



D.4.2 - Exploitation Plan and Business Strategy

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Abstract: The purpose of this report is to present an exploitation plan and business strategy for TraceAbility, a blockchain-based solution designed for stakeholders in the rice value chain. TraceAbility offers a comprehensive tool for supply chain management, ensuring transparency, traceability, and improved efficiency. This report outlines the key features of TraceAbility and provides a detailed analysis of its potential market, deployment case study, and business strategies for successful commercialization.

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TABLE OF CONTENTS

TABLE OF CONTENTS.....	4
1. INTRODUCTION	5
2. EXPLOITATION PLAN	5
A. Overview of Exploitation Plan.....	5
B. European and International Interest	5
1. Target Audience Identification.....	5
2. Strategies to Attract Commercial and Industrial Interest	6
C. Market Analysis.....	6
1. Definition of Relevant Market Key Figures	6
2. Variables for Commercialization	7
3. Market Segmentation and Targeting	7
4. Competitor Analysis	7
E. Deployment Case Study	8
1. Estimation of Costs and Resources for Implementation.....	8
2. Evaluation of Different Market Scenarios	9
3. BUSINESS STRATEGY.....	9
A. Business Strategy Definition	9
B. Product Strategy	10
1. Value Proposition and Unique Selling Points	10
2. Pricing Strategy.....	11
3. Distribution Channels	12
C. Marketing and Sales Strategy	13
1. Marketing Plan	13
2. Sales Plan.....	14
D. Startup Incorporation Strategies	15
1. Founding Structure and Team.....	15
2. Term Sheets and Shareholder Agreements	16
3. Jurisdiction/Geography Selection	17
4. Funding and Investment Strategies.....	17
4. CONCLUSIONS	18

1. INTRODUCTION

The purpose of this report is to present an exploitation plan and business strategy for TraceAbility, a blockchain-based solution designed for stakeholders in the rice value chain.

In the simplest terms, a blockchain consists of a linked chain that stores auditable data in units called blocks. Innovative technology for its ability to eliminate intermediaries and make processes more efficient and secure, promoting greater control over the information and transactions carried out.

Nowadays, consumers need tasty, healthy, and safe products and for that they need more information about products. The rice supply chain suffers from lack of transparency and commonly operates with no reliable information regarding the origin of the raw material.

A blockchain approach to control the complete value chain will be used ensuring profitability, food safety, traceability and authenticity in the rice chain. These include various steps of the chain, from rice field growing itself, to primary processing (milling) to secondary processing (cooking and preservation for ready-to-eat consumer products).

TraceAbility app is a software-as-a-service (SaaS) solution that allows for rice and rice-based products to be traced and tracked throughout the whole value chain, to include the assurances regarding food safety that result from the whole history of the rice, from field to milling, cooking and processing, packaging materials used, treatments applied and contaminant mitigation as well.

The purpose of this application is to reach the market and can be focused on producers, industries and consumers.

2. EXPLOITATION PLAN

A. Overview of Exploitation Plan

TraceAbility, a blockchain-based solution in the context of the rice value chain has a unique value to the market, mainly because it will increase transparency, traceability, efficiency, and trust among stakeholders.

Blockchain-based technologies have the potential to promote more sustainable agriculture supply chains, better facilitate trade and provide a more inclusive trading system. Blockchain can be a powerful engine for economic growth, inclusive trade and provide new market opportunities for micro, small and medium-sized enterprises (MSMEs).

B. European and International Interest

1. Target Audience Identification

There are different stakeholders in the rice value chain that can use TraceAbility, such as providers, farmers, suppliers, processors, distributors, retailers and consumers.

2. Strategies to Attract Commercial and Industrial Interest

To attract commercial and industrial interest is necessary to understand stakeholders needs, challenges, and motivations related to the solution.

Providers can access information about the crops, pesticides and fertilizers used and machinery involved, which can be useful in a commercial approach.

Farmers can have information about the farm and the farming practices employed, such as the crop cultivation process and weather conditions. This can give consumers increased trust in the products that they buy, and it is also an opportunity to reward the producers who employ good agricultural practices to cultivate their produce. This would eventually lead to sustainable farming practices and responsible consumption.

Data immutability is what distinguishes the blockchain from other data processing technologies. Allow operators to register their activities in a simple and intuitive user interface.

Consumers are no longer passive consumers. The consumer can use a mobile phone connected to the Internet/Web or a web application to scan a QR code associated with the rice package and see in detail all information associated with the product, from the provider to the retail store.

Industry can also benefit from the reduction of paper about traceability (up-and downstream), and having all the information in this application, would increase the efficiency of the quality management process.

C. Market Analysis

1. Definition of Relevant Market Key Figures

Currently, the amount of rice produced in Portugal is around 160,000 tons (average of the last 5 years), occupying the fourth position in the European Union, after Italy, Spain and Greece. Portugal is the European country with the highest consumption of rice per capita, with a value of 16 kg/year.

