SPARKLE

Sustainable Precision Agriculture
Research and Knowledge for Learning
how to be an agri-Entrepreneur

ITALY

COPERNICO SRL

# BUSINESS MODEL CANVAS in the field of SUSTAINABLE PRECISION AGRICULTURE

## STUDY CASES COLLECTION

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# INFO COMPANY

## COPERNICO SRL

**Address**: Via Mazzini 70 - Montalcino (SI)

**Founding date**: 1993.
25 years ago, an engineer, a geologist and a local farmer in the winegrowing sector decided to start a new venture providing specialised advice and services for the farmers of the Montalcino area, that in the '90 showed a great growth potential.
The winning factor in those days was the ability of offering customised and integrated solutions to the local demand, thanks to the competencies of the partners and of the network of freelancers involved.
The business has grown steadily thanks to continued orders, generally bi-annual. In 2010, facing the first difficult moment due to the economic crisis of 2008, the main partners willingly decided to safeguard the high value of the human capital they had gathered and empowered. Choosing to keep the network of employees, reducing the profit, Copernico got over the critical moment and was promptly fully in operation when economy started to recover, with the same valuable stock of specialistic skills and experience, unlike their competitors.

**Extension / Crops:**
Consultancy and advice business, providing innovative services for High Tech Farming:

- Precision Agriculture (monitoring, management platform, field testing, modelling, consultancy services)
- Management Systems supporting business decisional process
- Local agricultural district Precision Farming Platform
- Development of Forecasting Models
- Consulting Services supporting the Organic sector
- National and European research projects and trials for innovation processes in the AGRIFOOD sector.

**Number of employees**: 4 partners e 8 freelancers

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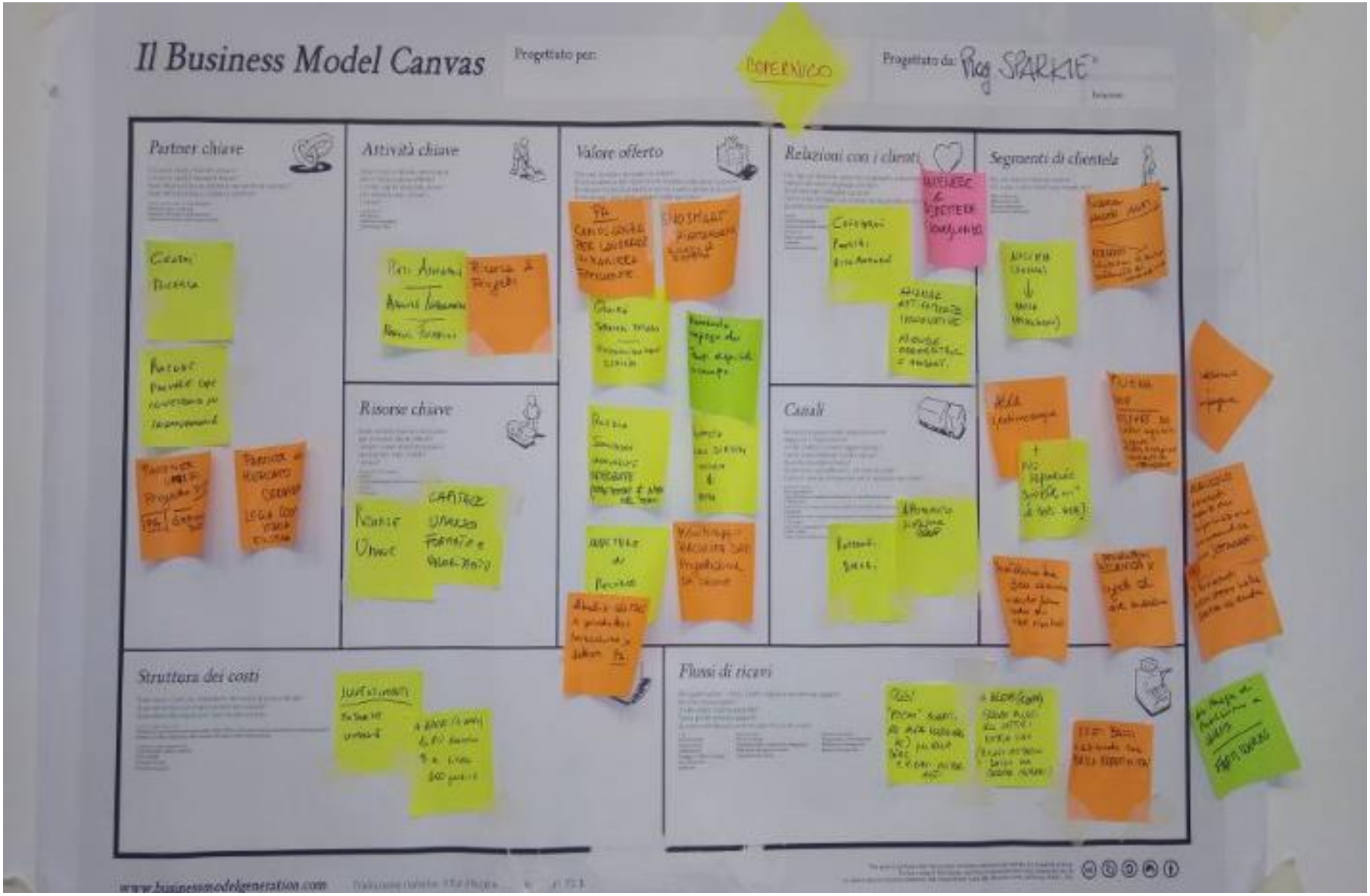
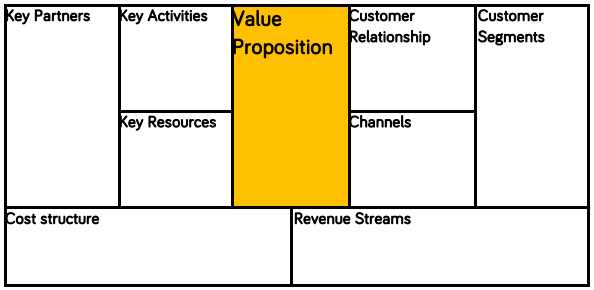
Web Site http://www.copernicosrl.it
**Date of the interview**: July 20th, 2018
**Name of the interviewed person (specifying his/her role in the company):** Marco Antoni, partner.


