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Trainers Manual
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Evaluating
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Inclusive

Business

Models in

Agribusiness
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Understanding how inclusive a business model is and could be is not done easily or automatically. It requires a structured way of a) assessing inclusiveness in a business relationship, b) assessing the business model of a company and c) reflecting on how the business model is built on, strengthened or weakened by any attempt to be more inclusive.

IBTrainer
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2 Purpose of this manual

Understanding how inclusive a business model is and could be is not done easily or automatically. It requires a structured way of a) assessing inclusiveness in a business relationship, b) assessing the business model of a company and c) reflecting on how the business model is built on, strengthened or weakened by any attempt to be more inclusive.

This manual gives trainers a framework to provide such a structured approach to evaluating inclusive business models. It is particularly developed for working with small and medium size enterprises. SMEs most directly interact with low-income farmers and rural communities. Their way of doing business therefore has great impact on the inclusiveness of the business relationship. At the same time, they have limited time and resources to reflect carefully on their business model.

If followed completely, this manual provides a training that can be carried out in 3 days. This is a generally acceptable amount of time for an SME to attend a workshop as an investment in capacity development. An experienced trainer can mix and match elements from both this manual, and the accompanying ibTraining trainee Workbook to create a tailor-made training.

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4 The need for more inclusive agribusiness models

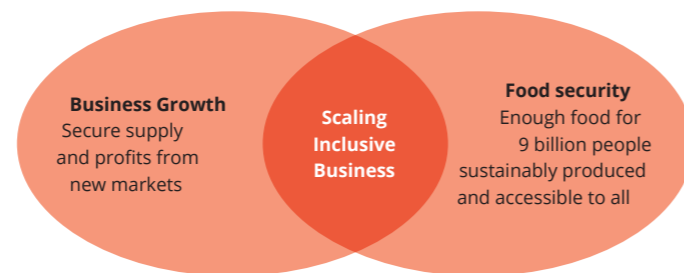
The coming decades will require unprecedented change in global agri-food systems. Growing and changing demands for food, the impacts of climate change, responding to poverty and hunger, and the rapid decline of natural resources create a set of interconnected factors that mean ‘business as usual’ is not an option if businesses are to maintain secure supplies and food security is to be assured. Innovation and growth in the agri-food sector must focus on how to scale, secure and distribute supplies in an inclusive and sustainable way, and how to do it quickly.

These challenges have already been clearly recognised. Business forums such as WBCSD, WEF and SAI Platform, along with many leading agri-food companies have set forward-looking strategies and ambitious goals. A spate of reports has underscored the need to align growing demands with available resources and ensure economic opportunities for the less wealthy 5–6 billion. The environmental sustainability of agri-food production has received much attention in the last decade. As the world population grows, mainly among the lower income group, another key sustainability factor will be the ways members of this group are included in business as both producers and consumers. The focus for business is on a secure supply base, and the food security focus is on food availability and accessibility for everyone. In both cases, the common objectives are the need to scale inclusion and productivity gains.

Inclusive business means creating profitable business models and strategies that help drive economic opportunities for those who would otherwise be left behind – small-scale farmers, local agribusinesses and the rural unemployed. In practice, inclusiveness requires the right incentives, the building of trust within supply chains, joint decision-making and the transfer of skills. In the big picture, scaling inclusive agri-business is about creating the investments, assets and incentives so that smaller-scale producers and rural enterprises can be effective partners in the business of sustainably feeding 9 billion people.

“An inclusive business is a business initiative that actively incorporates into the company’s core processes low-income and disempowered groups, creating value for both the business and [the] low-income groups.”

(PPPLab 2015, after WBCSD).



