RIB ROAST

Growin' Good Farm



Prime Rib Roast
\$\$/lb



Link to Growin' Good Farm Profile

PRODUCT DESCRIPTION description of product here. Talks about the best way to cook it and how delicious it is.

DELIVERY OPTIONS here we talk about the delivery options this farm offers. You can pick it up here at this time or pay \$\$ for shipping straight to your door. You choose after clicking add to cart.

Ready to purchase?



Don't like this option? Click here to go back to search results!



Product page



GROWIN' GOOD FARM PROFILE



"I'm Farmer Joe of Growin' Good Farm and my passion is health for both my animals and everyone I feed."

Located in Wright County, MN, Growin' Good Farm raises pasture-raised beef and lamb.

Farmer Joe began the farmer back in 2016 after dealing with personal health issues and realizing the importance of farm-fresh, pasture-raised, organic food.

Rating: ★★★★★

Reviews

Farm profile page

V. Market Problem

The Farm Fresh app is entering a market that is rapidly expanding and certainly has room for new businesses and ideas. As discussed earlier, there has been an increasing interest in farm-fresh, locally grown products especially since the start of the COVID-19 pandemic. One example of this is the Farm Direct Minnesota Facebook page which was started in May of 2020 and has since grown to nearly 63,000 members (farmdirectminnesota.com). After a direct conversation with Sazzy Calhoun, who runs the MN Farm Direct pages, it was obvious that there is a huge need for ways to connect farmers with customers. Without new opportunities to connect farmers and customers, the future will be increasingly difficult for small farmers as they struggle to find local customers.

The Farm Direct Minnesota Facebook page is just one example of one of the other products that are currently connecting farmers and customers. Farmers markets, CSA shares (direct purchase from the farmer on the farm), and online directories are other options. While the Farm Fresh app has a higher cost than a free Facebook page or online directory, it does compare nicely to farmer's markets where farmers have to pay to be a vendor. Additionally, the

convenience and modernity of the Farm Fresh app differentiate it from all of the other options. This app also makes it a lot easier to sort and search for a specific product unlike any of the other options currently available.

While this app could be expanded to other states and the entire country, it will begin in Minnesota and possibly the surrounding states. Within the state of Minnesota - or any other state where Farm Fresh is - the majority of customers will likely be located in urban and suburban areas as individuals in rural areas are more likely to already have access to farm-fresh food if they want it. As for the farmers, it is expected that they will be located throughout the state to provide options for customers. This Farm Fresh app will begin with making just a small dent in the farm to the customer market. With a yearly membership fee of \$49.99, the app needs to reach 20,004 memberships to make \$1,000,000 in revenue. Comparing this number to the number of individuals in the Farm Direct Minnesota Facebook group, this app would take about one-third of that current group to reach its financial goal. However, the Farm Direct MN group is only one of many options in Minnesota to purchase locally grown food. Between all of these options, the Farm Fresh app would need to reach an even smaller percentage of the people interested in locally grown food in order to reach the \$1,000,000 in revenue.

Benefit Comparison Table

	Farm Fresh App	Farmer's Market	Online Directories	MN Farm Direct FB group
Price	Mid to high \$	Low \$	Mid to high \$	Low \$
Convenience	Very convenient	Moderately convenient	Mid-level convenience	Mid-level convenience
Connection w/ farmer	Strong connection	Mid-level connection	Mid-level connection	Mid to strong connection
Categorization of products	Clear categories	No clear categories	Clear categories	Very unclear categories
Search-ability	Easy to search for a specific item	In-person so difficult to "search"	Easy to search for specific item (if it is a good directory)	Difficult but possible to search for a specific item
Testimonials	Testimonials from other farmers and customers	Some testimonials (online reviews of a market)	Typically no testimonials	Typically no testimonials

VI. Business Model Problem

The transaction aspect of this product is the consumer purchasing a year-long membership to the Farm Fresh app for a price of \$49.99. This price would also be split up into a monthly price of \$4.99 for individuals who do not want to purchase an entire year membership at one point in time. At the price of \$49.99, the app needs just over 20,000 members in order to reach \$1,000,000 in revenue. Based on the 5 laws of opportunity below, it can be seen that consumers want this new product because of the convenience and simplicity of finding locally grown foods and, for farmers, marketing their products.

