

# FEASIBILITY STUDY ON THE EXPANSION OF A STARTUP RICE COMPANY IN TOGO



AUSTIN CROSS, ALICE DIEN, ZIQRA RAZA

# CLIENT'S WISHES

- Increase the quality of processing
- Business capital of USD 25,000
- Increase her annual production by 10
- Hire more employees for expansion
- Acquire processing equipment
- Expand market size
- Have a climate risk strategy

Asian rice



VS.

Prince des Champs rice



CURRENT  
STATE



BUSINESS PLAN

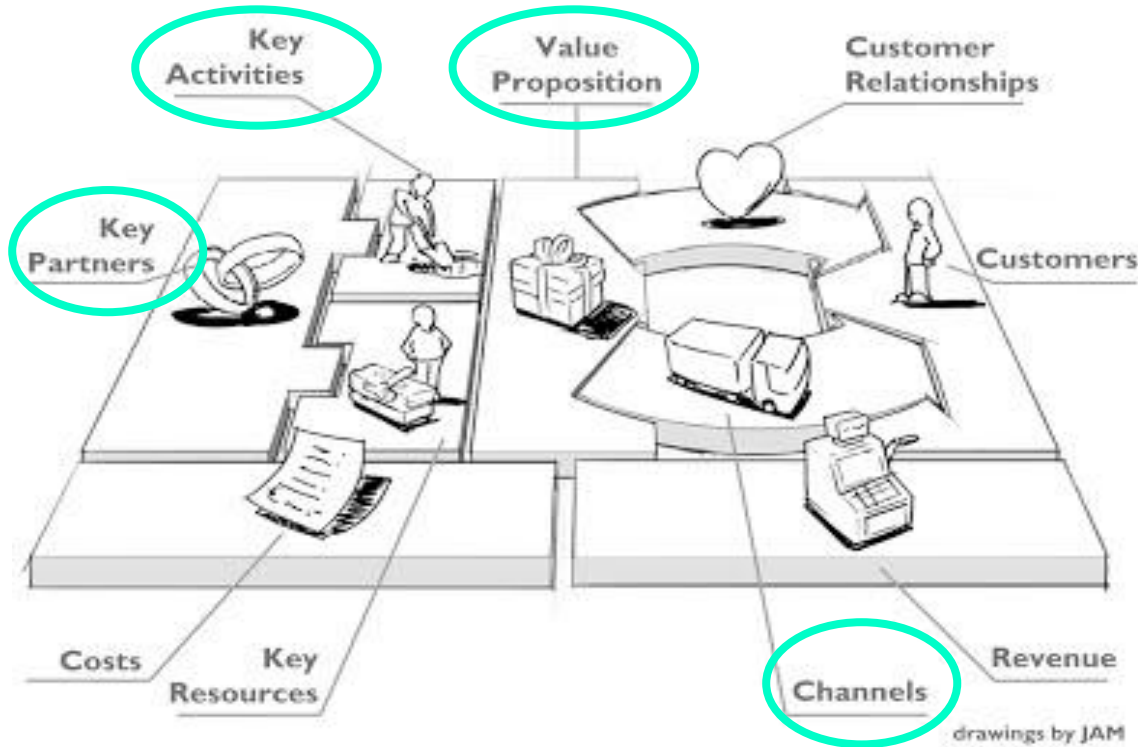
IDEAL  
STATE

“How do we make the startup more competitive  
and therefore more profitable? “

# METHODOLOGY

- **Canvas Business Model**
- **Business Plan with Economic Sensitivity Analysis**
- **Recommendations**

# CANVAS BUSINESS MODEL



**4  
major  
sectors**

Key  
Partners

Channels

BUSINESS  
MODEL

Key  
Activities

Value  
Proposition

# ECONOMIC SENSITIVITY ANALYSIS

## CLIENT'S INFORMATION

- 250,000 kg rice/year
- \$25,000 capital
- Loan interest rate 9%, 3 years
- 5 employees
- Selling price: 1.20 \$/kg
- Some of the production costs

## ASSUMPTIONS

- All the rice produced is sold
- Discount rate of 5%
- All the investment is used in machines and equipment
- Production rate evenly distributed
- No economic growth
- Inflation will have the same effect on revenues and expenses
- Project's life: 5 years