Training outline for a 3-day program

	Day 1	Day 2	Day 3
Morning	Session 1: Introduction to the IBMs	Session 4: LINK Methodology: value-chain mapping Session 5: Preparation for company visit	Session 8: Reflection on company visit Session 9: Business Canvass (LINK Methodology)
Afternoon	Session 2: LINK Methodology: the New Business Model principles Session 3: Introduction to strategic management and business plans	Session 6: Company visits, evaluation of business performance and inclusiveness Session 7: Group-study (preparing a presentation on the evaluation of the company)	Session 10: Performance Measurement, Monitoring and Evaluation

Target audience

- actors engaged in supporting small-farmers through service provision and coordination with buyers
- farmers looking to sell their products
- buyers looking to expand their supply chain to include smallholder farmers

Training objectives

- By the end of the training, the participants will be able to:
- define inclusive business
 - evaluate a company / SME from a business perspective: business model, strategy, viability of business model, etc.
 - evaluate a company / SME from the inclusiveness perspective
 - evaluate the relationship between the business and the inclusiveness, and how they strengthen or weaken each other.
 - identify viable opportunities to enhance inclusiveness, while maintaining or enhancing the business proposition
 - identify and recommend development strategies to create synergies among the actors involved in the business model

Training methods

The training method is interactive, very dynamic and also quite demanding. Therefore, the proposed 3-day training should be flexible. In cases where the trainees lack basic business management knowledge, it is advisable to extend the duration of the training according to the competencies and needs of the trainees.

The training methods used are as follows:

- short presentations by facilitators
- in-depth classroom discussions (group / plenary)
- case studies
- short videos
- visits to SMEs / companies
- classroom discussions
- preparation of presentations by participants

Facilitator requirements:

- The facilitator needs to have a basic business background so that the tools used in this manual will not be completely new to him/her.
- Also, he/she must have enough business knowledge to facilitate lively discussions in class on topics that will include discussions based on the challenges he/she identified at the visited companies.
- The facilitator needs to have the competency to evaluate a company, a business model, and business strategies.

Materials

The trainer’s manual is accompanied by a trainee workbook. You will find further resources and links to material mentioned in the training on the iTraining website. This website is intended to be used as an interactive resource during a training workshop.. The topics and, where appropriate, the tasks, for trainees are given in this manual as well as in the Workbook. If internet access is unreliable, both the trainer’s manual and the trainee workbook can be downloaded and printed out prior to a workshop.

Trainers’ preparation work

- Prior to the training, the facilitator needs to:
- arrange company visits (5 trainees per company)
 - prepare company personnel for interviews with trainees, covering:
 - trainees’ questions to a member of the management team or owner on strategic issues, (allow about 2 hours for this visit)
 - the inclusiveness of the company,
 - Where possible, trainees should also interview smallholders or low-income customers (visit of 1–2 hours)
 - select participants carefully: the value of the training will be much higher where participants are from similar (sub)-sectors or value chains (e.g. grain, feed, animal husbandry or dairy), so they can share experiences at a deeper level than if they were from very different businesses (e.g. dairy and honey)
 - choose a company that operates in the same sector, to make the learning experience as relevant as possible

6 Session 1: Introduction to Inclusive Business Models

Learning objectives

It is essential to set the context for the participants. What is inclusive business? If the trainees are owners of a business, do they show any inclusiveness when it comes to training relationships?

By the end of this session, participants will be able to:

- define inclusiveness in a business context
- identify key challenges regarding inclusive business models
- apply concepts to their own business context

Topic 1: What are Inclusive Business Models?

Inclusive Business Models (IBMs) can benefit the agriculture sector, which is a source of livelihood for an estimated 86% of the world's rural population (2.5 billion people) and provides employment to 1.3 billion smallholders and landless workers.

A more dynamic and inclusive agriculture sector could dramatically reduce rural poverty, helping countries meet the Sustainability Development Goal. Cross-country econometric estimates show that overall GDP growth originating in agriculture is, on average, at least twice as effective in benefiting the poorest half of a country's population as the growth generated in non-agricultural sectors.



Session preparation by facilitator:

- watch video of **Novos Horizontes** in advance <http://seasofchange.net/2015/03/interview-wilfred-van-de-kooij-novas-horizontes/>
- read Chapter B8 from *Is inclusive business for you?* ISBN 978-94-6257-193-8. <http://seasofchange.net/2015/02/book-is-inclusive-business-for-you/> (Novos Horizontes, pages 87–96)
- read pages 5–20 from the LINK Methodology
- view **business case**: Novos Horizontas (<http://seasofchange.net/fresh-eggs>).

Materials needed:

- flipchart
- markers
- video of Novos Horizontes should be available for viewing (online or download)

7 Structure of training session

A: Discussion: What is inclusive business?

This is a plenary session in which the facilitator notes participants' answers on a flipchart.

