LLL Knowledge Pool of Experiences and Learning
(Deliverable No. 13 First Mile Phase 2, IFAD-Agridea)

Introduction

Our knowledge pool has grown extensively over the year. The topics learners want to discuss have changed as commercialization of services has moved us away from district core groups to market access companies. However, since some new users find these older discussions relevant to their current situation we archive the discussions and keep them on the learning team. Another key development that has occurred is the interest among learners in Kenya and Uganda in the topics on the Firstmile team. As a result considerable overlap has developed on the two teams in the areas of market access, market chains and setting up market access companies. Rather than putting all the learners on both teams we have started a rationalization of all the team discussions.

Rationalization of team discussion

The Firstmile team will now focus its discussion topics on the laptop and mobile internet access rental trial and on the market intelligence trial with Tradenet. As a result the following Firstmile team discussions are being archived:

- Organizing district groups
- Group descriptions
- Impact assessment
- Business plans
- Rural service company

All the Firstmile discussions relating to market chains are being moved to the Demand Driven Services team as follows:

- Getting market chains collaborating
- Maize market chain
- Paddy market chain
- Wheat market chain
- Cheese market chain
- Oranges market chain
- Tomato market chain
- Soyabean market chain
- Simsim market chain
- Market chain business

Similarly, discussion on warehouse receipt systems, how to get credit and market information systems are being moved from the Firstmile team to the Demand Driven Services team. As with the Firstmile team there are some discussions on the Demand Drive Services team that relate to internet and ICT access. These are being moved from the DDS team to the Firstmile team.

In future the Demand Driven Services team will focus its discussions on all matters of interest to the commercialization of market access services. The following discussion topics will be developed:

- Market groups
- Information flow
- Higher level associations
- Business plans
- Market chains
- Services offered

- MAC start up
- Income streams
- Info boards
- Loan learning
- Trade agents

If the Firstmile team is for all those interested in learning about ICT access and Tradenet, and the Demand Driven Services team is for all those interested in commercialization of market access services, then the Informing Commercial Enterprise team is for those providing national back up support operations to discuss the following:
- National commercial operations
- New business ideas and plans
- Cash flow solutions
- MAC start up
- Transaction security managers
- Market intelligence
- PPP proposal development

Within these discussion spaces specific learning agendas are pursued by the learners on the team. These agendas are generated during field visits, assessment workshops and occasionally from the online discussions themselves. The current learning agendas on the national back up support and local MACs follow.

Facilitation of discussions
The facilitation of the discussions has been mostly done by the consultants because the recruitment of the local staff did not happen as envisaged. Now it is clear that "Regional Transaction Security Managers" will be working under the "National Marketing Companies" (one in each country). These regional managers will have to take up more work in facilitating the online discussions and synthesizing them into useful "state-of-the-art" papers useful for the participants for further increasing their competencies.

Current Learning Agenda for National Back Up Support
How To Operate A National Marketing Company
We would like to share experiences here in how you set up your national company. We are interested in processes for incorporation, VAT registration and how you decided on directorships and numbers of shareholders. How you went about generating your operational financing for the first year is of interest as well. Going beyond startup to running the company can you share how you have organized yourselves to meet the main business functions of executive decisions, marketing and promotion, financial management, management of regional transaction security managers and operating your market information system. Lastly, can you share your strategy for which main markets you are going to cover, what priority commodities are you going to cover and how many and where your regional managers will operate.

How To Identify And Train Regional Transaction Security Managers
We would first like to describe what exactly we expect our regional transaction security managers to do. We then need to go out and find them which may require developing a job announcement or advert and putting it in the local and national newspapers. We could also think of other ways of getting the advert out to the kind of person we want for the job. Key here are the terms and conditions under which the national company 'contracts' them. Are they going to be staff or work under some kind of license? What will be their basic salary and how will bonuses be offered to provide incentives to them. Of course, to know what kind of person we want we will need to come up with some criteria and way of short listing and selecting candidates. Once candidates are found

we will have to come up with a way to train them. Beyond training we will need to discuss here how the national company will provide continuous support to these key managers.

