THE EFFECTIVE PROCESSING MODEL OF THE BUSINESS PLAN FOR THE AGRICULTURAL PRODUCTS

Nada Vignjević Đorđević¹, Slavena Jevtić², Nemanja Jevtić³

Summary

The global financial crisis is caused by the structural disturbance, sudden lack of capital and the huge mass of liquid funds for regular maintenance of economic trends in the world. Highly developed countries are threatened with the risk of long-term recession. In the less developed countries, like ours, the global crisis had a much greater risk than the general financial collapse, due to limited resources to quickly overcome the financial insolvency. For Serbia, the way out of financial crisis lies in a faster start-up of available unused national resource, where a relatively small investment with a new fresh capital can create new job positions in very short time, GDP growth and the fastest routing of new products and export services. New Economic Development Strategy of Serbia depends on the skill and speed of running the huge resources available in the agricultural sector and industries that rely on the agricultural sector. The existence of more than 400,000 registered farms and with several thousand small and medium-sized companies for the processing of primary agricultural products and logistical support represent a real opportunity for a faster exit from the crisis. However, available resources in the agricultural sector are still very limited with range of products and services with a higher degree of processing, which could be offered to our traditional foreign buyers. Even though there are conditions for development of new export-oriented business ventures in Serbia, there is a lack of business ideas, knowledge and skills necessary to start such a business. In order to start new business ventures hundreds of good business plans must be provided in a very short period. A business plan is an important document for providing the necessary financial resources from public funds or from commercial banks. In crisis conditions, it is difficult to choose an appropriate subject of a new business plan. Thus, the authors paid special attention to defining the optimal choice of subjects and a business plan in a crisis atmosphere. The expected effects of

¹ Nada Vignjević Đorđević, Ph.D., Associate Professor, State University of Novi Pazar, Vuka Karadžića no. bb, 36300 Novi Pazar, Serbia, Phone: +381 20 31 77 54, E-mail: midass@orion.rs
² Slavena Jevtić, M.Sc., Assistant, Alfa University, Faculty of trade and banking, Palmira Toljatija no. 3, 11000 Beograd, Serbia, Phone: +381 11 26 09 754, Email: slavena.jevtic@alfa.edu.rs
³ Nemanja Jevtić, M.A., Assistant, Alfa University, Faculty of trade and banking, Palmira Toljatija no. 3, 11000 Beograd, Serbia, Phone: +381 11 26 09 754, Email: nemanja.jevtic@alfa.edu.rs
reducing unemployment and creating new jobs were not achieved with the activities of government institutions in underdeveloped areas in the agricultural sector with the financing from foreign grants. This is a limiting factor for the faster way out of the crisis and the promotion of rapid economic growth. It emphasizes the importance of implementation of previous positive solutions to check market mobility of new programs, selection of the best technology and equipment, with the lowest cost per unit, in order to achieve competitiveness in the market in a crisis situation. A good business plan is based on a credible budgeting for the necessary financial resources, without which there will be no successful business. Proper analysis of the investment and business risk should provide security to entrepreneurs and owners of capital for investment given in the business plan. This research is primarily intended for current needs and implement in practice, as a contribution to more rapid initiation of new economic activities in the agricultural sector for the country’s rapid exit from the crisis that occurred.

**Key words:** business plan, agricultural organizations, agricultural markets, financial incentives and new jobs.

**JEL:** M21, Q13, Q14

**The starting point for effective business plan in crisis conditions**

An effective business plan (Dragojević, 2002) is usually prepared prior to the business and/or investment decisions. If this is done in critical conditions it is necessary to establish the main focus of activity of the crisis on the business entity (general illiquidity, an unfavourable investment climate, reduced purchasing power of population, significantly exceeding of the approved budget deficit, etc.). In such circumstances, an effective business plan seeks to use the best subject of future business activities, which will resolve the identified limiting factors for the successful continuation of business. Timely and proper selection of appropriate items of business plan provides the timely adoption of optimal business and/or investment decisions. This means that the business plan (Dragojević, Dikić, 2011) perceived correct directions of the projected business enterprise, and identified potential business and investment risks on time. Therefore it is possible to neutralize or minimize detected risks and set up adequate and safe business solutions.