Five Laws of Opportunity

1. Overt Benefit - find local farmer/market farm products
2. Reason-to-believe - plenty of other food purchasing apps to compare it to
3. Dramatic Difference - the convenience of this app is next level compared to all of the other options
4. Adoption Hurdles - other methods have not worked well to find local food/market farm products
5. Social Sufficiency - free 1-week trial to get members onto the app before purchasing a membership

Consumers will be willing to listen and pay for this new idea because of the many difficulties involved with the current method of purchasing/selling farm-fresh foods. The consumer hypothesis below shows some of the main consumer hypotheses in regards to this Farm Fresh product. If these hypotheses are fulfilled, as is assumed with the creation of this app, consumers will receive great benefits over the current options.

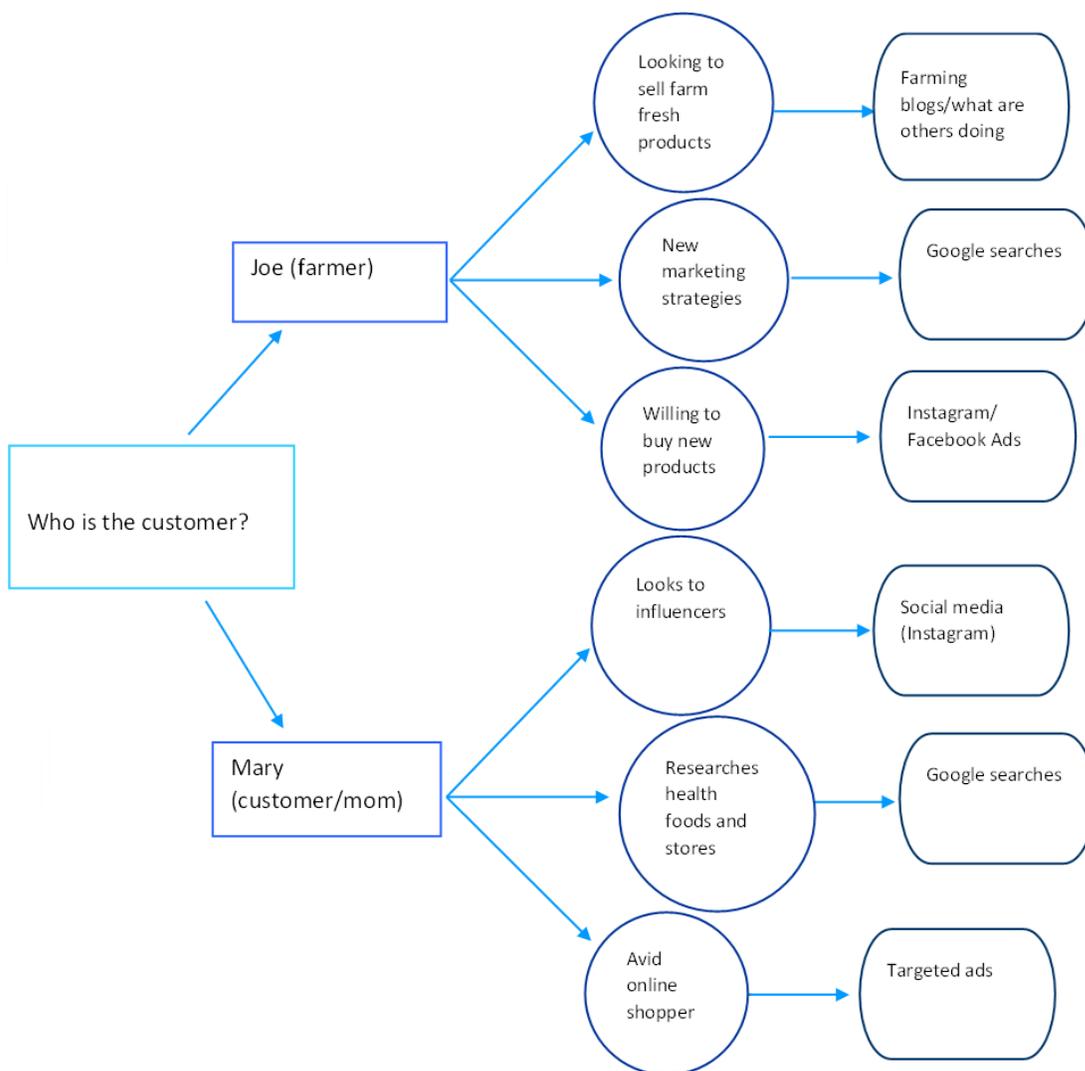
Critical Hypothesis	Issues, Criteria, & Results
The app will organize all the farm data into different categories.	one of main distinguishing features of this app is the organization and ease of use so needs to be effective
The app will have an ordering system from customer to farmer.	payment needs to be able to go straight from customer to farmer
This app will have a messaging system.	consumers may think a mobile option is less interactive than a farmer's market
The payment system will be secure.	customers may worry about CC safety
The ordering system will be able to include individual farm's delivery/shipping methods.	the app needs to be able to pull the farm's shipping/delivery methods into the shopping cart page of the app
The app will be available for both Apple and Android devices.	apps are not always compatible with both but is necessary for this product
The app will use location services to find local products.	connection with the phone's GPS and location services will be necessary

