# MBS673 Development Proposal of Fish Farming Assessment Answer

****MBS673 Entrepreneurship and Innovation Management****

#### ****ASSIGNMENT 3: GROUP CROWD-FUNDING PROPOSAL (50%).****

The Group Crowdfunding Proposal is a single document/ submission. Its length may vary but students must be aware that this is in essence, an electronic pitch in which your product or service is the star of the show. Here, you are asked to develop a detailed product/ business proposal that not only reflects what an online user would see when reviewing your business but would also inform a potential investor as to what your plans are for the development of the organization.

In writing this document/ submission, aim to incorporate the edited work you have completed for Assignments 1 and 2.

###### ****ASSESSMENT GRADING CRITERIA****

This assessment incorporates 17 grading criteria. In covering each, students should write clearly, provide a rationale/ justification and include reliable supporting evidence.

## Answer

****ENTREPRENEURSHIP AND INNOVATION MANAGEMENT****

# ****INTRODUCTION****

Overfishing is an issue increasing day-by-day, and it can be considered harmful for the ecosystem. The reason behind overfishing is, fish belongs to the category of food that provides important nutrients. People also enjoy fishing as a relaxing activity. Since overfishing increases risks for marine life; therefore, this is needed to be considered essential to develop adequate measures to do fishing, besides protecting marine life. This study has focused on the development proposal of fish farming with means of artificial ponds. The sources of revenue generation, business model canvas, and rationale for choosing the product or service have been described.

****A detailed description of the Product****

The service that has been planned to control instances of overfishing is fish farming with the product to be used is artificial pond. The role of artificial pond is to reduce the impact of overfishing, which might lead to the removal of different species of fish. One of the major concerns for developing artificial ponds is to raise and sell fishes for business purposes. As per the views of Molnár *et al.*(2019), artificial ponds can be supportive of the people that like to be involved in fishing in their leisure time and relax. Artificial pond is also considered controlled pond which will be used as a reservoir of stocked fish, thereby reducing chances of overfishing.

****Factors that make the business different****

Several fish farming businesses use Artificial Ponds for their business to ensure better fish preservation. As per the views of Koeck *et al.*(2019), innovation and creativity are the two main elements that make a product or business from others. In the present case, fish farming would be the solution that is to be innovated in a way that provides businesses related to fishing with an opportunity to save marine life. For the purpose of innovation, a two-stage mechanical oscillator can be implemented to control water temperature that is unsupportive for fish. Along with this, there will be a treatment and filtration plan. Fishers will also be provided with important information and guidelines that they can follow while fishing to protect the existence of fish and making the fishing experience more productive.

****The story****

The idea of fish farming came from the concern about endangered fish and non-interest species underwater that are harmed as a result of overfishing. As influenced by the ideas of Ballouard *et al.*(2016), fish farming which is also termed as pisciculture involves raising fish in enclosures like fish ponds. It is due to the fact that fish provide nutritional substances that are required for maintaining health. It can also be used for people who enjoy fishing and find relaxation out of it. However, in recent days, fish and other underwater species are harmed, and the ecosystem is in danger due to the cause of overfishing. These artificial ponds are developed to protect critical areas for fish.

****Reason for choosing the product****

The reasons for choosing this product are several in numbers. One of the significant reasons is to protect the fish from being harmed as a result of overfishing. Another idea is to maintain the fishing farm so that fishes can easily reproduce which may reduce the chance of reduction in the number of fish in the ponds (Pulford *et al.*2017). In turn, this may also help to maintain balance in the ecosystem. On the other hand, people that enjoy fishing or have taken fishing as their profession can be supported in this way. It can be stated that the problem of overfishing can also be controlled through the establishment of an artificial fishpond. In addition to this, a variety of fish can be breed with the help of proper fish farming and those can, therefore, be sold for commercial purposes.

****Rewards offered to investors****

Investors are the fishers that would invest in a monthly scheme for fishing in the artificial ponds. There are several rewards decided to be provided to the investors that would add extra convenience in fishing. The investors would be provided with guideline books that would help them understand how to proceed with fishing in different weather in different seasons. Investors would be able to fish at night as necessary illumination, and other supportive measures will be provided.