In principle, an effective business plan is usually drawn in preparing loan applications submitted to banks or other lending institutions for timely provision of necessary short-term or long-term funding for the successful conduct of business. In the crisis situation other business purposes can be expressed, and primarily for financial and business faster consolidation of the business entity, and define the appropriate exit strategy from the created of financial and economic crisis.
The key characteristics of effective business plan

Business plan is a key document for determining effective business and financial skills of legally organized company (Zakon o registraciji privrednih subjekata, 2009) or its management in order to:

- start a new business undertaking or establish a new company,
- introduce the alternative business programme which is more competitive on the market and enables successful opposition to competition,
- enable business and financial consolidation of the existing company that sunk into financial difficulties due to the obsolescence of products or services, loss of markets, lack of funds and other weaknesses in the previous period, and
- conduct planned expansion of existing operations, increase the capacities in order to meet increased demand of their products or services in the market and increase exports of goods and services.

An effective business plan, as an important starting business document of well-organized business enterprise is both a “tool” and a guide for the on-going management of successful entrepreneurial venture or business organization and is intended for:

- the entrepreneur who intends to initiate and conduct a new entrepreneurial venture,
- entrepreneur or legal entity that intends to develop new products and services, according to a prior assessment of market demand and the perceived intentions and actions by competitors,
- a legal entity that has decided to extend or change a registered business,
- investors who intend to make investments in the purchase of new enterprises, plants, joint ventures, etc.).

An effective business plan is primarily intended for owners and management of the companies for reliable and secure planning of business activities and designing optimal business results. The aim of every business plan is to check the profitability of investment (financial) in business ventures, especially if they are subject to tough competition and difficult economic conditions.

How to get good business ideas for creating an effective business plan

In the currently difficult economic conditions and tough competition in other businesses it is important, both for individual entrepreneur and a company (Zakon o privrednim društvima, 2011), to possess the right knowledge and skills for organizing a successful business enterprise, if they want to survive in the market and make a profit. The main goal of any undertaken business is to gain profit.

Profit is realized when an entrepreneur or a company successfully operates (Gogić, 2005), which means the best use of its available resources, contained both in mental and business acumen, their employees, all the material and financial resources engaged, in order to
successfully place its products or services on the market at the lowest possible operating costs and by achievement of the highest possible income.

This includes well-designed and defined subject of a business plan as a starting point for achieving defined business objectives, particularly in the current crisis conditions. In the business plan, the limit point of return in a crisis atmosphere is best measured by establishing the relationship of fixed and variable costs in a planned and realized business. When defining the subject of a business plan, at the current difficult business conditions, this relationship is first to be checked. A company, whose total business organization is weaker, especially with inadequate market research, marketing and distribution, has higher fixed costs. Organization with higher fixed costs of its products and services per unit, will therefore increase its selling prices, become uncompetitive, lose its business arrangements, realize less revenue, operate with losses and quickly go into bankruptcy.

In crisis conditions, the definition of objects of a business plan is usually expressed as follows: Selection of an optimal subject of the business plan is correlated with the degree of successfully organized and achieved management of available resources, to become competitive on the market in order to achieve maximum sales impact and security of the long-term income and profit.

In practice this premise means that finding the product (s) or service (s) in the optimum extent based on previous market tests of demand volume and levels of sales price trends (sales) that could be placed under the best conditions, with the structure of the available resources (fixed and current assets), (Shi Huai Zhang, 2011), applied technology, expertise of employees and successful management.

**Methodological differences in the preparation of a business plan**

Business plan for new business ventures, establishment of new entities and so, while preparing and drawing up an effective business plan focus the attention on the market research and finding the proper object of the intended venture. For the preparation of this type of business plan it is logical that a beginner first examines the market to which it intends to focus its attention, particularly in finding the right somersault of business and checks the market demand. This is the basis for determining its capabilities and ability for achieving planned sales and production (Francaviglia et al., 2013) of defined products or services. In doing so, it especially checks whether this increase in market demand represents current or permanent condition. It is also necessary to further determine the level of development of existing capacity and level of sales prices of other similar market players (competitors) in the local and global environment from the intended operation of the new program.

