



AGROBRIDGES – BUILDING BRIDGES BETWEEN PRODUCERS AND CONSUMERS

Short Food Supply Chain (SFSC) business models - Face-to-Face

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Introduction

The agroBRIDGES project (<https://www.agrobridges.eu/>) aims to build bridges between producers and consumers, rebalancing farmers' position in the market by empowering them with practical knowledge about new business and marketing models based on Short Food Supply Chains (SFSCs).

In the Decision Support Tool (DST) (<https://agrobridges-toolbox.eu/decisionsupporttool/>), five SFSC business model types are assessed for their applicability to your farm business. These are Community Supported Agriculture (CSA), Face-to-Face Sales, Retail Trade, Online Trade, and Improved Logistics.

This document defines:

- Business Model: Face-to-Face Sales
- Business Model Canvas: to identify key drivers to develop new business
- Value Proposition Canvas: to illustrate the relationship between the features or offering of a service, and the needs of customers and markets
- Examples of organisations / services that use this model

Information on the methodology used to develop this tool can be found in the report 'D2.1: SFSCs Business and Marketing Models Categorisation': https://www.agrobridges.eu/wp-content/uploads/2022/03/agroBRIDGES_D2.1_SFSCs-BM-categorisation_v1.0.pdf



Definition of the business model

In Face-to-Face Sales, consumers purchase products directly from the producer/processor on a Face-to-Face basis. Three sales channels of this business model are considered in the analysis: A) Farm shops, B) Farmers' markets, C) Pick-Your-Own.



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Business Model Canvas

A Business Model Canvas offers a visual chart with elements describing the value proposition, infrastructure, customers, and finances related to a certain business model, and assisting businesses to align their activities by illustrating potential trade-offs.



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Face-to-Face – Business Model Canvas

Key Partners

- Local farmers
- Local communities
- Supply chain actors that perform locally
- Local producers

Key Activities

- Specific days to sell products in rural areas
- Disseminate the benefits of this model
- Food waste reduction = positive consumer experience

Key Resources

- Local stores close to the farm
- Staff trained to encourage local production benefits to consumers

Value Proposition

- Producers are selling their products directly to consumers, improving transparency and trust.
- Promote demand and production of high quality and ethically produced local food from small producers.
- Social interaction as key enhancer factor.
- Food waste is minimised.

Customer Relationship

- Clear eagerness about food sources.
- Engage customer to be part of the network

Channels

- Social networks
- Farm events
- Word-of-mouth
- Open-air markets

Customer Segments

- Consumer with local and organic food preferences who want to purchase directly from producers.
- Care for healthy food, community development, farmer strength and the environment.

Cost Structure

- Warehousing costs
- Operational costs
- Marketing and dissemination costs

Cost reduction opportunities

- Distribution costs
- Higher profit than using intermediaries

Revenue Streams

Primary Streams

- Sales directly on-site or close to production locations.
- Special events and attendance at fairs.
- Subscription model also available to enhance household participation.

Descriptions of the Business Model Canvas blocks

- **Key Partners** - Business alliances needed for success.
- **Key Activities** - The activities that will be required for the business model to work.
- **Key Resources** - The assets that allow the company to create customer value.
- **Value Proposition** - The products and services a business offers. Osterwalder: “An overall view of products and services that together represent value for a specific customer segment. It describes the way a firm differentiates itself from its competitors and is the reason customers buy from a certain firm and not from another”.
- **Customer Relationship** - The links that a company creates between itself and its customers.
- **Customer Segments** - The target audience for a business product and / or service.
- **Channels** - The means used to deliver products and services. This includes the marketing and distribution strategy.
- **Cost Structure** - Expenses / costs raised by the business model.
- **Revenue Streams** -The company's income. The different revenue flows through the company monetise its activities.