- Possible inputs from participants, who define inclusive business as one that:
- includes all actors related to the business
 - creates a social impact
 - bridges the gaps between players
 - includes the environment
 - has a holistic approach
 - is integrated
 - has a moral obligation towards stakeholders
 - aims at fairness to all the players

B: Trainees watch the video of Wilfred van der Kooij @ Novos Horizontes, Mozambique.

Follow this with the tasks.

C: TASK 1: Participants read the case study (Workbook)

They are requested to list three things that strike them about the video.

Possible answers:

- farmers are an untapped resource
- benefit of placing farmers at the core of production
- there could be a win-win situation
- the IBM helps to utilise resources that otherwise would not have been used
- the value of exploring new marketing opportunities, especially local/regional markets that are easy to access
- how to enhance interaction when working with smallholders
- how to work with low-income consumers while maintaining their health (processing industry)
- trainee identified similarities with his/her business
- shows the building blocks of an IBM

In conclusion, the facilitator summarises the key characteristics of the IBM.

D: What are the challenges regarding IBM?

Plenary discussion on outcomes.

E: TASK 2: Trainees draw a value chain of their company on flipchart paper, and identify possible challenges in relation to IBM.

See the LINK Methodology on page 38 in the Workbook.

The value-chain map enables us to visualise:

- the actors directly involved in the chain
- the roles and functions of these actors and the interconnections between them
- indirect actors and how they support the functioning of the chain
- links, breaches or blockages between the actors
- product flow
- information flow
- price formation
- distribution of benefits
- external influences on the value chain

Plenary discussion on outcomes.

8 Session 2: LINK Methodology: the New Business Model principles

Learning objectives

After setting the context, the facilitator will challenge the participants to consider the concept of inclusiveness.

By the end of this session, participants will be able to:

- recall the New Business Model (NBM) principles
- evaluate their business in terms of inclusiveness

Topic 2: LINK Methodology

LINK Methodology aims to promote the engagement of smallholder producers with markets. This method guides a multi-stakeholder process of shaping or upgrading inclusive trading relationships with the potential to create a win-win situation for all actors involved. Four key tools are used to kick off, implement and conclude a participatory innovation process in the iterative manner of a design-test-check-act cycle. The NBM principles represent a set of signposts to help evaluate current business practices in terms of their inclusiveness and to deliver practical ideas on how to enhance a business's inclusiveness.

Session preparation by facilitator:

- Review the LINK methodology overview and the NBM principles
- Read Chapter B8 from *Is inclusive business for you?* ISBN 978-94-6257-193-8. <http://seasofchange.net/2015/02/book-is-inclusive-business-for-you/> (Novos Horizontes, pages 87–96)
- Make printouts for trainees.

Materials needed:

- flipchart
- markers
- printed copy of the short version of the LINK Methodology for each trainee
- printed copy of Novos Horizontes case study for each trainee (<http://seasofchange.net/fresh-eggs>)

9 Structure of training session

1. NBM at Novos Horizontes

A: TASK 3: Trainees note their own ideas of a business model in the Workbook.

This is a plenary session in which the facilitator collates participants' answers on a flipchart.

A business model describes the rationale of how an organisation creates, delivers, and captures value in economic, social, cultural or other contexts. The process of business model construction is part of business strategy.

B: The facilitator briefly explains the objectives and steps of the LINK Methodology.

C: He/she explains Key Tool 3: the NBM principles (based on LINK Methodology).

D: He/she shows the use of the spider web as an evaluation tool for NBM principles.

Training materials:

Inclusive Business Model Toolkit, pages 1–5, 12–26.

2. NBM at Novos Horizontes

A: TASK 4: Participants are requested to identify the activities related to inclusiveness at Novos Horizontes (Workbook, pages 87–96).

B: TASK 5: Trainees apply NBM principles to their own business, identifying any activities related to inclusiveness based on the NBM principles that they already do (Workbook).

C: TASK 6: Trainees identify any other activities related to inclusiveness based on NBM principles that they might pursue in the future (Workbook).

D: Participants work in groups to develop spider webs.

E: Trainees reflect on the exercise. Groups present and compare developed spider webs, noting the differences.