The current transaction method for consumers for an alternative product varies depending on if one is considering the farmer or customer. For the customer, they can either go - for free - to a farmers market or Facebook group to find farmers. Another option is for them to pay to view one of the online directories of farmers. While most of these models are much cheaper for the customer than the Farm Fresh app, customers will be willing to pay more for the additional convenience. As for the farmer, they either pay to have a table at a farmers market (which is

significantly more expensive than this app), pay to be on an online directory (which is a comparable price), or market their products on a free Facebook group or page.

The consumer decision tree below shows how consumers become interested in this product and where they currently find solutions to their problems. These final areas are the channels through which this app could be advertised to introduce new consumers to the Farm Fresh app. The difficulty with this app is that there needs to be a sufficient number of both customers and farmers that are willing to join in the very beginning. This app will increase in value for consumers as more people become members so it needs to be marketed to a large number of people at the very beginning in order for consumers to find value in it.

Consumer Decision Tree



In regards to the MBV analysis, there are assumptions that were made about the price of initially creating this app. The table below shows the main expenses and assumptions for expenses for the Farm Fresh app. The main thing to note here is the loan for the app software. The Farm Fresh business will take out a 2-year loan for \$50,000 for the app software at a 3% interest rate. This length of loan was considered because the target timeline to reach \$1,000,000 in revenue is 2 years after the creation of the app.

MBV Expense Assumptions

Yearly Expenses						
\$ 50,000.00	App Software (labor to design app)					
\$ 25.00	Apple Store Fee - one time fee					
\$ 99.00	Google Play Store fee - yearly					
\$ 500.00	Website to promote app					
Monthly Expenses						
\$ 2,149.06	Loan for app software					
\$ 2.08	Apple store Fee (one time fee split between first 12 months)					
\$ 8.25	Google Play Store fee - yearly fee split between 12 months					
\$ 41.67	Website costs (yearly cost of \$500 split between 12 months)					
\$ 2,201.06						
Labor Costs						
\$ 4,166.00	1 Full time Employee (marketing) (\$50K/per year split between 12 months)					
\$ 1,600.00	1 Part time contract employee for IT/support staff at \$40/hr - 40hrs/month					
Loan						
2yr \$50000 for app software + 3% interest rate						