The main reason for not achieving the goal is that the official factors, foreign donors and consultants engaged to train unemployed people, do not perceive significant differences in the methodology for training persons in the development and use of effective business plans for new entrepreneurial ship and the establishment of new businesses, in relation to the methodology used to prepare business plans for existing businesses that have financial difficulties or need of expanding existing facilities.
In practice, there are important conceptual and methodological differences of preparation and drawing up effective business plans, for:

a) New business ventures and the establishment of new companies,
b) The purchase of the partial or complete facilities and enterprises,
c) The change of the business venture orientation during downturns,
d) For the business and financial consolidation of existing businesses, entrepreneurs or companies, which have come to financial difficulty, insolvency and continuing blockade of the current account of erroneous conduct of its work in the past?

Business plan for the existing business ventures and existing companies is methodologically quite different from the initial entrepreneurial venture. The focus in this case is placed on analysis of current status, weaknesses and shortcomings of the existing organization. First, it is necessary to identify and analyse mistakes and perceived shortcomings in the use of available resources, then analyse the objective difficulties in placement of existing products or services, that occur due to technological obsolescence of products, tougher competition from other market players, adverse effects of economic measures that emphasize the import of products and restricting sales of national products, and the like. During preparation and assembly of this type of effective business plan attention is focused on research for alternative solutions to overcome arising difficulties, better use of existing resources (Nendel et al., 2013), and quick improvement of the existing production technologies, improved business efficiency, in order to end the crisis and ensure profitable operations in the future. After examining the causes of such a situation and finding alternative solutions for the rehabilitation of future business, the following procedure is to conduction of detailed market research, assessment of market demand in order to redefine the business case, which will be then processed in the new business plan.

**Particular aspects of defining a business plan in case of crisis conditions**

Some banks and other financial institutions (Development Fund and similar institutions) determine for their loan claimants specific methodology for the preparation and presentation of effective business plans as a basis (Žarkić Joksimović, 1995) for reviewing and approving loans. Before preparation of the Business plan, entrepreneur, business consultant, company management and others must first choose the institution to which they will address for securing the necessary funds.

In crisis conditions, providers of financial support (Gogić, 2005) require from the holder of an effective business plan to accurately describe the selected product or service (Vignjevic Đorđević, 2008), in order to test the comparative advantages of the offered items in relation to other market operators, subject to similar businesses. When describing the chosen item, the business plan should include, in particular:

- the main characteristics of products or services,
- the needs of customers for the selected product or service,
the willingness of consumers to pay the projected cost of the product or service,
preparation technology on which the selected product is based and others.

In order to determine the possibility or chance of the selected product or service, there should be included the analysis of the situation in the industry or sector in which it operates, in order to resolve potential risks with appropriate modifications and other marketing measures (Severova et al., 2011).

Market research (Đuričin, Janošević, 2011) very important and responsible task in preparing and drafting a business plan in a crisis conditions. Narrowed market demand due to reduced purchase options imposes more detailed examination and description of any significant market events that are related to the selected item of business plan. From the experience of good practice in critical operating conditions, careful market research should include:

1) Detailed assessment of characteristics of the selected product (service),
2) In particular, a detailed examination of the potential scale of market demand,
3) The verification of the formation of the selling prices of selected products or services,
4) Check the behaviour of competition:
   - Identify main competitors and their strength?
   - Identify their business strategy?
   - Consider the advantages and disadvantages relative to competitors in their own business?
   - Consider the production and sales capacity of competitors,
5) Check the selected sales methods and distribution channels that they intend to include in effective business plan,
6) Selecting the best advertising techniques to promote selected products or services provided in an effective business plan is one of the key elements for successful implementation of business ventures.

The necessity of prior analysis of competition in the business plan

An important feature for effective drafting of a business plan is to select the appropriate items of business enterprise, then determination of the appropriate scope of business activities and selection of the right methodological approach. The collected information relating to market share achieved in meeting the needs of customers needs to be fatherly analysed for the different market segments and key products, which are the subject of an effective business plan. It is also necessary to analyse the sales channels of competition, and how they cooperate with the customers, especially if they use discounts and the like.