The amount of processed rice sold in the industry is 200,000 tons, with a domestic consumption of 160,000 tons. Portuguese national production is able to satisfy 55% of domestic demand. The overall turnover of rice agricultural production is around €55 million, while that of the industry and distribution chain is €200 million.

The current research revealed three clusters of Portuguese rice consumers, based on their pattern of rice consumption: “Varied”, “Nationals” and “Imported”, showing differences on the motives behind rice choice. The “Imported” cluster mainly consumed imported rice, presenting a higher income, smaller families and higher education, and for whom the second main choice motive is Convenience. This information, particularly the characterization of the “Imported” cluster, may reveal that although Portuguese consumers continue to consume much more rice, when compared with other European consumers, they both respect the tradition or adhere to changes in lifestyle. The latter leads to the consumption of imported exotic varieties of rice, and of rice that is easier to cook (e.g., in ready-to-eat rice-based meals or simply ready-to-eat white rice), despite being more expensive, approaching the behavior of other European consumers.

2. Variables for Commercialization

The TraceAbility app has the potential to significantly enhance product value, but it's crucial to gauge stakeholder interest and willingness to invest in a traceable blockchain-based system.

In the context of general food consumption, a study on Portuguese consumers in 2014 highlighted Price as the primary factor influencing choice, followed closely by Sensory Appeal (Markovina et al., 2015).¹ However, when it comes to rice, Price doesn't hold the same sway, as evidenced by consumption patterns, particularly the popularity of Basmati rice. Sensory characteristics, particularly texture and taste, emerge as pivotal factors driving rice selection, often surpassing Price in importance.

The advantages of purchasing a blockchain-based traceability system are manifold, including full information traceability, transparency, enhanced food safety, sustainability, and bolstered trust within the supply chain. Moreover, a blockchain solution can effectively accommodate the scale and intricacies of the rice value chain. Robust security measures, encryption protocols, and data access controls will be implemented to safeguard sensitive information while ensuring transparency and traceability.

To successfully commercialize this solution, it's imperative to devise strategies for educating stakeholders about its benefits and functionality. Providing comprehensive training and ongoing support will streamline adoption and utilization. Additionally, exploring potential partnerships with industry stakeholders, technology providers, certification bodies, and governmental agencies can amplify resources, expertise, and networks, thereby fostering adoption and driving commercialization efforts.

3. Market Segmentation and Targeting

There are several distinct market segments, but our primary focus should be on organizations that prioritize sustainable production practices and seek to differentiate themselves in the market through traceability. Additionally, companies and organizations actively engaged in certifications or sustainability programs stand to benefit from our blockchain solution, which facilitates transparency, food safety, sustainability, and compliance with certifications.

In the European market, our geographical focus should primarily center on organizations with access to Wi-Fi or internet connectivity. At present, our priority regions for implementation and stakeholder relations maintenance are Portugal and Spain. These locations offer logistical advantages and enable more effective engagement with stakeholders.

To ensure ongoing relevance and effectiveness, it's essential to continuously monitor and evaluate market dynamics, gather customer feedback, and assess the performance of our marketing efforts. This ongoing evaluation will enable us to refine our segmentation and targeting strategies based on real-time feedback and market insights.

4. Competitor Analysis

In Portugal, there are no other blockchain-based solutions that are currently targeting the rice value chain. There is an application in other food sectors, but not in the rice field.

¹ Markovina et al. (2015). Food4Me study: Validity and reliability of Food Choice Questionnaire in 9 European countries. Food Quality and Preference, 45, 26-32. DOI: 10.1016/j.foodqual.2015.05.002

One example in Portugal is Auchan, a Portuguese Retailer, where blockchain technology in lettuce, melon and watermelon Vida Auchan are available, and through a QR code placed on the product label, the consumer can quickly access all stages of their life, from production, respective conditions, where it comes from and who was its producer, nutritional and sustainability data, as well as their respective handling, processing, packaging and shipping. ([TE-FOOD Auchan - Salad](#))

The Portuguese coffee brand Sical, belonging to the Nestlé group, has the edition Sical® BLOCKCHAIN. This edition, Brazil Single Origin, includes a Blockchain technology that allows the traceability of the coffee bean from its origin to the cup, giving for the first-time visibility to the consumer of the entire process, from coffee growing to transport, roasting and packaging, so that the consumer feels safe with their choice of coffee. ([SICAL® é a primeira marca de café a introduzir tecnologia Blockchain para mostrar todo o processo de produção desde a origem até à chávena | Nestlé \(nestle.pt\)](#))

There are in the market different startups that are targeted in blockchain. For example, we worked with BITCLIQ. Headquartered in Portugal, in Caldas da Rainha, BITCLIQ is a bluetech startup founded in 2013 by Pedro Araújo Manuel and focuses on the development of intelligent solutions and information systems for digital transformation. They also worked previously with Integrated tech solutions developed since 2014 and tested in several projects at the global level in seafood operations under the supervision of international experts and partners from Europe, Africa, North America and Asia.