Session 3: Introduction to strategic management and business plans

Learning objectives

Participants often lack the business management knowledge that is essential for evaluating any kind of business model. As a first step, they need to learn how to evaluate a company operation, regardless of whether it is based on an inclusive business model or not. This evaluation also involves determining whether the operation is profitable or not, and giving reasons.

By the end of this session, participants will be able to:

- explain the importance of strategy and the strategic planning process
- recall the components of a strategic business plan
- apply tools to analyse a company and to develop strategy
- evaluate a company strategy

Topic 3: Why write a business plan?

'Writing a well thought-out and organized business plan dramatically increases your odds of succeeding as an entrepreneur.' A business plan is a document that describes your business. It covers objectives, strategies, sales, financial forecasts and marketing.

If you need to raise funds for your venture, it goes without saying that you'll have to write a solid, formal business plan. Business owners who want to borrow money or attract investors will be successful only if they have well-written, well-researched business plans. All of your potential lenders or investors will want to understand as much as possible about how your business will work before deciding whether or not to back it financially.

Financial forecasts are a vital part of a business plan, helping you to predict and plan your business finances in order to show potential investors that your business idea will fly. But preparing financial forecasts is a good idea even if you don't need to raise start-up money. The discipline of developing financial projections for your business plan includes:

- an estimate of start-up costs
- a break-even analysis
- a profit-and-loss forecast
- a cash flow projection

The financial forecasts will help you decide if your business is worth starting or if you need to rethink some of your key assumptions.

In other words, a good business plan will convince you that you're doing the right thing – or not.

(Source: <http://www.nolo.com/legal-encyclopedia/need-business-plan-reasons-29758.html>)

Topic 4: What is business strategy?

Business strategy involves making a plan to identify the best way for the organisation to reach its goals. In other words, strategy is the organisation's policy for the long term.

This policy is translated into actions within a specific time-frame that varies according to the business type:

- operational plans (0-1 year)
- tactical plans (1-2 years)
- strategic plans (3-5 years)

A successful strategic planning process asks and answers six key questions:

- Where do we come from?
- Where are we now?
- Where do we want to be?
- How do we get there?
- How do we measure our progress?
- How do we track our progress?

When writing the business plan or strategic plan, the time / trend dimension is extremely important. Strategy is not a snapshot of business but evolution in time. It is crucial that patterns and trends in the market and at competitor level are taken into account.

Session preparation by facilitator:

- Xxxxx xxx
- Xxxxx xxx
- Xxxxx xxx

Materials needed:

- Workbook for trainees
- flipchart paper
- markers

Structure of training session

A: TASK 7: Give your definition of a strategic plan and of a business plan, then list the differences between the two.

Plenary discussion on why a business needs a business plan and on the difference between strategic and business plans (Workbook)

B: Components of business / strategic plans

Trainees are requested to recall the components of a business plan, while the facilitator notes their ideas in order on flipchart paper, and explains what is included in each component. As this is a plenary session; the facilitator encourages trainees to base their contributions on their own experience.

C: TASK 8: Trainees write an executive summary. This is best done after they've have developed the whole business plan.

The executive summary outlines your business proposal. Although it is the last section to be written, it goes on the first page of the business plan. It will be read by people unfamiliar with your business, so avoid jargon. The executive summary highlights the most important points and should sum up these six areas:

- the product or service and its advantages
- the market opportunity
- the management team
- trainee's track record to date
- financial projections
- funding requirements and expected returns

When deciding whether to back a start-up, bank managers and investors often make provisional

judgements based on the executive summary.

Participants read the main body of the business plan (see sections 2-9) to confirm the initial decision. They can also refer to the appendices at the end of the plan (section 10) for more details.

D: TASK 9: The business

Consider the background to your business idea, including the following points:

- the length of time you have been developing the business idea in its present form
- work carried out to date
- any related experience you have
- the proposed ownership structure of the business

Define how your product or service:

- will stand out as different from other products or services
- will benefit your customers
- can be developed to meet customers' changing needs in the future

It is important to cover any disadvantages or weak points you feel the business may have. Be frank about these – it inspires confidence.

Also explain any key features of the industry (e.g. special regulations, effective cartels or major changes in technology).