Selection and price definition in the business plan

The selection and definition of price is not a simple economic category. The economic entity, as the market participant trough defined by price can develop two types of strategies:
THE EFFECTIVE PROCESSING MODEL OF THE BUSINESS PLAN FOR THE AGRICULTURAL PRODUCTS

a) A market strategy of price competition and
b) A market strategy of non-price competition.

If the total costs (Kaplan, Antony, 1998) of products or services (variable and fixed) represent a lower bound or “floor” price, then the level of market demand determines the upper limit or “ceiling” prices. Application of pricing strategy assumes that an entrepreneur or a company has mass production and low production costs. Sellers who implement this sales strategy are forced to have a policy of flexible sales price. Prices change due to changes in the structure of operating costs (increase of variable or fixed costs) or because of increased demand for particular products or services. Price changes are possible when the competition does so. The essence of pricing implies a good knowledge of market changes and the ways in which changes in market demand may influence the formation of different prices.

Strategy of non-price competition in the market applies to improving the quality of products or services over the competition, better and more attractive packaging, providing favourable conditions of sale, deferred payment or other services (free transport of goods or similar free installation and free services). In non-price marketing strategy vendors keep prices stable. Non-price market strategy is applied by entrepreneurs that previously positioned their products or services highly on market, using permanent maintenance of the high quality, better marketing promotions, additional services and other market activities.

Analysis of competition in the business plan

Competition (Randić et al., 2008) is a rivalry between alternative market entities that address the same group of customers, where each is trying in its own way to increase sales, marketing share and gaining higher profits. Competition is a latent (hidden) risk to a particular manufacturer and market subjects. Elements through which competition operates in the market are: volume, structure and size of bids, price and product quality, technology, capacity management, and financial and marketing power (Vignjević Đorđević, 2010) of the subject. The subject of research and proper analysis of competition in a crisis atmosphere directed primarily to offer their system (range, sale price, payment terms, the system of distribution and post sales service, display and use of marketing mix, market position). Based on the survey formed database includes: name of the entrepreneur or business entity, name of a competitor, location, program supply for market area in which it operates, technological capability and the like.

The financial segment of an effective business plan in crisis conditions

The main objective of the establishment, commencement and conduction of any business ventures or the company is profit. Previously reviewed key financial parameters (McGuigan et al., 2012) in the process of preparing an effective business plan (determined by structure of fixed and variable costs, marginal rate of income, the coefficient of possible sales charges, maintenance of the required coefficient of raw and finished products, materials, the coefficient of discharge of obligations to creditors, the expected rate of gross profit before taxation, financial liquidity and leverage, participation interest on the borrowed funds in the
total income, etc.) determine the feasibility of a business venture, as to whether one could expect average earnings and return on total assets invested in a new business or financial consolidation of the existing business entity.

At the beginning of the preparation of the financial segment of an effective business plan it is necessary to make a realistic pre-estimation of the total funds required for the realization of the projected business enterprise. This amount usually includes: the amount of the excess, and the amount of missing funds (these funds are most often provided through banks loans, borrowed). Planning is done from the total amount of required financial resources (Shi Huai Zang, 2011) - for which purpose it will be used. In this regard, it is necessary to:

- calculate the required fixed assets,
- calculate the necessary working capital,
- calculate the expected costs of all operations,
- estimate expected sales revenues,
- make cash flow forecast for the next 3 years.

To forecast the necessary financial resources it is very important to determine: the days for setting the time of sale, time of keeping the supplies and raw materials, reconciliation of accounts payable. In the following text we will present an example of model with integrated calculations of necessary financial resources, proven in practice for many years and accepted by many financial institutions that provide financial support to individually entrepreneurs and small companies.

It is assumed that the founders and co-owners of small company made the decision to prepare a business plan, to ensure the necessary resources for financing production of contemporary plastic packaging which will be used in the food industry. Previous market tests have shown that planned products are highly in demand due to the increased needs of industry for processing agricultural products intended for export.