E. Deployment Case Study

1. Estimation of Costs and Resources for Implementation

The implementation of traceability app for the rice industry requires to outline the various costs and resources to ensure a successful deployment. From software development to regulatory compliance, each aspect demands careful consideration and allocation of resources. In this section, we will delve into the 8 key components that comprise the estimation of costs and resources, ranging from technology infrastructure to security measures, integration efforts, training needs, and project management. By comprehensively addressing these factors, we aim to lay a solid foundation for the effective implementation of our traceability app, empowering stakeholders across the rice value chain with enhanced transparency, efficiency, and trust.

- 1- Development costs: Software development – Blockchain (see which company is going to do)
- 2- Technology Infrastructure: servers, cloud services, storage, and networking components.
- 3- Integration with Existing Systems: Evaluate the integration requirements with existing systems used by stakeholders in the rice value chain, such as ERP (Enterprise Resource Planning) systems, logistics platforms, or supply chain management software. The complexity and effort required for integration will impact the overall costs.
- 4- Security measures: Implementing robust security is crucial for a blockchain solution. Cost associated with security audits, implementing encryption, setting up access controls and data privacy.
- 5- Training: Includes technical support for issue resolution, documentation creation for training.
- 6- Regulatory and Legal: Compliance: Rice industry requirements, like certifications or licenses.
- 7- Project Management: dedicated project manager to oversee and coordinate activities, and ensure timely delivery.
- 8- Contingency Budget: Unexpected expenses, changes or delays during implementation process.

2. Evaluation of Different Market Scenarios

Rice stands as the primary staple food for nearly half of the global population, providing 20% of the world's consumed calories. Its significance in the European diet is on the rise, owing to its pivotal role in modern and healthy eating habits. With the majority of rice consumed in Europe being grown in EU Mediterranean countries, there exists a considerable demand for rice products.

While blockchain solutions are experiencing significant growth across various sectors such as finance, education, and healthcare, the food industry still grapples with transparency issues, a concern echoed by today's consumers. The absence of apps akin to Traceability in the rice sector underscores the challenges in securing reliable information throughout the supply chain.

In terms of technological adoption, farmers may pose a significant challenge, particularly considering the average age of farmers in Portugal. However, recent surveys indicate a shifting mindset among Portuguese farmers, with 82% recognizing the potential of digital technologies in shaping the future of agriculture. This sentiment is reflected in current practices, where digital tools are already employed to optimize resource usage and soil quality. With an overwhelming majority (94%) intending to invest more in digital tools over the next 12 months, including major retailers like Auchan embarking on initiatives like 'Planicie Verde' for fruits and vegetables, the readiness of stakeholders for technological advancements is evident.

Our focus should center on key stakeholders who can serve as early adopters and advocates for our solution. Retailers emerge as pivotal players, as their endorsement can catalyze adoption across the supply chain and encourage farmers to implement the traceability app. Notably, we already have a retailer in Portugal embracing similar solutions for vegetables. Additionally, stakeholders facilitating certifications, quality management, and communication of sustainable practices will play vital roles in streamlining adoption and reducing associated costs.

Furthermore, it's essential to anticipate potential market disruptions, such as geopolitical conflicts leading to rice price hikes, which may prompt consumers to prioritize price over other factors. By carefully navigating these scenarios and leveraging stakeholder support, we can maximize the impact and adoption of our rice traceability app in the dynamic market landscape.

3. BUSINESS STRATEGY

A. Business Strategy Definition

To effectively address stakeholders' challenges, we must first identify their pain points and tailor our solution accordingly. Issues such as lack of transparency, inefficient processes, high transaction costs, supply chain inefficiencies, and traceability difficulties underscore the need for a comprehensive solution.

The value proposition of Traceability lies in leveraging blockchain technology to bolster transparency, enhance traceability, fortify data security, minimize costs, and streamline processes.

Initiating stakeholder engagement will be pivotal. Through tailored pitches, we aim to educate stakeholders on the myriad benefits of our blockchain solution.

Exploring collaboration and partnership opportunities within the rice value chain is essential. By engaging with industry associations, government agencies, logistics providers, and financial

institutions, we can tap into existing networks and leverage collective expertise. Our consortium already comprises diverse rice stakeholders poised to disseminate the value of our solution.

Ensuring regulatory compliance and data protection is paramount. Our blockchain solution will adhere to relevant regulations, fostering trust and confidence among stakeholders.