Value Proposition Canvas

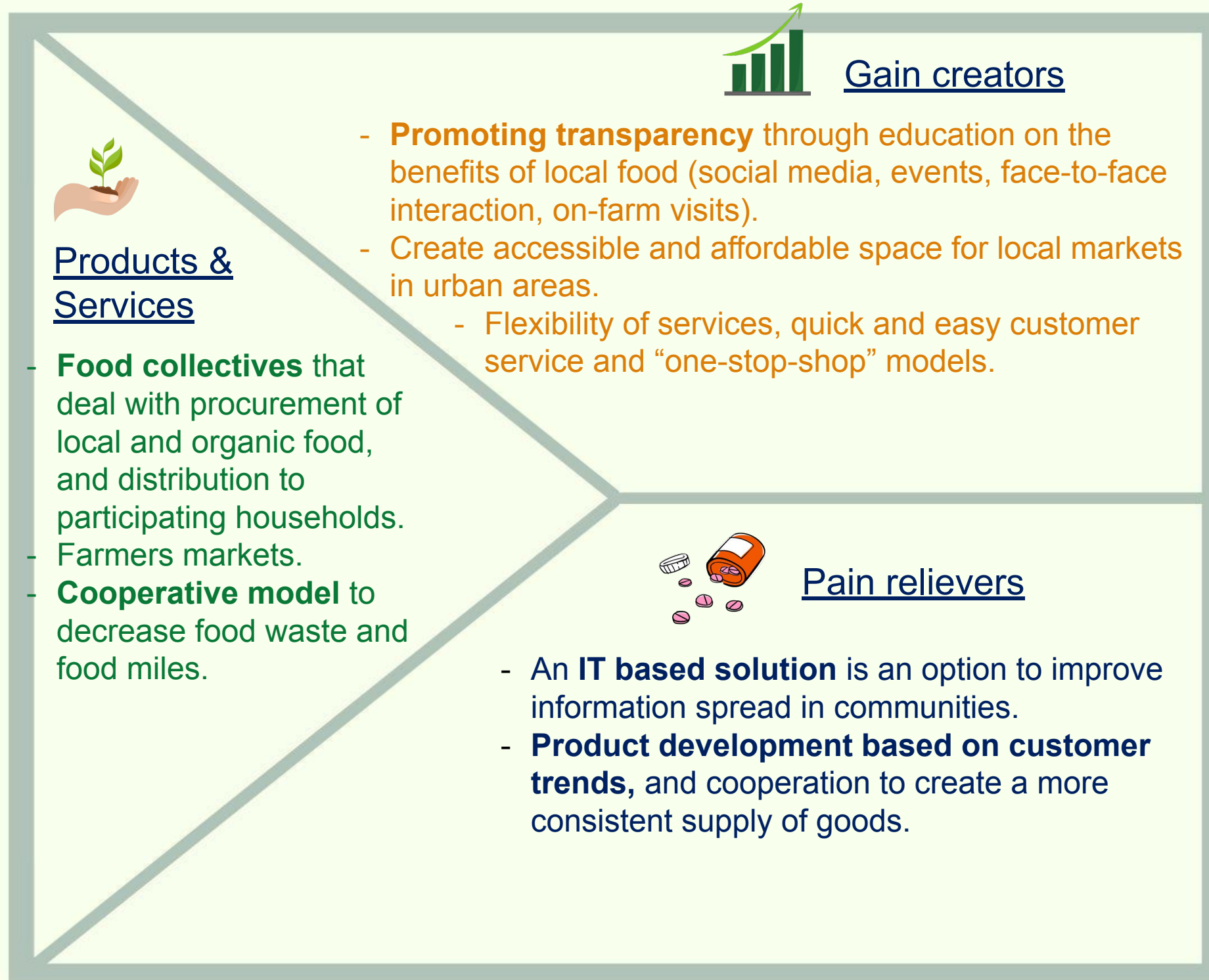
The Value Proposition Canvas is a framework which can help ensure that a product or service is positioned around what the customer values and needs.