After completing market research, major customers are defined, as well as their annual needs. Based on this, project of technology used for new plastic packaging is completed, and appropriate equipment was selected, and in connection with that, the technical, material and labour standards were established. An overview of the annual fixed cost for the company business is also determined. Based on the technical standards, the amount of material needed for production are defined and preliminary contracts for the delivery concluded. According to the adopted technical, technological and labour standards, budget for necessary funds is being calculated (financial segment of the business plan), for the planned production volume. To calculate the necessary financial funds, for this example, we used defined parameters as follows:

a) Projected annual sales volume of finished products is RSD 15.000.000.
b) According to defined technical standards, direct costs are 40% of revenue from total planned sales.
c) Fixed costs amount to 20.40% against planned sales.
d) Planned Amortization of permanent funds on average should be 10% per year
e) Depreciation for the first year is covered by the planned fixed costs, and the rest is covered by the planned funds for the purchase of fixed assets.
f) Sales financing are planned to be 30 days on average.
g) Funding of material, in accordance with the production technology and the dynamics from the contracts with suppliers, should be 85 days.
h) Planned supplies of material for the beginning of the production are in amount of RSD 1.000.200.
i) Planned purchases for the period in amount of RSD 6.300.000
j) Provided supplies to the end of the period amounted to RSD 1.5 million, and are slightly increased due to the planned increase in production for the period.
k) The suppliers agreed to deferred payment terms for 20 days without interest.
l) The value of the acquisition of fixed assets in accordance to the business plan is RSD 2.5 million.
m) The planned interest rate on the requested amount of the loan is 12% per annum.

Based on the previous parameters, the financial segment of an effective business plan includes:

1) Preparation of the projected income statement (check of business profitability),
2) The preparation of the budget for total funds required in business plan,
3) Checking the profitability and feasibility of an effective business plan
4) Preparation of the planned balance sheet in order to review the financial position and the certainty of return on invested funds
5) The preparation of the cash flow forecast to determine the ability of management to manage cash and generate invested money.

Here is the example for the preparation of financial segment of the effective business plan (Table 1):

**Table 1. The model of calculation of necessary financial resources**

<table>
<thead>
<tr>
<th>I) <strong>Planned income statement</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Projected sales revenue</td>
<td>15.000.000</td>
</tr>
<tr>
<td>Less direct costs:</td>
<td></td>
</tr>
<tr>
<td>- materials (40% of No.1)</td>
<td>6.000.000</td>
</tr>
<tr>
<td>- gross wages (20% of No.1)</td>
<td>3.000.000</td>
</tr>
<tr>
<td>Total direct costs</td>
<td>9.000.000</td>
</tr>
<tr>
<td>2. Marginal profit</td>
<td>6.000.000</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>- Fixed costs (20,40% of No. 1)</td>
<td>3.060.000</td>
</tr>
<tr>
<td>3. The planned operating profit (margin)</td>
<td>2.940.000</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>- Borrowing costs (12% per annum, 60% of No. 9)</td>
<td>351.666</td>
</tr>
<tr>
<td>4. Net profit before taxation</td>
<td>2.588.344</td>
</tr>
</tbody>
</table>
### II) Projection of necessary assets

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Financing the purchase of fixed assets</td>
<td>2,250,000</td>
</tr>
<tr>
<td>(2,500,000 – 250,000)</td>
<td></td>
</tr>
<tr>
<td>6. Financing sales</td>
<td>1,232,877</td>
</tr>
<tr>
<td>(15,000,000 x 30 days / 365)</td>
<td></td>
</tr>
<tr>
<td>7. Funding maintenance of supplies (stocks)</td>
<td></td>
</tr>
<tr>
<td>- initial stocks</td>
<td>1,200,000</td>
</tr>
<tr>
<td>- supply in the period</td>
<td>6,300,000</td>
</tr>
<tr>
<td>total</td>
<td>7,500,000</td>
</tr>
<tr>
<td>8. Use of the funds from suppliers</td>
<td>- (345,205)</td>
</tr>
<tr>
<td>(6,300,000 x 20 days / 365)</td>
<td></td>
</tr>
<tr>
<td>9. The total planned engagement of the funds</td>
<td>4,884,247</td>
</tr>
<tr>
<td>10. Net funds needed</td>
<td>2,295,913</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover ratio for engaged funds</td>
<td>3.07</td>
</tr>
<tr>
<td>The planned rate of net profit</td>
<td>17.26%</td>
</tr>
<tr>
<td>The rate of return on total funds invested</td>
<td>52.99%</td>
</tr>
</tbody>
</table>