How To Develop Business Plans For Every Level Market Access Business

We would like to start the process of preparing business plans by first discussing what each of the businesses are starting from the local level – the Information Board Manager business – to the national level company. Once the business is clear and a simple model drawn we can then go on to develop simple financial spreadsheets showing cash flows of income streams and costs of setting up and operating the business over the first year. These simple 'generic' models and finances will provide a basis for everyone to develop their own location specific business plans. Learning to prepare business plans not only helps keep your business moving in the right direction it also helps you decide if you need to borrow money and how much you can borrow.

How To Build Your Network Of National And Regional Clients

We want to discuss here how the national company can go about building its client base of buyers, sellers and other key players in the market chain like transporters, input retailers, etc. Buyers will include large wholesalers and processing factories while sellers will include large farmer 'umbrella' associations, warehouse receipt systems and traders. The mechanics of the process will likely involve making an inventory and maintaining an up-to-date business directory. You might find it useful to visit national chambers of commerce, main markets, and super-markets to find out who might be potential clients. To take your network beyond just a large contact list you need to explain to them what your business is and find out what of their problems your business can help solve. In building your network of clients you are NOT looking to negotiate deals now. Rather you are helping your 'future' clients understand your business while you understand their business and especially the problems they face in marketing that you might be able to address in future. We have all made the mistake of getting a big order immediately and then not being ready on the ground to meet that order! One area you could help your clients quickly is in market information. Find out what our client's market information/intelligence needs are and try to get hold of that information through your main market enumerators and your network of MACs/trade agents/IBMs. Recording each clients business, its information needs and marketing problems is known as 'profiling'. Keeping and up to date 'profile' of all your clients is vital to negotiating your future deals and selling them market information.

How To Run A Market Information Service

We want to discuss here how the national market access company can develop a market information service of daily morning wholesale prices on priority commodities from each of the main markets in the country. Decision on which commodities and main markets to cover should respond to the needs of the companies client network of buyers and sellers. Client needs should drive decisions on which regions the company operates in. and the commodities to be traded. Once markets and commodities are prioritized learning how to set up and operate the market information service can start. An early challenge is to make sure that those responsible for operating the market either as owners or contractors need to be involved in identifying and supervising your market enumerators. You will need to make sure that enumerators have appropriate incentives to provide accurate data every day. They will also need to have access to mobile phones, laptop computers and the internet. Enumerators will need to be trained how to send wholesale commodity prices to the national market company ever morning. Each company will have to design their own system until we have Tradenet up and running.

How To Prepare And Implement PPP Projects

We want to discuss here how to develop project proposals that will help the national companies expand their business operations through partnerships with the Public sector. Here we will need to develop what we consider to be 'good practice' in the implementation of Partnership projects in contrast to the more common 'service' contracts government's offer to the private sector. Here we

consider the development of a partnership with NAADS in Uganda to provide market information services; a partnership with the Tanzanian Government through the Tanzanian Agriculture Partnership Programme to provide market information and access services; a partnership with the African Wildlife Foundation to provide market access to Massai pastoralists in the Kilimanjaro Heartlands in Kenya and Tanzania.

How Regional Managers Can Recruit And Manage A Network Of Trade Agents

We want our newly identified regional transaction security managers to discuss how they are going to build up their network of trade agents and Market Access Companies in their regions. We have learned many lessons on setting up MACs to find that they best emerge from a successful 'one man MAC' rather than 'forcing' a group of entrepreneurs to set up a business. It appears that the shortest route to a successful MAC is through starting as a one man trade agent. We have also learned that it is easier to 'train' a small trader/middleman to become a trade agent for transaction security than to train a government or NGO field staff to become an entrepreneur. With these lessons in mind we realize that we need to make a business proposal and have appropriate selection criteria to find entrepreneurs who want to become trade agents. We will also need some way of getting our proposal out to potential trade agents perhaps through a combination of district officials, big buyers and farmer associations. If district officials, big buyers and farmer associations all recommend a small trader as honest then we can make our proposal to such people. Once selected, we will have to train them in what it means to become a trade agent for transaction security. Training will take into account the requirements of using the LLL service, using Tradenet as well as the operations of transaction security and selling market information.