Il Business Model Canvas
Progettato per:
Progettato da:
Partner chiave
Attività chiave
Valore offerto
Relazioni con i clienti
Segmenti di clientela
Risorse chiave
Canali
Struttura dei costi
Flussi di ricavi
www.businessmodelgeneration.com

# BMC - report

## Value Proposition




Consultancy services for rural enterprises and farmers:

- Technical / Engineering area
- Physico-chemical Analysis
- Specialised services for Precision Agriculture
- Water Resources Management

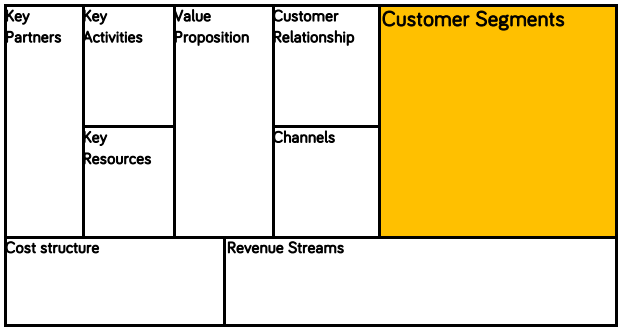
Within the PA Specialised Services, we starter with collecting data systems, to management tools, data control and data monitoring. In particular:

- OENOSMART, management platform for the Brunello of Montalcino Wine Growing sector
- Drone for monitoring and data collecting for project planning
- Market Analysis for PA technologies manufacturers

The *value proposition* is focused on the ability to offer

- Customised and Integrated Innovative Solutions
- Quality of the Specialised Services offered
- Flexibility to offer new services for niche markets, with the aim of developing them to mass markets
- Continuous investment in research
- Choosing to sell bespoke solutions instead of ready made products

## Customer Segments




As far as the PA segment, Copernico operates both on niche and mass markets with differentiated services:

- with a selected group of business clients, we develop edge cut technology and high-level innovative processes
- with a wider group of enterprises, we offer a more mature application, at a more convenient price

The Wine Growing sector in Tuscany, especially in the Montalcino District, is characterised by high economic margins. Copernico offers edge innovative and customised PA solutions to this sector. This niche consists of ten enterprises is enough to generate interesting activities and revenues.