Tools: PEST, Porter's five forces [links]

E: TASK 10: Markets and competitors

Unless there is a viable market and you know how you are going to beat the competition, your business will be vulnerable. You must show you have done the market research needed to justify what your plan. Focus on the segments of the market you plan to target – local customers or a particular age group, for example.

You will need to:

- indicate how large each market segment is and whether it is growing or declining
- illustrate the important trends – and the reasons for them
- outline the key characteristics of buyers in each segment (e.g. age, sex or income)
- mention customers you already have lined up and any sales you have already achieved

What are the competing products and who supplies them? You can:

- List the advantages and disadvantages of all your competitors and their products.
- Explain why people will desert established competitors and buy from you instead.
- Show you understand your competitors' likely reactions to losing business, and demonstrate how you will respond to it.

Concept: Porter's generic strategies. Ansoff matrix

Structure of training session

F: TASK 11: Sales and marketing

How will you position your product? How will your product or service meet your customers' specific needs? You can consider the following points:

- This is where you show how your price, quality, response time and after-sales service will compare with competitors.
- Quote minimum order figures, if appropriate.
- How will you promote your product? For example, using advertising, PR, direct mail or via email and a website.

How will you position your product? How will your product or service meet your customers' specific needs? You can think about the following:

- Show how your price, quality, response time and after-sales service will compare with competitors.
- Quote minimum order figures, if appropriate.
- How will you promote your product? For example, using advertising, PR, direct mail or via email and a website.

Who will your first customers be? Unless you can demonstrate that you have a clearly defined pool of potential customers, starting your business is likely to be a struggle.

You will need to:

- Show which customers have expressed an interest or promised to buy from you, and the sales they represent.
- How will you identify potential customers?

What contribution to profit will each part of your business make? Most businesses need more than one product, more than one type of customer and more than one distribution channel. You should:

- Look at each product in turn. Examine your likely sales, gross profit margins and costs.
- Identify where you expect to make your profits and where there may be scope to increase either margins or sales.

Tools: Ansoff Matrix,
Concepts: Marketing mix, Customer segmentation, Product life-cycle

G: TASK 12: Management

People reading the business plan need to be given an idea of why they should have faith in the management of your start-up.

- Outline the management skills within your team, as follows:
- Define each management role and who will fill it.
 - Show your strengths and outline how you will cope with any weaknesses.
 - Describe the background and experience of each team member.
 - Clarify how you intend to cover the key areas of production, sales, marketing, finance, and administration.
 - Briefly explain the management information systems and procedures you will use, such as management accounts, sales, stock control and quality control.
 - Show how many 'mentors' and other supporters you will have access to.

How committed are you?

Banks and any other potential investors will want to be sure you are committed to the business. Show how much time and money each of the management team will contribute, and your expected salaries and benefits.

Tool: McKinsey 7S framework

Structure of training session

H: TASK 13: Operations

Specify the facilities your business will have and how it will deliver the product or service to the customer. Then, consider these points:

- Show the pros and cons of the location.
- Indicate the facilities you will need to start (e.g. equipment and machinery). Some start-up businesses only need a desk and a phone.
- Consider any potential limits to production capacity.
- If you are going to manufacture or distribute products, show how and where you are going to warehouse them and for how long.
- Provide a list of the employee roles you need to fill, and the skills required to fill them.
- Show how you selected your suppliers.

I: TASK 14: Sales forecasts

Sales forecasts produced for start-up businesses are often over-optimistic.

Here are some important reality checks:

- How soon can you start selling? Will potential customers hold off for a year before they take you seriously and place an order?
 - How often will you be able to sell? Consider:
 - How many days can you spend selling?
 - How long will each lead take to line up?
 - What percentage of leads will turn into sales?
- How much will you be able to sell? Consider:
- What will the average sale value be?
 - Will most people give repeat orders or must you find new customers each time?

- How long after a sale will it take before you can collect payment?
- How much income can you realistically expect each month?

J: TASK 15: Financial forecasts

Your financial forecasts translate what you have already said about your business into numbers. A realistic sales forecast forms the basis for all your other figures.

Break the total sales figure down into its components (e.g. different types of products or sales to different types of buyer).

Your cash flow forecast shows how much money you expect to be flowing into and out of your bank account and when. You must show that your business will have access to enough money to survive. You need to:

- Demonstrate that you have considered the key factors affecting cash flow; for example, wages and the level and timing of sales revenues.
- Show when you expect to be cash-positive – having more money coming in than going out.