### III) Projected balance sheet

**A) Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Fixed assets</td>
<td></td>
</tr>
<tr>
<td>- Purchase value</td>
<td>2,500,000</td>
</tr>
<tr>
<td>- Depreciation</td>
<td>250,000</td>
</tr>
<tr>
<td>- Current value</td>
<td>2,250,000</td>
</tr>
<tr>
<td>II. Current assets</td>
<td></td>
</tr>
<tr>
<td>1. Stocks</td>
<td>1,500,000</td>
</tr>
<tr>
<td>2. Receivables from debtors</td>
<td>1,232,877</td>
</tr>
<tr>
<td>3. Cash</td>
<td>246,575</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,975,452</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
</tbody>
</table>

**B) Liabilities + Equity**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV. Long-terms loan for business plan</td>
<td>1,377,548</td>
</tr>
<tr>
<td>B1. Net assets of the owner</td>
<td>3,506,699</td>
</tr>
</tbody>
</table>

**B1. Net assets of the owner**
### The Effective Processing Model of the Business Plan for the Agricultural Products

#### 1. Initial capital
1.280.731 (14)

#### 2. Net profit after taxation
(2.588.334 x 14/100)
2.225.968 (12)

#### Total owners’ equity
3.506.699 (13)

#### IV) Cash flow forecast

##### A) Cash flow from operating activities

1. Gross profit from the planned operation
2.588.334

2. Non-monetary activities included in gross income

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1. Receivables from debtors</td>
<td>- (1.232.877)</td>
</tr>
<tr>
<td>2.2. Stocks</td>
<td>- (1.500.000)</td>
</tr>
<tr>
<td>2.3. Liabilities to creditors</td>
<td>+ 345.205</td>
</tr>
<tr>
<td>Total</td>
<td>- (2.387.672)</td>
</tr>
</tbody>
</table>

3. Net cash flow operating activities
+ 200.662

##### B) Cash flow from investing activities

4. Investment in buildings

5. Investment in equipment
- (2.500.000)

Net cash flow of investing activities
- (2.500.000)

##### C) Cash flow from financing activities

6. Loan for business plan
1.377.548

7. Equity
+ 1.280.731

8. withdrawal of funds
- (112.366)

Net cash flow from financing activities
2.545.913

+ 246.575

##### D) Increase- decrease in

9. Opening balance
0

10. Cash at the end of period
246.575

*Source: Vignjević Đorđević, 2008.*

*Source: USAID Programme No. TPW-1811 2012, Institute for Economic and Finance Belgrade, prepared by authors.*

The presented methodological approach for processing the financial segment (Uredba o registraciji poljoprivrednih gazdinstava, 2005) of the business plan makes it possible to establish the first anticipated profitability of the business enterprise. In this example, the planned income statement states that the marginal profit rate is 40%, which corresponds to a highly profitable business. The production of contemporary plastic packaging for food products is therefore profitable venture.

After determining the profitability of the planned business venture, the next step is to make the projection of the required financial resources, as a key segment of the business plan.
From the above stated parameters, a relatively small number of sales financing days is determined, which requires verification of the actual situation regarding the degree of collection of revenue from product sales.

Preparation of the budget shows the existence of critical points of the items for required funds in the part relating to the financing of the volume of material production, due to the greater the number of days for keeping the stocks, prior to use in the manufacturing of the plastic packaging.

Number of inventory turnover days for the production of materials is determined by the structure of sources of supply of key materials. The total volume of stocks at highly automated production, such as the production of plastic packaging for the food industry, depends on the length of time for delivery of the last of components, especially those purchased abroad, with the prolonged delivery.

