

## EXECUTIVE SUMMARY

Idea for mushroom cultivation project was conceived after consuming a dish, “Bimmal Fried Devel” made from Mushrooms. Further research and investigations of the dish has resulted in identifying market gaps in mushroom markets in Kurunegala area. This project is a joint project where cultivation facility was set up in Ambanpola, Kurunegala, which is a well-known area for mushroom cultivation with wide access to supply chain. The project addressed customers’ key concerns of quality, freshness, constant supply and reasonable prices while creating organised working environments to employees. Entrepreneurs applied accumulated working experience and knowledge into the project with self-satisfaction. The project also created opportunities for partners and vendors to sell their materials.

Based on identified problems of product shortage, low quality & freshness, irregular supply and high prices of mushrooms, entrepreneurs developed a business case and identified need of the customers. Irrespective of large number of household mushroom cultivators in the area, the customers’ needs of quality and fresh Oyster mushroom at reasonable price while ensuring regular supply were not been addressed by existing players. Entrepreneurs identified unsatisfied customer needs, requirements as a market gap and developed as business case to establish Bimrich Natural Product Private Limited (“Bimrich”). Further, the project output, outcome and their impact to the business were evaluated.

The entrepreneurs developed theoretical framework of the project based on various literature. The business model was developed focusing on customer value propositions of high quality, freshness, standard packing and constant supply. The prime entry wedge for the company was mushroom wholesalers in Ambanpola area. The strategy canvas was developed to identify activities which are differently performed by the company compared with competitors in order to be strong in the market. Technical and production feasibilities were performed by Resource Partner with the support of technical consultants. The project had positive economic feasibility and financial feasibility which were achieved through increase in volume of production. Cultivation facility was built, ensuring environmental preservative cultivation techniques. The project provided employment opportunities for five contract employees.

Project management techniques were used in development of construction and production process through proper initiation, planning, monitoring and control, execution and closure activities in line with the project plan. Resource allocation and project cost were monitored by resource partner and entrepreneurs throughout the project to achieve maximum benefit. Gantt chart was developed to determine the project timeline relating to each task and work breakdown structure displayed high-level project tasks. Procurement plan for stock items and capital items were established with close contact with suppliers to maintain smooth process flow. Detailed project controls placed to ensure the project on track with regards to quality, cost and reporting requirements.

Company registration, construction activities, and ordering of machineries were done in early stage. Incubation, dark and production rooms were constructed with humidity control set up according to the technical consultant advice. Test run and sample production were done during May 2020. Contract labour hiring, and commercial cultivation were commenced during 3<sup>rd</sup> week of May 2020. The project generated daily average harvest of 260 packets of mushroom and revenue of Rs. 1.5 million during the period ended 28 December 2020. Project cost variances comprised from raw material and labour cost. Delivery variance resulted from compost bag production, daily sales, sales price and contract staff. Time variance related to completion of production room. Production knowhow & expertise, COVID-19 lockdowns and bacterial infection were key implementation challenges faced by the project.

The project was able to deliver expected output and outcome due to extensive planning and implementation process and benefits were higher than the cost. Entrepreneurs displayed conceptual skills in developing business model, designing procedures to improve productivity, quality and freshness of mushrooms. Interpersonal skills were used in dealing with suppliers, contractors, government institutions, wholesaler and various other parties in completion of project activities. Technical skills on planning, organising, leading controlling aspect were displayed with completion of the project on time and risk management and financial analysis skills were displayed with successful implementation. The entrepreneurs are planning to increase productivity and capacity during the next stage of the project with the knowledge and experience gained during this short period.