Your profit and loss (P&L) forecast gives a clear indication of how the business will move forward. Summarise the annual P&L forecast for each of the first two or three years of trading.

If you are launching a larger start-up, you will also need projected balance sheets. These will show you the financial state of your business on day one and at year end, perhaps for the first two or three years.

Do not get too protective about your forecasts. You may need to revise them.

For each forecast, list all your key assumptions (e.g. prices, sales volume and timing). Small business advisers at banks and at your local business support organisation will often help you put together your forecasts free of charge.

K: TASK 16: Financial requirements

The cash flow forecast will show how much finance the business needs. Your assessment of the risks will determine whether or not you need to arrange contingency financing.

Say how much finance you will want, when and in what forms. For example, you might want a fixed-interest loan and an overdraft facility.

State what the finance will be used for. Show how much will be for buying equipment and how much for working capital (financing stock and debtors).

Confirm that you will be able to afford it.

Structure of training session

L: TASK 17: Assessing the risks

Assessing risk will help you minimise problems and help build up your credibility with any investor or bank. Look at the business plan and isolate areas where something could go wrong (e.g. if your main supplier closes down). What would you do if that actually happened?

Consider a range of what-if scenarios (e.g. what happens to your cash flow if sales are 20 per cent lower or 15 per cent higher than forecast). If there are serious risks:

- you can arrange contingency funding to cover the finance you may need
- you may decide that the business is too risky and abandon the whole project

M: TASK 18: Appendices

Detailed financial forecasts (monthly sales, monthly cash flow, P&L) should usually be put in an appendix at the end of the business plan.

Include a detailed list of assumptions. For example, the profit margin on each product, debtor collection period, creditor payment period, stock turnover, interest and exchange rates, and equipment purchases.

You may want to give additional relevant information such as:

- detailed CVs of key personnel (essential if you are seeking outside funding)
- market research data
- product literature or technical specs
- names of target customers
- a list of the external data sources used in your research, which will add credibility to the information

N: TASK 19: Presenting the plan

The more solid information you can gather for your own use, the better the business plan will be, although a banker or other outsider will not have time to read through all the details.

Keep your business plan short. Most business plans are too long. Focus on what the reader needs to know.

Make it professional. Put a cover on the business plan and give it a title. Include a contents page.

Test it. Re-read it. Would reading your plan give an outsider a good feel for your business and a grasp of the key issues? Show the plan to friends and expert advisers, and ask them for comments.

Session 4: LINK Methodology: value-chain mapping

Learning objectives

In the previous sessions, we evaluated business strategies. Now it is time to evaluate the inclusiveness of a business.

By the end of this session, participants will be able to:

- define relationships and interconnections between the value-chain actors
- identify the flow of products, services, information and payments
- identify entry points or key leverage points to improve the value chain

Topic 5: LINK Methodology

LINK Methodology aims to promote the engagement of smallholder producers with markets by guiding a multi-stakeholder process of shaping or upgrading inclusive trading relationships with the potential to create a win-win situation for all actors involved. For that reason, four key tools are designed to kick off, implement and conclude a participatory innovation process in the iterative manner of a 'design-test-check-act cycle'.

The value-chain map is used to understand the macro context of markets and the businesses that link rural producers with buyers.

Structure of training session:

A: What is a value chain? Plenary discussion with participants, based on Porter's value-chain concept and Kaplinsky's book *A Handbook for Value Chain Research*.

B: TASK 20: What are the key characteristics of the value chain?

The facilitator reviews Key Tool 1 of the LINK Methodology (pages 6–8 in the short version of the LINK Methodology).

C: TASK 21: Trainees draw a value chain based on their business

Participants are requested to form groups and draw a value chain based on their businesses. Participants should be grouped (3–5 people) so that they represent similar businesses.

Participants present and explain their value chains in a plenary session, followed by Q&A by trainees and the facilitator.