MBV Analysis Table

				METRICS				
BASELINE 1:	<i>If We Charge This:</i>	\$49.99	\$49.99	Farm Fresh App				
BASELINE 2:	<i>And Our Costs Are:</i>	LABOR + COMMISSIONS + ROYALTIES						
		MATERIALS + DIRECT MFG COSTS						
		\$0.00 TOTAL DIRECT COSTS						
BASELINE 3:	<i>Gross Profit per unit:</i>	\$49.99	100.0% <i>Gross Contribution Margin</i>					
BASELINE 4:	<i>Monthly Burn Rate is:</i>	\$7,967						
BASELINE 5:	<i>Breakeven at:</i>	1,912	478	159	37	5		
		<i>Per :</i>	YEAR	QTR	MONTH	WEEK	DAY	
Module B								
				MONTHLY OPERATIONS				
Facilities All-in:		\$2,201						
Management:								
Sales-Marketing:		\$4,166						
Support Staff:		\$1,600						

The assumptions lead to a breakeven quantity of 1,912 app memberships per year. While there will be app memberships sold at an increased price (for the monthly membership of \$4.99/month), these memberships were not included in the MBV analysis in order to make up for the additional costs that were not accounted for. The timeline to reach \$1,000,000 in revenue is 2 years after the initial publishing of the app. One important aspect to consider in the number of memberships needed to reach the \$1,000,000 in revenue is that 20,000 memberships could, theoretically, mean 10,000 individual people purchasing a membership two years in a row. While not all consumers will purchase a second year-long membership, it is the hope and expectation that many members - especially farmers - will be repeat customers. This will impact the total number of people that will be needed to reach the \$1,000,000 goal.

VII. Operations/Commercialization Problem

The prioritized strategy for moving this project forward will involve the product owner having a more clear design concept for the app, contracting one individual to make the app software, spending a few months marketing to some initial customers, and then publishing the app. The main outsourcing that will occur will be in the contract of an app developer to put together the software of the app. It is currently expected that the product owner will be doing all of the other work including designing the app, marketing, and all other behind-the-scenes work. Both individuals involved in the creation of this app can easily do the work remotely. The fact that no physical products are involved removes the necessity of renting office space.

The product hypotheses table below shows some of the main hypotheses about how the app will function and if consumers will accept it. Below the product hypotheses table is a product roadmap that shows the different features, resources required, and the expertise needed. This roadmap is essential in determining which of the two individuals are responsible for which aspects of the development process.

Product Hypotheses

Critical Hypothesis	Issues, Criteria, & Results
Consumers are willing to try new way to purchase food.	some consumers (both farmers and customers) already have a method of buying/selling farm fresh food and are resistant to change
Consumers want farm fresh food enough to pay membership fee.	consumers may not realize costs of app and not value this type of food enough
Farmers will accept Farm Fresh as a viable option of selling products.	some farmers are stuck in old-fashioned ways of doing things and don't want to change to mobile/online methods
Consumers are looking for local, farm fresh food.	this is obvious - customers need to actually want to pay the premium price for this type of food otherwise they will not be satisfied with this app
Customers will appreciate and use messaging system.	the ideal is that messaging connects farmers and customers more
Some customers have criteria for specific products they are looking for.	this type of customer will make use of the categories and sections on the app
Customers will accept Farm Fresh over farmers markets.	customers will realize convenience of Farm Fresh even with its added cost

Product Roadmap

		Description	Resources Required	Expertise/Data Needed
App Functionality	home page	first page of the app when people open the app - includes description of app, login/signup buttons, and catchy phrases/pictures	design layout and software to turn that into an app	
	browse page	browse sections (produce, meats, and dairy)	design and software - compare with other food purchasing apps	
	search page	ability to search (with filters for categories and sections) for desired product	design and software - compare with other food purchasing apps	
	product page	individual product page with description, delivery options, link to farm profile, and add to cart	design and software - compare with other food purchasing apps	
	farm page	profile page for individual farmers with picture(s), location, description, and ratings/reviews from customers	design and software - compare with other food purchasing apps	
	shopping cart page	shopping cart page	design and software - compare with other food purchasing apps	
	ordering page	page through which user can purchase with credit card/paypal	software	software expertise
	membership area	specific page of app for members to see past purchases, reviews, and for customers to star favorite farms	software and design	software expertise
	farmer management area	specific page of app for farmer to update inventory and update farm description	software and design	software expertise
	app FAQ page	answers questions about how the app works and more		
new product alerts	text alerts when farmers add a new product	software to allow for text notifications	software expertise	