A robust marketing and adoption strategy is crucial for promoting our blockchain solution across the rice value chain. Utilizing diverse channels such as industry events, online platforms, and targeted communication campaigns, we aim to raise awareness, stimulate interest, and drive adoption.

Continuous improvement and evaluation are integral to our approach. By collecting data, tracking key metrics, and soliciting feedback from stakeholders, we can identify areas for enhancement and ensure our solution remains aligned with evolving market needs throughout the implementation process.

B. Product Strategy

1. Value Proposition and Unique Selling Points

Traceability App offers a comprehensive solution tailored to address the pressing challenges faced by stakeholders throughout the supply chain. With a focus on transparency, efficiency, sustainability, and innovation, stands as a beacon of transformation in an industry ripe for disruption.

In this section, we delve into the 10 key core value proposition and unique selling points that distinguish the Traceability App from traditional methods and set it apart as a game-changer in the rice value chain. From enhancing transparency and traceability to fostering collaboration and driving sustainability, the app embodies the future of rice production, distribution, and consumption.

- 1- Transparency and Traceability: Can provide stakeholders in the rice value chain with a transparent and immutable ledger that records every transaction and movement of rice from farm to fork. This ensures visibility into the entire supply chain, enabling stakeholders to track and trace the origin, quality, and handling of rice, thereby enhancing transparency, accountability, and trust.
- 2- Efficient and Secure Transactions: Streamline transactions and eliminate intermediaries, reducing paperwork, manual processes, and associated costs. It can provide secure and tamper-proof data storage and transfer, safeguarding sensitive information and preventing fraud or unauthorized alterations.
- 3- Supply Chain Optimization: By leveraging technology, the solution can facilitate real-time monitoring and optimization of the supply chain in the rice industry. It can enable stakeholders to identify bottlenecks, streamline logistics, improve inventory management, and enhance overall operational efficiency, resulting in cost savings and improved productivity.
- 4- Quality Assurance and Compliance: The solution can integrate quality assurance mechanisms into the rice value chain, ensuring adherence to quality standards, certifications, and regulatory requirements. It can enable stakeholders to record and verify data related to rice quality, testing, certifications, and compliance, providing assurance to consumers and facilitating compliance audits.
- 5- Sustainability and Ethical Sourcing: Can support sustainability initiatives and ethical sourcing practices in the rice industry. It can enable stakeholders to trace the origin of rice, verify its production methods, ensure fair trade practices, and promote environmentally friendly farming practices. This provides a USP for stakeholders who prioritize sustainable and ethically sourced products.

- 6- Financial Inclusion and Fair Trade: The solution can enhance financial inclusion for small-scale farmers by enabling transparent and secure transactions, facilitating access to credit and financial services. It can also promote fair trade practices by ensuring fair pricing, reducing information asymmetry, and enabling direct interaction between farmers and buyers.
- 7- Data Analytics and Insights: Can provide stakeholders with valuable data analytics and insights into the rice value chain. By analyzing the recorded data, stakeholders can gain actionable insights, make data-driven decisions, identify market trends, optimize production and distribution, and drive innovation.
- 8- Collaborative Ecosystem: The blockchain solution can foster collaboration and partnerships among stakeholders in the rice value chain. It can provide a platform for sharing information, coordinating activities, and establishing trust-based relationships, leading to improved communication, collaboration, and overall ecosystem efficiency.
- 9- Brand Differentiation and Consumer Engagement: Differentiating their brand as innovative, technologically advanced, and committed to transparency and sustainability. It can also enable consumer engagement by providing product information, certifications, and stories of the rice's journey, fostering trust and loyalty.
- 10- Future-Proof and Scalable Solution: Emphasize the scalability and future-proof nature of the blockchain solution, ensuring it can adapt to evolving technology standards, accommodate growing transaction volumes, and integrate with emerging technologies such as Internet of Things (IoT) devices or Artificial Intelligence (AI) systems.

2. Pricing Strategy

In the dynamic landscape of the rice value chain, where stakeholders seek a delicate balance between quality, safety, cost and consumer demand, the emergence of TraceAbility marks a transformative leap towards transparency and traceability. Here is some pricing strategy for TraceAbility, considering the unique value proposition, market characteristics, and target audience:

1. **Tiered Pricing Model:**
 - Introduce tiered pricing plans catering to different stakeholders in the rice value chain (producers, industries, and consumers). Each tier could offer varying levels of features, support, and usage limits.
2. **Subscription Model:**
 - Adopt a subscription-based pricing model as TraceAbility is a Software-as-a-Service (SaaS) solution. Offer monthly or annual subscription plans, providing flexibility for stakeholders to choose the duration that suits their business model. Include a free trial period to allow potential customers to experience the benefits before committing.
3. **Volume-Based Discounts:**
 - Implement volume-based discounts for larger organizations or those contributing significantly to the rice value chain. Encourage widespread adoption by offering cost incentives for higher usage.
4. **Educational and Training Packages:**
 - Offer bundled packages that include training sessions, educational materials, and ongoing support for stakeholders to maximize the value of TraceAbility.
5. **Promotional Pricing and Early Adopter Discounts:**