****Business model canvas****

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ****Key partners****   * People with keen interest in reducing overfishing in natural water bodies * Fish farming experts * Fishing personnel | ****Key Activities****   * Farming of fish by means of aquaculture * Maintenance of artificial ponds * Feeding fishes * Cleaning the pond * Assessing growth of fish within the pond * Volunteers for participating in this initiative | ****Value Prepositions****   * Fish farming * Artificial pond * Various kinds of fishes throughout the year * Availability of fish for consumption throughout the year * Preservation of different species of fish | ****Customer Relationships****   * Communicating with customers through social media platforms * Advertisement in fish markets for consumers who are willing to reduce overfishing (Khan and Bari, 2019) * Fishing events to reach a diverse range of audiences and sharing detailed information about this unique initiative | ****Customer Segments****   * Consumers of fish * Fishers * Personnel associated with the fish market for commercial purpose * People who enjoy fishing |
| ****Key Resources****   * Workforce * Investors * Managerial employees to manage day-to-day work * Necessary investments | ****Channels****   * Social media promotions * Advertisements in fish markets and supermarkets * Sponsorship in various fishing events |  |  |  |
| ****Cost Structures****   * Daily maintenance of the artificial pond * Expense of the salaried employees * Food for the fishes * Cost of the suppliers and distributors | | | ****Revenue Streams****   * Fish consumption * Artificial ponds for customers who are interested in artificial ponds and fishing | |

****Table 1:  Business model canvas of Artificial Pond Fish Farming****

(Source: Based on the ideas of Usman *et al.*2016)

****Value proposition****

The chosen service is fish farming that needs to be implemented with the establishment of artificial ponds to reduce overfishing in natural water bodies. As stated by Ogunmefun and Achike (2017), overfishing deteriorates the natural balance of water bodies. Therefore, to minimise the impact of overfishing, artificial pond can be created, which can provide a particular place for people to preserve different specifies of fish for mostly commercial purpose. People who consume fish daily can approach artificial ponds for regular fresh fish supplies. Fish markets can also consider artificial fish farms as a supplier resource for selling fish. Besides edible fish, fancy colourful fish can be farmed in these artificial ponds.

****Customer segments****

****Markets:****Fish markets and supermarkets can contact for artificial ponds where fish farming will be done starting from raising of fish, feeding them to final selling. In the views of Bubíková and Hrivnák (2018), these fish can be sold in various markets to customers through various supermarkets and stores.

****Fish consumers:**** Consumers who fail to find fresh fish daily can approach artificial fish pond authority for a regular supply of fish.

****Fishers:**** Fishers can opt for this solution where fishes will be raised or instead preserved in an enclosed pond in the form of aquaculture.

****Fishing as a leisure activity:**** People who enjoy fishing can visit artificial ponds and execute their leisure activity without deteriorating the natural balance of fish in natural water bodies.

****Channels Customer relationships****

****Social media advertisements:****Solution for overfishing is the artificial fish farming which can be advertised through various social media platforms (Benard *et al.* 2018). People interested in restoring the balance of nature by avoiding overfishing can be approached through social media platforms.

****Advertisements in various supermarkets:****Supermarkets and fish markets can be used as a source of advertisement with the distribution of printed leaflet and flashy posters. This will ensure better promoting artificial pond fishing for reducing overfishing.

****Promotional events:****Various events for fishing or sustainability can be used as a method of promotion of artificial pond fishing. People can be provided with effective knowledge of benefits of this type of fishing.

****Revenue streams****

****Fish consumption:**** Consumers who consume fish are the primary source of income for artificial pond fishing. As opined by Molnár *et al.*(2019), artificial ponds can be used to farm various kinds of fish which can be appreciated by consumers.

****Fishing destination:****Fishers would be allowed to do fishing using this solution from artificial ponds which in turn, would help in reducing overfishing in ocean. Customers enjoying fishing as a leisure activity can also visit artificial fish farms for enjoying their leisure time, in exchange for adequate fares.

****Key resources****

****Skilled workforce:**** Employees working at the artificial pond fish farms are one of the major resources of the business as they maintain the pond (Dwivedi *et al.*2018). Employees have to ensure cleanliness of these ponds and wellbeing of the fish.

****Investments:**** Necessary investments for running the business and maintaining the artificial ponds for fish farming are required. Investors and owners have to respond to ensure to provide the key resource.

****Key activities****

* Cleaning and maintenance of the artificial pond
* Feeding the fish and ensures their wellbeing
* Assessing the growth and reproduction rate of the fishes
* Attaining required supplies from the suppliers
* After fishes are grown on the farm, fishers have to catch them and distribute to market distributors (Khuman *et al.*2018)

# ****KEY PARTNERSHIPS****

* Investors for providing resources to the business
* People with a keen interest in reducing overfishing in natural water bodies as volunteers
* Experts of artificial pond as significant advisors
* Employees for the maintenance of artificial ponds
* Fishing personnel for catching fish and assessing their growth