Checks and controls when developing and implementing an effective business plan include reading and mastering the skills of financial information. Introduction of accounting categories and logic, allows efficient evaluation of business projections made in the business plan, comparing the obtained results with those of other businesses, particularly in the following financial categories:

a) Relation of fixed and current assets (to avoid excessive immobilization of funds)?
b) Relation of long-term and short-term liabilities (to achieve greater financial liquidity)?
c) The structure of equity (in order to strengthen the equity and financial position)?
d) The structure of debt (principal and interest payments)?
e) Relations of fixed and variable costs (for maintenance of rational organization of entities)?
f) Relations of direct and indirect costs (for monitoring the efficiency of business)?
g) Analysis of the calculated costs of products or services (in order to maintain competitiveness)?
h) Analysis of the balance sheet for maintenance operations or financial position of the company,
i) Analysis of the income statement - revenues, expenses, profit or loss (to maintain profitability)?
j) The analysis of cash and cash management (to improve financial liquidity)?

**What is not included in figures in the business plan**

In financial calculations and financial information we cannot see, but, between the lines of a business plan, we can read following:

- the business skills of owners, entrepreneurs and management of a business entity,
- quality of organization and certainty of business success in the future,
- future demand for specific products and services company,
- The certainty or uncertainty of future operations (expected bankruptcy and bankruptcy).
Financial accounts are usually prepared in a manner that would be adapted and prepared for a tax audit, which has been recently very present and represents a limiting factor for the proper and accurate preparation of financial budgets, business plans and preparation of new strategies that should ensure faster emerging from the crisis and boost future business development, increase revenue, net income and dividends.

**Conclusion**

Competition is a rivalry between alternative market entities that address the same group of customers, where each is trying in its own way to increase sales, marketing share and gaining higher profits. Competition is a latent (hidden) risk to a particular manufacturer and market subjects. Elements through which competition operates in the market are: volume, structure and size of bids, price and product quality, technology, capacity management, and financial and marketing power of the subject. An important feature for effective drafting of a business plan is to select the appropriate items of business enterprise, then determination of the appropriate scope of business activities and selection of the right methodological approach. The collected information relating to market share achieved in meeting the needs of customers needs to be fatherly analysed for the different market segments and key products, which are the subject of an effective business plan. It is also necessary to analyse the sales channels of competition, and how they cooperate with the customers, especially if they use discounts and the like.

It is assumed that the founders and co-owners of small company made the decision to prepare a business plan, to ensure the necessary resources for financing production of contemporary plastic packaging which will be used in the food industry. Previous market tests have shown that planned products are highly in demand due to the increased needs of industry for processing agricultural products intended for export.

**References**


izbor predmeta i planu poslovanja u kriznim uslovima. Očekivani efekti smanjenja nezaposlenosti i otvaranje novih radnih mesta, nisu postignuti aktivnostima državnih institucija u nerazvijenim područjima u poljoprivrednom sektoru, finansiranjem iz stranih donacija. To je ograničavajući faktor za brži izlazak iz krize i promociju brzog ekonomskog rasta. Naglašava se važnost sprovođenja prethodnih pozitivnih rešenja za proveru mobilnosti tržišta za nove programe, izbor najbolje tehnologije i opreme, sa najnižim troškovima po jedinici, kako bi se postigla konkurentnost na tržištu u kriznoj situaciji. Dobar biznis plan je zasnovan na verodostojnom budžetu za potrebnim finansijskim sredstvima, bez kojih neće biti uspešan biznis. Pravilna analiza investicija i poslovog rizika, treba da obezbedi sigurnost preduzetnicima i vlasnicima kapitala za investiranje u dati poslovni plan. Ovo istraživanje je prvenstveno namenjeno za tekuće potrebe i sprovođenje u praksi, kao doprinos bržem pokretanju novih privrednih aktivnosti u poljoprivrednom sektoru za brži izlazak zemlje iz krize, koja se dogodila.

**Ključne reči:** biznis plan, poljoprivredne organizacije, poljoprivredna tržišta, finansijski podsticaji i nova radna mesta.