Current Learning Agenda for Local MACs and IBMs

How To Become A Trade Agent

We want to discuss here what newly recruited 'traders and middlemen' need to become successful trade agents in our transaction security business. Beyond training we will need to discuss here how regional managers will provide continuous support to them. We need to develop a clear understanding of what trade agents do and what code of conduct they should follow. We should determine what legal registration is required for them to operate and pay tax. We need to determine what kind of contractual or licence agreement they should have with their regional managers/national company. How will they make their money? We need to show how working with the national company will help them grow their business.

How To Build A Network Of Local Clients

We want to discuss here how we find clients and know who they are and what their business is. MACs, Trade Agents and IBM's will need their own unique strategy for this. Each will have to contact all players in the market chains from producers to retailers in their local area for the commodities they are dealing in. We will need to find out the problems and difficulties each key player has in marketing. We also need to find out what their information needs are and how we can provide that information to them. We need to develop a way of keeping track of all our clients, their profiles, problems and information needs. Some kind of client database will have to be kept at each level. We will need to develop a way that these client profiles can be shared among us all. Our discussions will have to go beyond building the network to include how we keep our clients happy so they continue to work with us.

How To Make Money With Information Boards

We have discussions going on about how to set up and run information boards. We know that having the right design and size for the board is important. We know that putting the board in a place where farmers and traders gather or pass by is important. We need to discuss here more about how we recruit and train up the managers of these information boards. We need to develop a clearer description of the business opportunity showing the different ways in which an Information Board Manager can make money. We should share experiences on income streams from advertisements

on the information boards. How do we decide how much different clients pay to use the information board? How do we decide prices for the different kinds of adverts? We need to discuss here how we create awareness among the local people of the information board service, how it works for posting offers and bids, how much it costs, and how it will help their businesses. Most importantly the information board should become a useful tool to every player in the market chain, especially small traders.

How To Make Money with SMS Information Feeds

We want to discuss here how MACs, information board managers and trade agents can all make money from selling sms information feeds to their local customers. An information feed is a specialized SMS with specific information that is regularly sent to a subscriber who has to pay for that service. We can start making money by sending SMS feeds to our clients manually. Later we will use Tradenet to automate the sending of SMS information feeds to interested customers. However, before we can sell market information we must first develop a local market spot-price enumeration system by all the IBMs and Trade Agents collecting their local market prices and sharing them with each other and the local MAC. We must also identify the key trading commodities of interest to our local customers. We can share this information automatically with everyone in our district as well as other districts by uploading the info on to Tradenet. We need to develop a way for us to each do this as simply as possible. We know what it costs to send and SMS but we do not know how much it will cost us to get the information therefore we need to learn with our customers how much we should sell our sms feed subscriptions for. We will also need to discuss our experiences on pricing and how we go about identifying and registering or signing up subscribers.

How To Develop The Transaction Security Service

We want to discuss here how we can operationalize our service of transaction security. To remind ourselves transaction security is defined as the assuredness of sellers and buyers along the whole marketing chain that their transactions are: 1) at agreed times and locations, 2) with agreed volumes and qualities, 3) payments according to agreed conditions and times, 4) track-able in case something did not work out as agreed and therefore corrections can be made without quarrels, and 5) traceability of produce through the whole chain back to the producers. This is a very large task so we need to concentrate of each of the five requirements one at a time. So our first experiences we need to share should be on how we go about making sure produce moves at the agreed time and locations. What kind of contract agreements and delivery notes do we need to make sure this happens. Ways of making sure farmers meet the agreed volumes and qualities of product will need to be discussed and experimented with early on as well. If we focus on these two now then we can move on to payments once we have more experience behind us.

Conclusion

In conclusion, based on the last years experience, we recommend that:

- Continue the process of rationalizing the use of teams: ICE team focus on tech back up, DDS team focus on market access, and FM team focus on tradenet and laptop rental

- Continue to develop the knowledge pool along the lines determined by the learning agendas generated from the learners themselves.

- Continue to respond to the learning needs identified by the learners themselves recognizing that request for learning on ICT tools for finance have already been received.

- Develop the capacities of the NMCs and the Regional Managers to facilitate discussions on DDS and First Mile.