On the other end, the **cereals sector** has lower margins and it is difficult to find pioneer businesses intending to invest into customised PA solutions.

For this segment we found a partner, LEGACOOP Italia, the association representing the widest national network of producers. LegaCoop will act as a mediator and will help Copernico start a dialogue with the farmers and submit them a new opportunity at a lower price.
The advantage of PA for these farmers consists in the demonstrations through quality data of the sustainability, traceability and certification.
The Platform will be coherent and functional to the filling in of the "Quaderno di Campagna", the register of all treatments, compulsory for all farmers selling their production to third parties since 2011.

The most important thing is to insist on all three phases: PRODUCTION, TRANSFORMATION AND DISTRIBUTION, that at the moment are separate in the cereals sector, on the contrary of what is happening in the wine growing district of Montalcino where they are managed by the farmer.

This progressive process should favour the introduction of PA also in the cereals sector and we expect, in 2-3 years-time, to get to a significant dissemination among farmers (LegaCoop counts around 100 enterprises) and a consequent reduction of costs to access the management platform.
The objective consists in developing the platform also for the zootechnic sector.

This work programme will certainly trigger a new demand for specialised technical services.

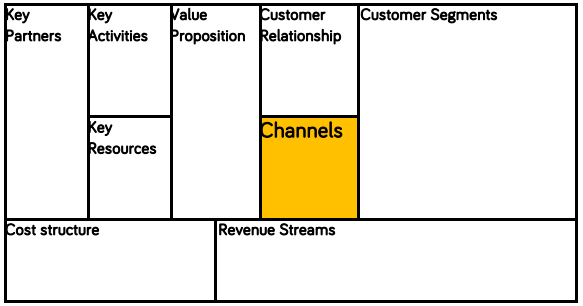
The process will drive the dissemination of PA and will consent to reach the machine manufacturers, very few at the moment and very resistant to introducing customised solutions.

Among the innovative projects/clients:

- in water management Copering works for ACEA

for Consorzio of Wine Brunello of Montalcino has developed the platform OENOSMART and for the local wine growers has developed be-spoke PA solutions

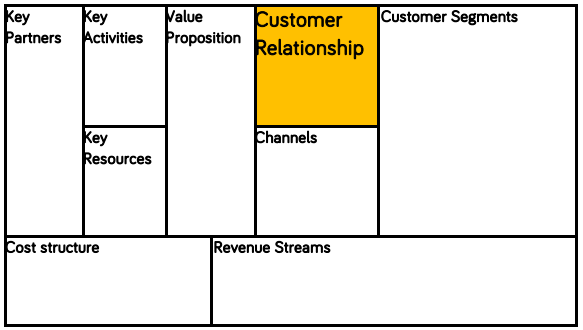
## Distribution Channels




With reference to the PA services:

- direct relationship, as it is in the nature of consultancy, in the wine growing sector
- through LegaCoop for the system of cooperatives growing cereals

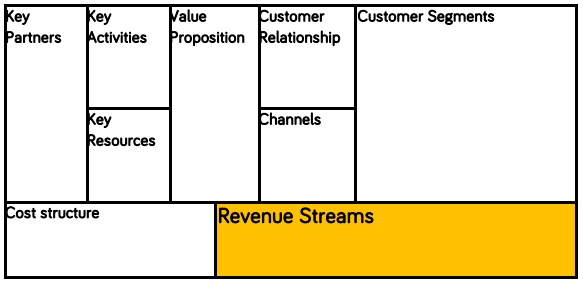
## Customer Relationship




Offering customised PA solutions implies networking and collaborating.
The relationship with the clients/partners is therefore strong, in some cases even formalised within project partnerships – as for example the Sectoral Integrated Projects.
The terms of the relationship are:

- creating network projects with farmers and research centers
- connecting both with innovative/pioneer enterprises with observer and early adopters.