App membership	membership	customers can become a member and save info	sign in and user info storage system	software expertise
	map	ability to find local farmers	software that allows for location services	software expertise
	software	smooth, crash-free		software expertise
	price comparison	compare prices when browsing or searching for a product	layout to show prices and filter by highest/lowest price	software + design
	testimonials	read what farmers and customers have to say about the app	section of app dedicated to consumers reviewing app	software + design
	ability to message farmers	membership allows user to contact farmers with questions/requests	messaging system in the app with notifications	software expertise
	find local products and farms	ability to find these local foods	all aspects of app software and functionality	software expertise
	write reviews and rate farmers	customers can review and rate experience with farmers	review section of app + comment section for customers	software expertise
	categories of products	ability to view different categories of products (organic, non-GMO, pasture raised, etc.)	design of app to allow for this	software + design
	password/signup with email	customers will choose a password and verify their email when signing up to be a member	design of app to allow for this	software + design

		Description	Resources Required	Expertise/Data Needed
App Sales System	software	software of sales system as a whole without crashes or other issues		software expertise
	ordering system	function to purchase products		
	Stripe	online payment processing system	purchasing Stripe and integrating it into the app	
	credit card info	app will remember credit card info for next purchase if member allows	software	software expertise
	credit card security	app will keep credit card info secure	software	compare to other apps/how to keep credit card info secure on an app?
	delivery/shipping options	ability to chose from a list of delivery/shipping options (as noted by the farmer) - different options may have different costs	software to connect farmers' shipping/delivery options into the sales/ordering system	software expertise

Connection on app	messaging system	customers and farmers can message about questions/delivery methods	software for messaging system	software expertise
	farm profile	description of farm for customers to feel more connected		
	reviews of farm	customers write reviews of farm for other customers to read	software and design	
	ratings of farm	customers rate farms (1-5 star rating)	software and design	
	regular farmer updates	ability for farmers to update customers regularly	tech to allow for this	software expertise
	text reminders to re-order	text reminders after x amount of time to ask customers if they want to reorder a product	software that allows for push notifications	software expertise
	farmer update notification	customers receive a notification when a farmer they have purchased from updates their product listing	software that allows for push notifications	software expertise

Products on App	local to MN	smaller area means more customers/farmers - easy to find what you are looking for	lcoation services	
	organic food category	category of food - farm will label foods if it falls into any categories	ability of app to sectionalize products on the browse page/filter for categories when using the search bar	software expertise
	non-GMO food category	category of food - farm will label foods if it falls into any categories	ability of app to sectionalize products on the browse page/filter for categories when using the search bar	software expertise
	niche food product category	category of food - farm will label foods if it falls into any categories	ability of app to sectionalize products on the browse page/filter for categories when using the search bar	software expertise
	pasture-raised category	category of food - farm will label foods if it falls into any categories	ability of app to sectionalize products on the browse page/filter for categories when using the search bar	software expertise
	allergy friendly foods category	category of food - farm will label foods if it falls into any categories	ability of app to sectionalize products on the browse page/filter for categories when using the search bar	software expertise
	produce section	includes foods like leafy greens, fruits, vegetables, and mushrooms	ability of app to sectionalize products on the browse page/filter for sections when using the search bar	software expertise
	meat section	includes all different types of meats	ability of app to sectionalize products on the browse page/filter for sections when using the search bar	software expertise
	dairy section	includes dairy products like milk, cheese, yogurt, etc.	ability of app to sectionalize products on the browse page/filter for sections when using the search bar	software expertise

VIII. Resource Problem

In order for this product to move beyond the concept stage, there are many questions to be answered and resources to be gathered. Some of the additional questions are listed here:

- One question revolves around how the legitimacy of the farmers will be verified. There are stories of customers being scammed by a farmer and never receiving the product or receiving a lesser quality product. Perhaps the answer to this question would be to have some sort of application process for the farmer to become a member of the app and list their products. This way, it would be easier to tell if the farmer is legit and the customers would not have to worry about getting scammed. This is one area that needs to be considered further.
- Another question revolves around how much it would actually cost to create an app and how a business loan could help with that. Some research was done, however, there were also quite a few assumptions in this area that would do well to be clarified.
- Another question is whether it would be a better business idea to charge a membership fee, a transaction percentage fee, or both. For simplicity's sake, this project used a flat-rate membership fee for both customers and farmers but it is very likely that this is not actually the best possible transaction method.

Based on these questions and the product as a whole, additional personnel could be hired to survey the market and answer some of the financial/business questions. Hiring a business/financial advisor who has experience helping new businesses would help iron out some of the details financially. The main strategic relationships that will be extremely helpful in the success of this app are with other prominent individuals or organizations who have some sort of connection with farm-to-table products. These individuals and organizations could assist in the marketing of this app. Additional market and consumer surveying and research needs to be done in order to identify where the consumers are coming from and if this is actually a product they would be interested in. An example set of questions for both farmers and customers are listed in Section X.

One of the main market forces that play against the Farm Fresh app is that the majority of other options for finding farm-to-table foods are currently free or low-cost for the customer. Attempting to monetize this area will be a risk, however, as mentioned in multiple sections above, a risk worth taking because of the expected customer behavior to choose the more convenient product. It is also considered a possibility that if farmers have to pay less to market their products (which is true in comparing the Farm Fresh app to a farmers market), they will lower the price of their products accordingly so ultimately the customers are still paying the same price for these farm-fresh products. While there is no clear time when the window of opportunity will close, there are undoubtedly other entrepreneurs that are realizing the need in

this niche market area and other products being developed to help with the farmer-to-customer connections. The current competitors do not pose much of a financial risk to the Farm Fresh app. While more market research does need to be completed to fully understand the market this app would be entering, the Farm Fresh app does boast many features and benefits that are nonexistent in the majority of the competitors. Additionally, this market seems to be growing rapidly so there is plenty of space for the Farm Fresh app.

There are risks associated with the actual functionality of the app, however, those should be able to be worked through even if it takes additional time or resources. The creation of the app will be the largest investment and liability if the product does not live up to its potential. The critical milestone for this product is to create a working app with beta users. This milestone is critical to the success of this product and, without it, there will be no clear idea of whether or not this app will work and be successful in the market.

The financial resources needed to get this product to the next stage involve having the capacity to survey some individuals in the current market and, more importantly, some upfront monetary assistance to begin paying for an app developer. While a loan will be taken out to pay for some of the costs, monetary capital is needed to take out the loan and pay for some of the immediate expenses. Assistance in finding an app developer would also be an extremely helpful connection for the Farm Fresh app project.

IX. Recommendation

After considering all of the information above, it is recommended that this product does go forward with planning and production. Based on this recommendation, the next steps involve doing more consumer research (with the consumer questions that are listed in section X), completing the design idea for the app, and contracting an app developer to turn this idea into a reality. As with any entrepreneurial project, there are risks involved, however, some of the potential risks in the near term are that creation of the app takes longer than expected and costs more than expected. This risk is a real possibility, however, must be taken in order to go forward with this product. One of the beneficial aspects of this product is that the majority of the work for this app is in the very beginning with the creation of the app. Once the app is created and marketing has begun, the growth should be exponential in that the more members on the app, the more members that will join. This will especially be the case as the app shifts its focus from Minnesota to the entire United States. While it is unreasonable to think that the Farm Fresh app will take the place of all other methods of farmer-to-customer connection, it is not unreasonable to imagine this app as a major player in the shift to more locally-grown food.