# ****COST STRUCTURE AND CASH-FLOW CALCULATION****

* Daily maintenance of the artificial pond requires salaried employees (Lasner *et al.*2017)
* Daily suppliers for maintenance of the fish in the artificial ponds
* Cost of the suppliers and distributors
* Experts who have adequate knowledge regarding artificial pond fish farming have to be employed on accurate wage
* Expenses to be considered in this plan would include farm suppliers, electricity, rent, repair and maintenance, transport, risk analysis. This also includes resources required for marketing of the new initiative
* Main basis of revenue is expected from selling of fish for consumption

|  |  |
| --- | --- |
| ****Working Out for Cash flow Statement**** | |
| ****Specifications**** | ****Year 1**** |
| ****Cash Flow from Operating activities:**** |  |
| Cash generated from customers | $350,000.00 |
| ****Net Cash Generated**** | ****$350,000.00**** |
| Sundries | $35,000.00 |
| Repairs & maintenance | $50,000.00 |
| Telephone | $11,000.00 |
| Electricity | $33,000.00 |
| Bad debts | $4,550.00 |
| Depreciation | $13,800.00 |
| Transport | $48,000.00 |
| ****Net Cash Flow from Operating activities**** | ****$154,650.00**** |
|  |  |
| ****Less: Cash Flow from Investing activities:**** |  |
| Addition of Equipment | $43,200.00 |
| Replacement of machinery | $22,100.00 |
| ****Net flow from Investing activities**** | ****$65,300.00**** |
|  |  |
| ****Cash Flow from Financial activities:**** |  |
| Payment of loan | $35,000.00 |
| ****Net Flow from Financial activities**** | ****$35,000.00**** |
|  |  |
| ****Net Increase / Decrease in cash**** | ****$54,350.00**** |
|  |  |
| ****Working Out for Profit and loss statement**** | |
| ****Specifications**** | ****Year 1**** |
| Total Income | $350,000.00 |
| Less: Expenses |  |
| Computer software | $1,500.00 |
| Motor vehicle expenses | $5,500.00 |
| Utilities | $15,000.00 |
| Insurance | $48,000.00 |
| Farm supplies | $13,500.00 |
| Rent | $14,200.00 |
| Sundries | $35,000.00 |
| Repairs & maintenance | $50,000.00 |
| Telephone | $11,000.00 |
| Electricity | $33,000.00 |
| Bad debts | $4,550.00 |
| Depreciation | $13,800.00 |
| Transport | $48,000.00 |
| Risk analysis | $11,650.00 |
| Network system | $11,500.00 |
| Total Expenses | $316,200.00 |
| ****Profit**** | ****$33,800.00**** |
|  |  |
| ****Working Out for Financial statement**** | |
| ****Specifications**** | ****Year 1**** |
| ****Assets**** |  |
| Motor Van | $      40,000.00 |
| Inventory | $      10,000.00 |
| Cash | $      11,250.00 |
| ****Total**** | ****$      61,250.00**** |
| ****Liabilities**** |  |
| Loan | $      35,692.00 |
| Shareholders’ Equity | $      25,558.00 |
| ****Total**** | ****$      61,250.00**** |
|  |  |
| ****Working Out of Breakeven point in units**** | |
| ****Particulars**** | ****Amount**** |
| Fixed Cost | $40,000.00 |
| Divided by: Contribution | $15,000.00 |
| Selling Price | $40,000.00 |
| Less: Total Variable Costs | $25,000.00 |
| ****Breakeven point in units**** | ****2.67**** |

* Asset that has estimated in this plan would be mostly fixed as assets with this nature are considered to be tangible. The foremost tangible asset would the pond on which aspects of fish farming would be applied.

****Table 2: Cash-flow calculation of Artificial Pond Fish farming****

(Source: Created by author)

Breakeven point in this plan is the quantity of artificial ponds that balances total costs with total gains. Fixed cost in this case is business expense and is dependent on level of fish farming service produced. Selling price is the cost which one is required to pay for availing the service of fish farming.

****Identification and planning for Risks****

****Lack of expertise:**** Lack of expertise can create problems in the business of artificial fish farming. As stated by Apata *et al.*(2018), experts of the field have to be employed on the farm for providing advisory data regarding artificial pond fish farming.

****Demand for pond grown fish:**** Market demand for ocean fish are high as compared to pond grown fish which can be considered as a risk factor of the initiative. In order to overcome this problem ocean fish have to be farmed with sufficient expertise which ensures the flavour of the fish and can help in gaining demand for the pond grown fish.

Increased competition: Increased competition in the sustainable market is one of the significant risks for artificial pond fish farms.

****Conclusion****

It can be concluded that to control overfishing in the natural water bodies artificial ponds for fish farming can be considered as an effective solution. Artificial ponds can be created for fish farming which can even be used for leisurely fishing. The conscious consumers of fish can be attracted to the intuitive as it eliminates the high amount of fishing in the oceans, rivers and lakes. The balance of natural fauna in the water bodies can be restored with this initiative. Required resources such as investments, experts of fish farming, employees can contribute to the success of this initiative. Personnel associated have to be skilled enough to take necessary care of fish growing in the farm and can effectively ensure the cleanliness of these artificial ponds.