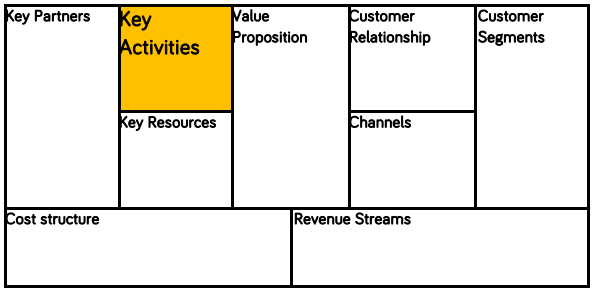
## Revenue Streams




With reference to the PA services:

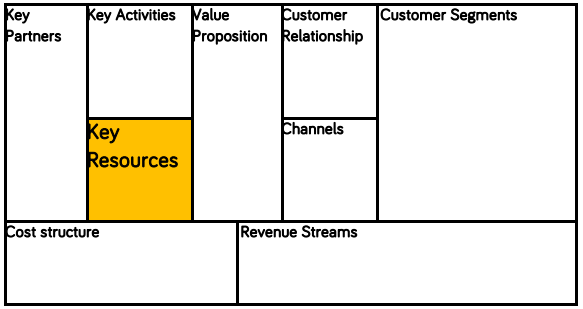
- few clients with high margins for customized solutions and high unitary revenues (wine growing – Brunello district)
- lower prices for low revenue enterprises (cereals sector)
- within a year great flows are expected from new sectors with low unit revenue but big numbers.

## Key Activities




- Building partnership and entrepreneurial networks
- Information and training activities
- Research and participating in innovative projects

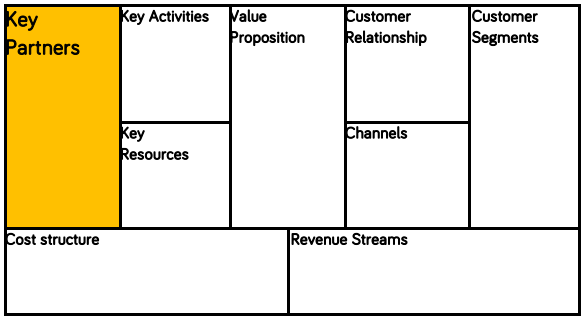
## Key Resources




Human capital played a relevant role in the growth of the business and to overcome the 2008/2010 crisis.

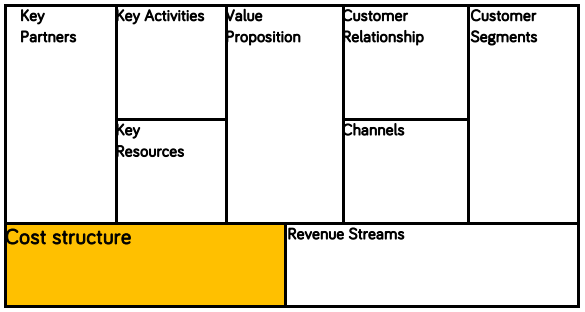
- Human Resources
- Trained and valued human resources

## Key Partners




- CREA "Council for the Research in Agriculture and the Economic Analysis" providing support in pedological analysis and studies with edge technologies
- Private enterprises investing in cut edge innovation
- Partner University of Florence project PIF – PA
- Legacoop Italia, market partner and testing with cooperatives of the non-wine growing sectors
- Leithà (Unipol Group) partner for the development of the data analysis and big data management

## Cost Structure




The key resource of Copernico, human capital, is also the one that mostly affects the business costs structure:

- Investment in human resources: keeping a network of expert collaborators, investing in training and research
- In short (1 year) the cost will become more significant, as the human resources should increase up to 100 employees.

## Barriers:

- Mentality of the farmers: information, training and skills
- Conservative attitude of the professionals involved

## Drivers

- Quality, sustainability, traceability
- Semplification of the Certification Process
- Saving
- Organisational efficiency

**Sustainable Precision Agriculture**

## Benefit

- Better work organisation: PA demands a better knowledge and rationalisation of the productive system, thus making it more efficient
- Eliminating economic disadvantages
- Increasing margins and profitability

## Impact

- Qualification of the agricultural sector: from farmers to entrepreneurs