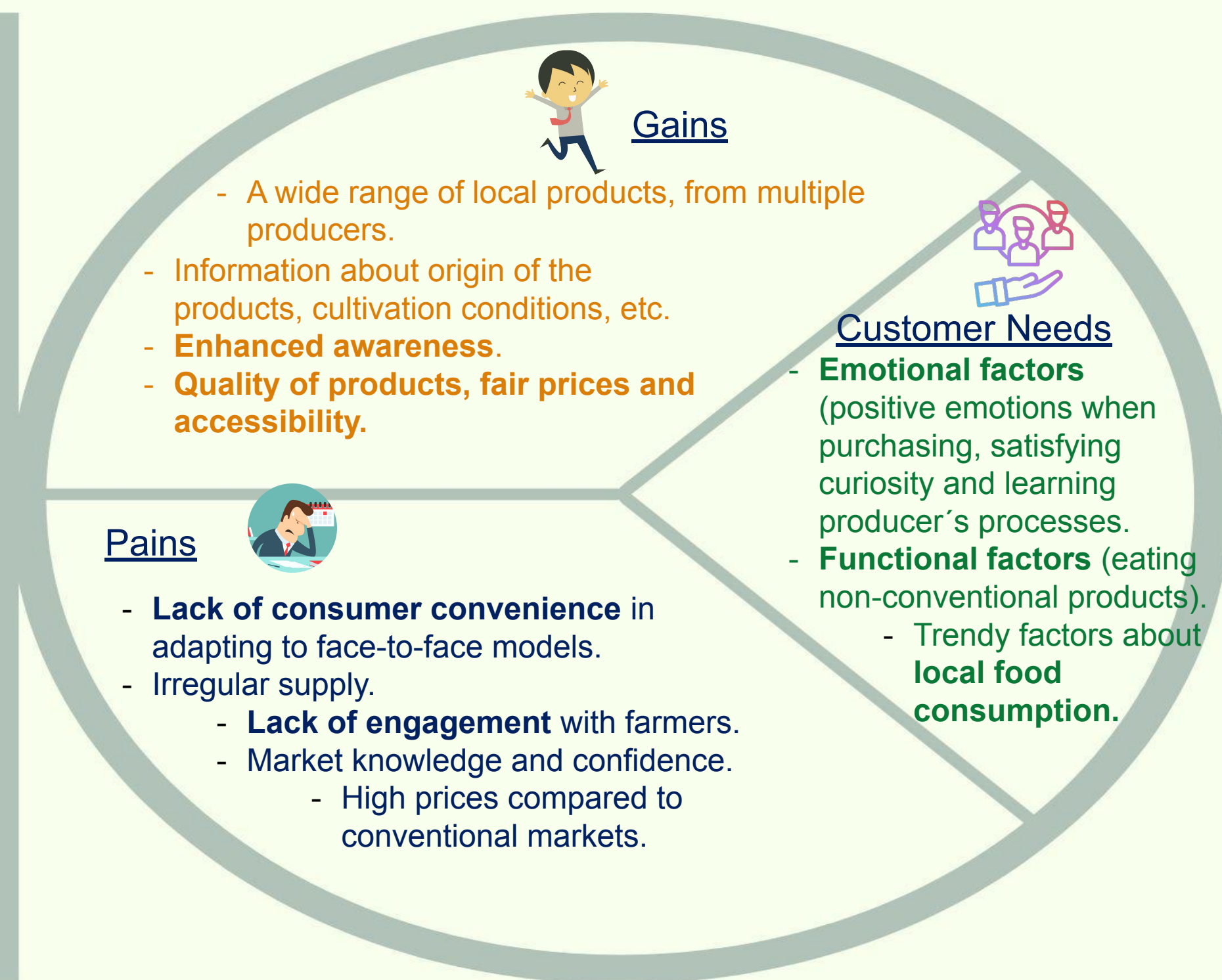
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Face-to-Face – Value Proposition Canvas

Value Proposition



Customer Profile



Descriptions of the Value Proposition Canvas blocks

Value Proposition

- **Products & Services** - The specific products and services that are the drivers to create gains and relieve pains; and which underpin the value creation.
- **Gain creators** – How the service creates customer gains i.e. how it offers added value to the customer.
- **Pain relievers** – An explanation of how the service will alleviate customer pains.

Customer Profile

- **Gains** – The benefits which the customer expects and needs, what would delight a customer, and the assets or activities that may increase the likelihood of adopting that value proposition.
- **Pains** – The negative experiences, emotions, or risks that the customer experiences.
- **Customer Needs** – Functional, social, and emotional tasks that customers aim to perform, problems they try to solve and needs they wish to satisfy.



Examples of organisations/services that follow this model

Service / Organisation	Link	Region / Country	Sales Channel	Business Model
Manna Organic Store	https://mannaorganicstore.ie/	Co. Kerry, Ireland	Farm shops	Face-to-Face
Castlegregory Farmers' Market	https://tastekerry.ie/farmers-markets-kerry/ https://www.facebook.com/castlegregorymarket/	Co. Kerry, Ireland	Farmers' markets	Face-to-Face