- Introduce promotional pricing during the initial launch phase to incentivize early adoption, offering special discounts for early adopters as a reward for their commitment to the technology.
- 6. Localized Pricing for Different Markets:**
- Consider adjusting pricing based on the economic conditions of different markets, especially when expanding beyond the pilot markets Portugal, Spain and Egypt

By regularly assessing market dynamics, listening to customer feedback, and monitoring marketing performance, it's possible to obtain valuable insights. These insights can promote adjusts in the pricing strategies to align with the evolving landscape. This adaptive approach ensures that TraceAbility remains responsive to market shifts, consistently meeting the needs of stakeholders in the dynamic rice value chain.

3. Distribution Channels

The successful deployment of the TraceAbility app relies not only on its intrinsic value but also on a good distribution strategy. To effectively reach the stakeholders across the rice value chain, diverse distribution channels must be harnessed. Here are some potential ways through which TraceAbility can integrate into the market:

- 1. Strategic Partnerships:**
 - Forge strategic partnerships with key players in the rice industry, such as rice producers, processing industries, and certification bodies, collaborating with industry leaders to integrate TraceAbility seamlessly into existing processes, enhancing its adoption and impact.
- 2. Government Initiatives and Support:**
 - Collaborate with European and national agencies involved in agriculture and food safety to align TraceAbility with their initiatives.
- 3. Educational Campaigns:**
 - Conduct workshops and training sessions to empower stakeholders with the knowledge needed for seamless integration.
- 4. Industry Events and Trade Shows:**
 - Participating in industry-specific events and trade shows provides a tangible platform for showcasing the capabilities of TraceAbility.
- 5. App Stores and Platforms:**
 - Utilize established app stores and digital platforms to make TraceAbility easily accessible to stakeholders, especially the final users.
- 6. Certification Bodies and Sustainability Programs:**
 - Position TraceAbility as a facilitator for certification processes and sustainability programs, integrating it as a tool that promotes compliance and enhances the value of certifications.

C. Marketing and Sales Strategy

1. Marketing Plan

A. Branding and Positioning

Brand Identity: Cultivate a captivating brand that embodies transparency, reliability, and innovation. On our website (TRACE-RICE - Home), stakeholders can explore a plethora of articles, flyers, posters, and presentations crafted by researchers. These materials not only serve as a testament to the accuracy and science-based nature of our information but also reinforce our commitment to providing trustworthy and credible insights.



Brand Identity: Develop a compelling brand that reflects transparency, reliability, and innovation. In our website ([TRACE-RICE - Home](#)), the stakeholders can see different articles, flyers, posters, and presentations done by researchers, which represents the information that is given is correct, science based.



BLOCKCHAIN AND RFID TECHNOLOGIES
RFID tags for wireless and real time supply chain integration

Brand Messaging: Create a memorable logo, tagline, and brand messaging that communicates the core values of our solution.

«If you give me rice, I'll eat today; If you teach me how to grow rice, I'll eat every day. » *Mahatma Gandhi*

Positioning: Position our blockchain solution as a game-changer in the rice industry. Emphasize the ability to enhance trust, reduce fraud, and ensure the quality of rice products.

B. Advertising and Promotion

Craft engaging, high-quality content to educate our audience about the advantages of blockchain technology in rice traceability. Harness various tools such as webinars, workshops, blog posts, whitepapers, infographics, and case studies to showcase tangible examples of successful implementation. Provide accessible resources that elucidate the technology in simple terms while underscoring its potential transformative impact on the rice supply chain.

Forge strategic partnerships with key players in the rice industry, including farmers' associations, processing plants, and distributors. Collaborate closely with industry stakeholders to amplify our message and broaden our reach to a wider audience.

Aggregate and highlight testimonials from early adopters of our solution, showcasing the tangible improvements they've experienced in terms of efficiency, transparency, and trust. These real-world success stories serve as compelling endorsements of our solution's efficacy.

Empower our sales team with comprehensive training to effectively communicate the unique value proposition of our blockchain solution. Offer trial periods to prospective customers, allowing them to experience firsthand the tangible benefits our solution brings to their operations.

Clearly articulate how our blockchain technology facilitates compliance and traceability, emphasizing its alignment with industry standards such as HACCP and certifications. By communicating these benefits clearly, we establish trust and credibility among our target audience.

C. Digital Marketing

Build a professional website that clearly explains your solution's features, benefits, and use cases. While your current website is project-focused, consider updating it to incorporate comprehensive information about your solution, key stakeholders, and partners ([TRACE-RICE - Home](#)).