X. Concept Portfolio

Farmer Consumer Persona

<p>NAME: Joe</p> <p>Age: 35</p> <p>Gender: <u>Male</u></p> <p>Income: <u>\$50,000</u></p> <p>Location: <u>Rural</u></p> <p>Family Situation: <u>Married without kids</u></p> <p>Annual Income: <u>\$50,000</u></p> <p>Education: <u>college degree</u></p>	
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PROFESSIONAL ROLE

Industry: Agriculture

Job Title: Farmer

Company Size: 2-5

PERSONAL PHILOSOPHY QUOTE:



I struggle to find customers for my small farm business!



VALUES AND GOALS

What does he/she strongly believe in? What are the characteristics of his/her personality? What are his/her professional goals? What are his/her personal goals?

- organic, local food
- very tough but innovative
- willing to try new solutions
- thinks outside of the box
- _____
- _____

CHALLENGES

What are his/her pain points? What challenges is he/she facing? What is he/she afraid of?

- finding customers
- juggling farming + running a small business
- afraid of not having enough customers
- doesn't have time or knowledge to market
- _____
- _____

SOURCES AND INFLUENCE

Blogs/Websites: Farming blogs

Magazines: Acres U.S.A.

Conferences: Sustainable Farming Association of MN

Books: Books like Gaining Ground (Forrest Pritchard)

Thought Leaders: successful small farmers - Joel Salatin

BUYING DECISIONS

What is his/her role in the purchase process? How does he/she regularly buy? What are his/her objections to making a purchase?

- can't waste money
- needs a product that actually work
- usually tries to fix it himself before buying
- willing to buy product for his farm
- _____
- _____

Additional Consumer Concept - Directed Towards the Farmer

Farm Fresh

Ditch the stress of marketing and easily find customers for your farm-fresh products!

As a small farmer there are many challenges in your day-to-day life but finding customers for your amazing products should not be one of those daily struggles!

The Farm Fresh App was created to connect you with customers who are interested in your specific products. Most other small farm marketing apps are outdated lists or still require you to market your farm off the app, however, this is not the case with the Farm Fresh App. This app was specifically designed so farmers would have equal competition with other farmers in their local area. Currently based solely in Minnesota, this app is focused on a specific area in order to optimize the experience for the farmers and customers.

Unlike other apps, Farm Fresh is easy for you as the farmer to update regularly so customers will never worry about non-current postings. With bi-weekly reminders, you will have the chance to update your inventory if needed or simply confirm the inventory is still accurate. Features like this make this the ideal farm marketing app.

So, stop wasting time on marketing or at the farmer's market, and let us do the work for you.

Price: membership fee of \$4.99/month or \$49.99/year

Consumer Data Questions

These questions will be used to survey consumers before the creation of this app to better understand the market and need.

Questions for customers:

1. What are your biggest concerns for your kids?
2. How do you solve those concerns?
3. What are your biggest struggles concerning food/health?
4. How do you currently deal with those struggles?
5. Where do you typically purchase food?
6. Tell me more about your food buying routines.
7. How frequently do you use your phone for online shopping?
8. Tell me more about your favorite apps/places to shop online.
9. Do you feel connected to your local farmer?
10. Why do you feel/not feel connected to your local farmer?

Questions for farmers:

1. What's your favorite/least favorite part about farming?
2. What do you most pride yourself/your farm in?
3. What are the biggest struggles you face as a farmer?
4. How does your farm currently find customers?
5. What type of people do you sell your products to?
6. Who is your ideal customer (is it your current customer)?
7. What do you most want your customers to know about you?
8. What struggles do you face in marketing your products?
9. How do you currently face those struggles?
10. How could an outside person solve those problems?

Sources

Farm Direct Minnesota. <https://farmdirectminnesota.com/> and <https://www.facebook.com/groups/FarmDirectMinnesota>.

XI. Presentation Slides

Farm Fresh App



Connecting farmers and consumers to share the love of farm-fresh food.

Sylvia Michael
APEC 3551
Fall 2021

What's the problem?

- Hard to find local food
- Hard to find local customers
- Farm-to-table movement still new
- Farmer's markets, online directories, free FB groups






What's the solution?