Session preparation by facilitator:

- Review Key Tool 1 from the LINK Methodology: value-chain map
- Kaplinsky's *A Handbook for Value Chain Research*: <https://www.ids.ac.uk/ids/global/pdfs/VchNov01.pdf>

Materials needed:

- flipchart
- colour markers
- printout of short version of LINK Methodology for trainees

Session 5: Preparation for company visits

Learning objectives

Trainees often lack the competencies to evaluate a business. The previous sessions gave enough background knowledge for participants to ask the management of the visited business some relevant questions in order to evaluate the business. Participants need to be well-prepared for the interview. They often get side-tracked by what they see at the place, such as the animals, equipment, etc., and forget that they came to get a clear picture of the path the company has taken towards operating profitably. They need to ask questions that will provide more information than just a snapshot of the company's current operations. How did the company start? What are the trends? What are the plans for the future?

While participants are preparing for the interview, holding it, and evaluating the information collected, they have the opportunity to apply all the tools that they have learned about in previous sessions. As they apply their newly acquired skills and knowledge to focus on the same company (by group), they can also support and question each other.

By the end of this session, participants will be able to:

- identify the value chain for the companies to be visited
- identify key issues in the sector where companies are operating
- identify potential competitors/strategies
- ask questions that will help you evaluate the company in terms of performance and inclusiveness
- implement an effective and efficient interview process

Session preparation by facilitator:

The companies selected for visits should have one or more of these features:

- follow some of the principles of inclusiveness (NBM), or
- sell to low-income customers, or
- employ women, youth or vulnerable groups

Additionally, the facilitator needs to:

- collect information on the companies to be visited prior to the training
- collect information on the sub-sectors where companies are operating
- print 'Guidelines for Interviewing'
- prepare the presentation structure

Materials needed:

- internet access for trainees
- hard copies of 'Guidelines for Interviewing'

Structure of training session

A: Introduction to company visit

The facilitator needs to clearly explain the objectives of the visit itself as well as the objectives of the preparation session. Trainees also need to know that they are expected to deliver a presentation on their findings the following day.

When the participants visit the companies, they need to show that they are knowledgeable about the business in order to:

- gain the confidence of company staff
- focus on the key issues

B: Introduction of companies and group formation

The facilitator gives a brief overview of the company visits available, and the trainees can indicate their preference. The facilitator can then form groups based on interest and feasibility. Note: Each group should have a maximum of 5–6 people to allow sufficient interaction for each trainee.

C: Data collection

The facilitator needs to guide group members in the process of collecting company data. The trainees should first review the business plan components and, in groups, develop an appropriate strategy for gathering information.

Note that as time is very limited, it is essential that the group members distribute the workload evenly and that each have specific tasks. The objective of this exercise is to ensure that the participants are prepared for the interview and do not waste time on asking questions for which the answers are available on the internet (or from other sources participants have access to).

D: Task 22: Deciding on interview questions

Groups are asked to evaluate and analyse the information they have gathered. Based on the analysis, they can formulate their interview questions.

Presentation of findings: each group presents its analysis and key questions for the interview with the facilitator and other groups recommending improvements.

E: Interviewing guidelines

Plenary session. Trainees discuss and identify the best ways of holding an interview.

Annex: [Guidelines for interviewing](#)

F: TASK 23: Team roles during the interview process

The facilitator reminds the trainees that the time for interviews is short, and assists trainees in choosing their specific roles. These roles will include the lead person, who will introduce the group and lead the interview process, thanking staff for the time, etc.; the interviewer/s (with sets of questions), an observer to reflect on the interview process and a note-taker.

Session 6: Company visits, evaluation of business performance and inclusiveness

Learning objectives

At this stage, participants can be overwhelmed with the newly-acquired concepts and tools. The company visits can help to sharpen their focus, and help them to find answers to their own questions. As the visits will probably last for only 2 hours, including a short tour of the premises, the trainees face a challenge. They need to prioritise their questions in order to get enough information for the evaluation within a relatively short time-frame. There follows a recap of all the preparation that should be done prior to the visits before the focus moves on to the actual visits.