Harness the power of social media platforms, particularly LinkedIn, to disseminate relevant content, foster engagement with your audience, and cultivate a vibrant community around your brand. Share insightful articles, case studies, and updates about your solution, encouraging interaction and dialogue among your followers. By actively engaging with your audience on social media, you can strengthen brand awareness and establish your company as a thought leader in the industry.

2. Sales Plan

A. Sales Force Structure

For the TraceAbility project, a sales force structure that aligns with the unique characteristics of the product and market dynamics is crucial. Here's a proposed sales force structure tailored to the project:

1. **Geographic Structure:**
 - Given the initial focus on Portugal and Spain, organize the sales team based on geographic regions within these countries.
 - Assign dedicated sales representatives or teams to specific regions to establish localized expertise and foster strong relationships with stakeholders in those areas.
2. **Key Account Management:**
 - Implement a key account management structure to handle relationships with key players in the rice value chain, including rice producers, processing industries, and certification bodies.
 - Assign dedicated key account managers to strategically important clients who can guide them through the adoption process and ensure ongoing satisfaction.
3. **Cross-Functional Teams:**
 - Form cross-functional teams that include members with expertise in different aspects of the rice value chain, such as agriculture, food safety, and technology.
 - This structure enables a holistic approach, ensuring that the sales team can effectively engage with stakeholders at various stages of the value chain.
4. **Education and Training Team:**
 - Establish a specialized team focused on education and training to provide support during the adoption phase.
 - This team can conduct workshops, training sessions, and provide ongoing support to ensure smooth integration and utilization of the TraceAbility solution.
5. **Strategic Partnerships and Alliances Team:**
 - Form a team dedicated to building and nurturing strategic partnerships with relevant industry players, technology providers, certification bodies, and government agencies.

This team will explore collaboration opportunities to expand the reach and impact of TraceAbility.

B. Customer Relationship Management

The dynamic business landscape, fostering strong relationships with customers is paramount for sustainable growth and success. the Customer Relationship Management (CRM) approach encompasses a range of strategies and tools aimed at enhancing engagement, satisfaction, and loyalty among our valued clientele. Here's how we prioritize and execute effective CRM practices:

- 1) Create a database to gather and store detailed information about your customers, including contact details, purchase history, preferences, and interactions.
- 2) Categorize customers based on common characteristics, behaviors, or preferences. Tailor marketing and communication strategies for each segment to improve relevance and engagement.
- 3) Assign leads to the appropriate sales representatives and monitor progress through conversion.
- 4) Automate marketing processes, including email campaigns, social media posts, and lead nurturing. Use CRM data to create personalized and targeted marketing campaigns.
- 5) Provide a centralized system for customer service representatives to access customer information.
- 6) Track and resolve customer issues efficiently to enhance satisfaction.
- 7) Collect customer feedback through surveys and other channels. Use insights to improve products, services, and overall customer satisfaction.
- 8) Implement robust security measures to protect customer data.
- 9) Provide training to users to ensure they can effectively use Traceability.
- 10) Embrace technological advancements to stay competitive.

D. Startup Incorporation Strategies

1. Founding Structure and Team

Assembling a dedicated and diverse team committed to driving innovation and excellence in the field of blockchain technology and agricultural supply chain management is essential. The founding structure should comprise a dynamic core team and a panel of esteemed advisors, each bringing unique expertise to propel our vision forward.

Core Team:

CEO (1): Leading our strategic direction and overarching vision, our CEO spearheads our mission to revolutionize traceability and transparency in the agricultural sector.

CFO (1): Ensuring financial health and sustainability, our CFO oversees all financial operations and strategies, guiding our fiscal decisions with precision and foresight.

Project Manager (1): Tasked with orchestrating project timelines, resources, and deliverables, our project manager ensures seamless execution and alignment with organizational objectives.

Blockchain Developers (2): Leveraging cutting-edge technology, our team of blockchain developers brings expertise in developing and implementing innovative solutions to enhance traceability and data security.

Agricultural Expert and Supply Chain Specialist (1): Drawing from deep industry knowledge, our agricultural expert and supply chain specialist provide invaluable insights into the agricultural sector, guiding our approach to supply chain optimization and sustainability.

Marketing and Sales: (5) Our dynamic marketing and sales team comprises professional's adept at crafting compelling strategies to promote our solutions, drive customer engagement, and foster brand loyalty.

Customer Support (1): Dedicated to delivering exceptional customer experiences, our customer support specialist ensures timely and effective resolution of inquiries and concerns, nurturing strong relationships with our valued clients.

Advisors:

Legal and Compliance Experts: Engaging legal and compliance experts to navigate the complex regulatory landscape to ensure Traceability adheres to all relevant laws and regulations, safeguarding both our operations and our clients' interests.