# ECONOMIC SENSITIVITY ANALYSIS

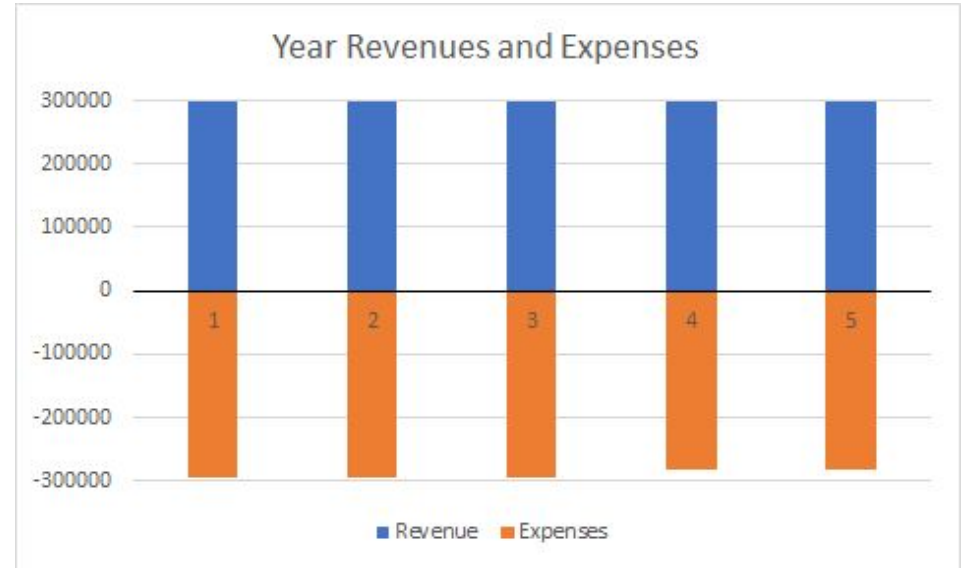
## CLIENT'S IDEAL STATE

Income from year 1

Net Present Value (NPV) = 46,858\$

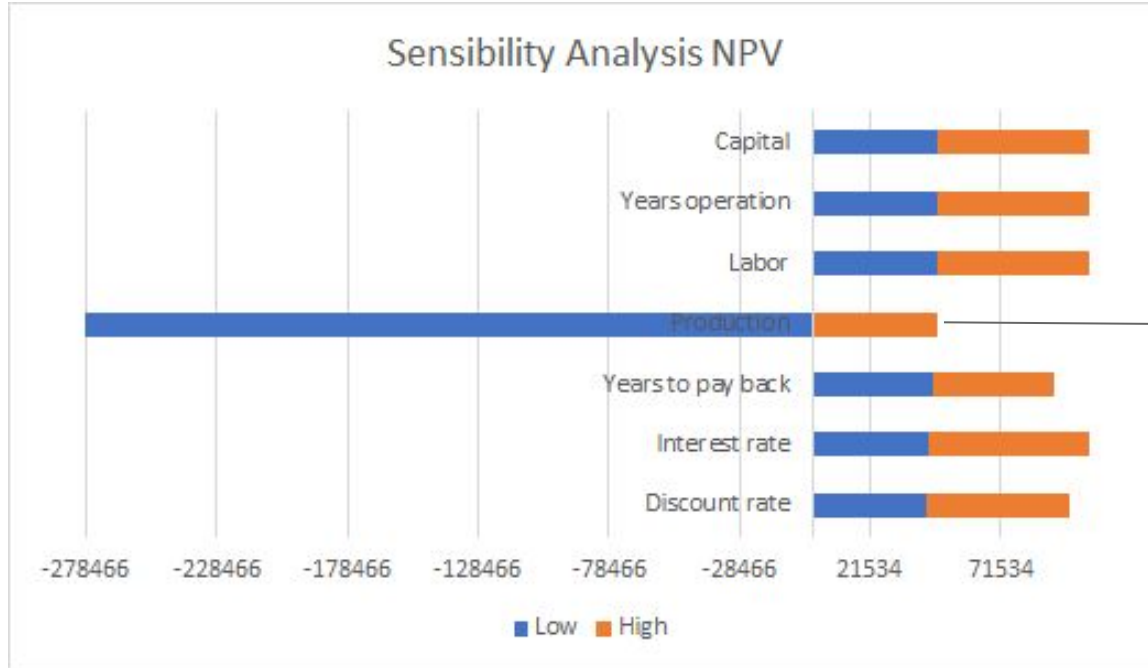
Internal Rate of Return (IRR) = 27 %

Q = 1,87 \$/\$ invested





# ECONOMIC SENSITIVITY ANALYSIS




Production rate

< 225.000 kg/year

NPV < 0\$

# ECONOMIC SENSITIVITY ANALYSIS

	Current State	Ideal State
Production Cost	0,20 \$/kg	0,20 \$/kg
Transportation Cost	0,60 \$/kg	0,40 \$/kg
Selling Price	1,20 \$/kg	 Selling price 1,5 \$/kg 3 employees 100,000 kg rice/year

# RECOMMENDATIONS

- Apply for grants and/or loans using the Business Plan
- Conduct needs assessment in community (BLUM and PATA grants)
- Identify (and market) rice quality with IRRI Quality Assessment Kit
- Marketing recommendations: Website/Facebook/Instagram/Posters
- Economic Sensitivity Analysis
- Packaging Design (Potential D-Lab II project)
  - Make the packaging more attractive, safe for rice and cheap (< 0,3\$/bag).



THANK YOU!  
ANY QUESTIONS?



AUSTIN CROSS, ALICE DIEN, ZIQRA RAZA