Farm Fresh App

- Modernizes and simplifies
- Local farmers/customers
- Convenience of any other online ordering app
- For any type of customer or farmer interested in locally grown food!

Customer

Jordan

- daily gym goer
- busy young professional
- too busy for farmers markets

always looking for newest health foods

↓

looking for locally grown food

↑

wants to provide healthy food for children

- mom of young children
- business woman
- can't find the food she wants

Mary



Farmer

Joe

- full-time medium scale farmer
- loves growing classic farm products
- raises a family on the farm

wants to expand but needs customers

↓

looking for customers interested in locally grown food

↑

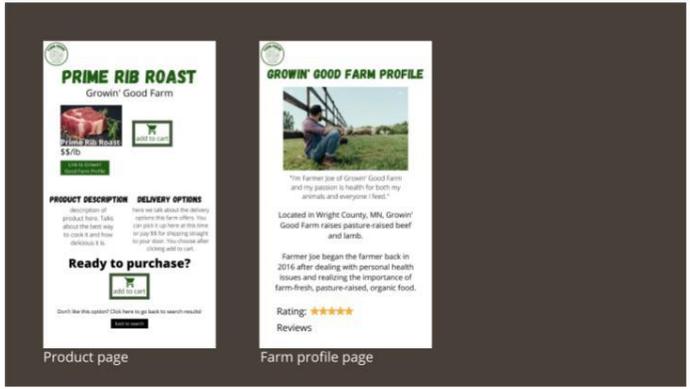
trying to find customers interested in niche products

- loves growing niche products
- works full-time off the farm
- brand new small-scale farmer

Annika

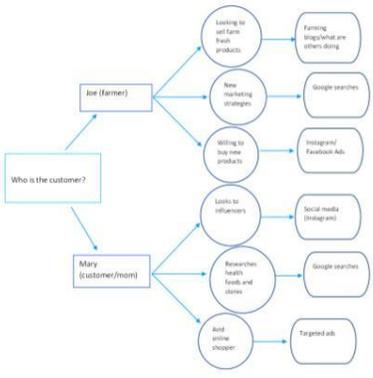
How does the Farm Fresh app work?

1. Overt Benefit - find local farmer/market farm products
2. Reason-to-believe - plenty of other food purchasing apps to compare it to
3. Dramatic Difference - the convenience of this app is next level compared to all of the other options



How will the app be made and sold?

- Product owner - design and market
- Contract app developer
- App will have:
 - Membership area
 - Sales system
 - Messaging system
 - Search system



What's next for Farm Fresh?

Recommendation: **GO**

- 20,000 memberships to reach \$1M
- Timeline: 2 years

Resources needed:

- Consumer survey data
- Connections with app developer
- Monetary assistance to begin project (loan capital)

		METRICS	
BASELINE 1	# We Charge This:	\$49.99	\$49.99
BASELINE 2	And Our Costs Are:		
		LABOR + COMMISSIONS + ROYALTIES	
		MATERIALS + DIRECT MFG COSTS	
		\$0.00 TOTAL DIRECT COSTS	
BASELINE 3	Gross Profit per unit:	\$49.99	100.0% Gross Contribution Margin
BASELINE 4	Monthly Burn Rate is:	\$7,967	
BASELINE 5	Break-even at:	1,912	478 159 37 5
		Per YEAR	QTR MONTH WEEK DAY
Table 2			
			MONTHLY OPERATIONS
Facilities Admin:		\$2,201	
Management:			
Sales-Marketing:		\$4,166	
Support Staff:		\$1,600	

Q&A: Will the app also include a farmer rating system so customers can give reviews on the products they purchase?

Q&A: It seems to be a little aggressive to need only 1 month to advertise to farmers to get enough traction to start you app, what marketing channels do you expect to leverage to get exposure to farmers?

Q&A: You mention as the only source of revenue is the membership fees, why not take a percentage of each transaction you facilitate through this app? If you did what could you get and how much revenue might it bring in?