With a solid foundation of skilled professionals and trusted advisors, Traceability is poised to lead the charge in revolutionizing agricultural traceability, empowering stakeholders and fostering trust and transparency across the supply chain.

2. Term Sheets and Shareholder Agreements

Drafting term sheets and shareholder agreements is vital in establishing a mutual understanding between parties, mitigating potential disputes, and fostering a transparent and harmonious relationship throughout the investment or business partnership. To ensure the efficacy and legality of these documents, we will engage legal counsel to meticulously review and tailor them to meet the specific needs and legal requirements of all involved parties. The guidelines for constructing these agreements include:

Term Sheet:

- Introduction: Identifies the parties involved, the nature of the transaction, and the key terms.
- Investment Terms: Specifies the amount of investment, the type of securities offered (e.g., equity, convertible note), and the valuation of the company.
- Conditions Precedent: Lists any conditions that must be met before the investment is finalized. This may include regulatory approvals, due diligence, or the resolution of certain issues.
- Rights and Preferences: Outlines any special rights or preferences the investor will have, such as board seats, information rights, anti-dilution provisions, or liquidation preferences.
- Use of Funds: Describes how the funds raised will be used by the company.
- Timeline: Provides a timeline for completing the investment, including key milestones.
- Confidentiality and Exclusivity: Includes provisions regarding the confidentiality of the negotiations and whether the parties are entering into an exclusivity arrangement.
- Governing Law: Specifies the jurisdiction whose laws will govern the agreement.
- Termination: Outlines the conditions under which either party can terminate the agreement.

Shareholder Agreement:

- Introduction: Identifies the parties involved and the purpose of the agreement.
- Share Ownership: Specifies the number and class of shares held by each shareholder.
- Rights and Obligations: Defines the rights and obligations of each shareholder, including voting rights, information rights, and non-compete clauses.

- **Transfer of Shares:** Outlines the conditions under which shares can be transferred and any pre-emptive rights that existing shareholders may have.
- **Dividends and Distributions:** Describes how profits will be distributed, whether through dividends or other means.
- **Management and Board Structure:** Details the composition of the board of directors and any special voting arrangements.
- **Exit Strategies:** Specifies mechanisms for handling situations where a shareholder wants to sell their shares, including rights of first refusal, drag-along rights, and tag-along rights.
- **Dispute Resolution:** Sets forth procedures for resolving disputes among shareholders.
- **Non-Disclosure and Confidentiality:** Includes provisions to protect confidential information.
- **Governing Law and Amendment:** Specifies the governing law and outlines the process for amending the agreement.

3. Jurisdiction/Geography Selection

Geography Selection: Our headquarters will be strategically located in Portugal, offering a gateway to the broader European market. With a centralized base in Portugal, we can efficiently manage operations and capitalize on the diverse opportunities within Europe.

Jurisdiction: When considering business registration, licensing, and compliance with industry-specific regulations, we will carefully navigate the legal landscape to ensure full adherence to all requirements. By proactively addressing jurisdictional considerations, we mitigate risks and pave the way for seamless business operations within Portugal and across Europe.

4. Funding and Investment Strategies

In the dynamic landscape of business, securing financial support is a pivotal factor in propelling innovation and sustained growth. Here are three potent avenues that serve as financial pillars for the project:

1. Government Grants and Subsidies:

- Governments, recognizing the importance of fostering innovation, offer grants and subsidies to businesses engaged in specific industries, projects, or research. These financial injections not only provide crucial support for the development of groundbreaking solutions but also align with national strategies for economic advancement.

2. Corporate Investments:

- Larger corporations play a significant role in fueling innovation by providing investments through direct investment. These investments not only infuse capital into promising ventures but also bring strategic value, leveraging the expertise and networks of established industry players.

3. Strategic Partnerships:

- Collaborating with other companies operating in the rice sector stands as a strategic approach to innovation, enabling the sharing of resources, distribution channels, or cutting-edge technology. Through strategic partnerships, businesses can pool their strengths, accelerating

the development and deployment of innovative solutions while optimizing operational efficiency.

4. CONCLUSIONS

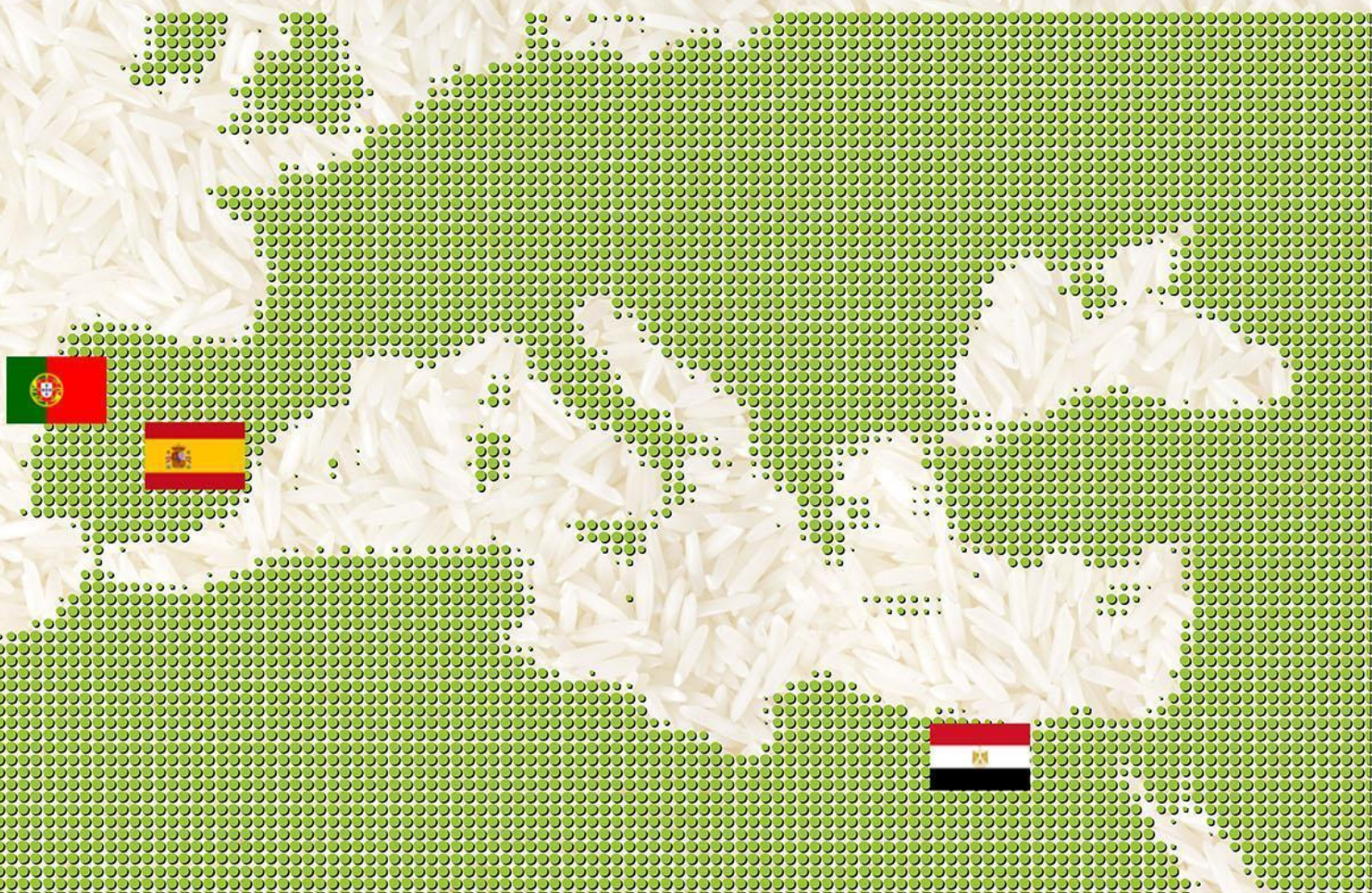
As we wrap up this exploitation plan, our primary objective remains clear—to strategically position TraceAbility within the rice value chain and ignite a profound shift towards transparency, traceability, and operational efficiency. Our blockchain-based solution serves as a potent catalyst, not only benefiting stakeholders within the rice industry but also resonating with consumers and businesses alike, who seek a more sustainable and secure supply chain.

Acknowledging the immense potential of blockchain technology to foster sustainable agriculture supply chains, promote inclusive trade, and unlock new opportunities for enterprises, our plan outlines a comprehensive approach to engaging stakeholders across the rice value chain.

The identification of diverse stakeholders—ranging from providers and farmers to distributors and consumers—underscores the universal applicability of TraceAbility. Our strategies are tailored to attract commercial and industrial interest by aligning the solution with the unique needs, challenges, and motivations of each stakeholder. Whether empowering farmers with precise farming practices or offering consumers product information through a simple QR code scan, TraceAbility emerges as a catalyst for positive change across the entire value chain.

It is evident that Portugal, with its significant rice production and consumption, presents a fertile ground for TraceAbility's initial market penetration. By segmenting Portuguese rice consumers into distinct clusters, we can deploy targeted strategies for adoption, recognizing the diversity in motives behind rice choices. On a broader European scale, TraceAbility has the potential to align with evolving consumer behaviors and cater to the demand for both tradition and convenience, particularly among the "Imported" cluster. With an industry-wide turnover of €200 million in the industry and distribution chain, the potential impact of TraceAbility transcends individual preferences, driving industry-wide efficiency and quality management.

Trace Rice



TRACE-RICE Consortium



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