The facilitator needs to see that the trainees have shared the tasks and roles among the group members thus:

- the group leader, who introduces the group members, thanks the company for the visit, and facilitates the discussions
- the interviewer/s need to ask the different sets of questions in a logical order
- note-taker/s and observer/s are prepared

By the end of this session, participants will be able to evaluate a company performance in terms of:

- business performance
- inclusiveness

Session preparation by facilitator:

- identification of companies to be visited based on the needs / background of the trainees
- briefings of these companies
- arrange meetings with key company personnel who can explain the company strategy: manager, director, production manager, CFO, CEO, etc.
 - decide on the objective of the meetings: learn about the company's strategy, competition and future plans
- learn about the relationship between the company and its employees, suppliers and customers
 - arrange meetings with smallholder suppliers or low-income customers, and/or staff from vulnerable groups (youth, women, etc.)
- arrange buses for the visits (companies should not be further than an hour's journey away)
- the facilitator should request that participants to take photos and make videos that can be used:
 - in the reflection session by the trainees the following day
 - by the facilitator when developing a case study as an example for future training sessions

Materials needed:

- Notebooks
- pencils
- cameras
- gifts for companies if visit is not paid for.

Structure of training session

The whole session during the visits should be managed by the participants, and based on the preparations made on the previous day and in the morning of the same day. The visit should proceed as follows during the interview with the manager / owner of the company:

- word of thanks for receiving the trainees
- introduction of company staff and trainees
- objective of the visit; ensuring confidentiality of information given
- introduction to the company
- tour of the facilities
- group leader gives a word of thanks to the company staff (possibly presenting a gift if no fee is paid for the visit)

Notes for facilitator:

- Trainees should be discouraged from being preoccupied with any machines or equipment they see during the tour. They can easily become distracted when seeing new technology, for example. Because the time spent at the company is minimal, trainees need to focus on the assignment.
- Back in the classroom, immediately after the visit, the facilitator should reflect on the group dynamics of the company visit, evaluate the quality of the questions asked, and the discussions. What went well? What could have been done better?

Session 7: Group study

Learning objectives

In this session, participants need to formulate their conclusions, following their visit to the company. Where lies the company's success? 'In which areas could it improve? Give reasons.

Trainees are also challenged to develop recommendations for the company on how to improve its operations. If the manager/owner of the company attends the session, dynamic discussions can take place with the support of the facilitator.

By the end of this session, participants will be able to: identify key issues, and lessons learnt from visit

- apply the newly-acquired tools
- perform a structured evaluation of the company visited

Structure of training session:

Participants work in the same groups as in the previous session. As this is the final session, they can work as late as they think is necessary.

Session preparation by facilitator:

The facilitator needs to give a clear recap / explanation of what the presentation must include. The best structure to follow is the key structure of the business plan:

- Mission
- Vision
- Introduction to company (brief history, size, products)
- Industry analysis
- Marketing mix and strategy
- Operations
- Financials
- Inclusiveness

Minimal guidance is needed from the facilitator at this point, as any mistakes can be discussed with the trainees the following day, and will provide another opportunity for learning.

Materials needed:

Laptops for participants to develop a PowerPoint presentation on evaluating the company.

Session 8: Reflection on company visit

Learning objectives

It is very likely that the teams made many mistakes when they were out at the company: not only in the content but also in the process. At this stage, it is understandable and not viewed as a problem at all. The effectiveness of the training can be greatly improved if, after this session, the trainees can visit one more company or even several more.

These repeated visits can be very beneficial, as the trainees will quickly learn what to focus on; they will be more confident in asking questions and better at asking the right questions.

By the end of this session, participants will be able to: reflect on their findings

- provide feedback on how they could further improve their approach
- reflect on the interview process; draw from the lessons learnt
- reflect on the other groups' findings

Structure of training session:

- Group presentations, showing their findings.
- After each presentation, the facilitator asks the trainees for any comments or questions as well as suggested improvement points:
 - Did the group miss anything?
 - Where are the gaps in the logic?
 - What could they have done better?
 - What were the challenges for the group during the interview and during the data collection?
- Following the plenary discussion, the facilitator also reflects on the findings in terms of logic of thinking, the structure of the presentation, and the quality of the data collected.

Session preparation by facilitator:

None

Materials needed:

Beamer, laptop, screen

22 Session 9: Business Canvass(LINK Methodology)

Learning objectives

To apply the business canvass tool (LINK Methodology, Tool 2).

Structure of training session

A: Facilitator briefly explains the business model canvas

Objectives of using the tool:

- to assess how a key business in the value-chain functions
- to develop a shared language to describe and assess a business model
- to create a baseline for the development of innovations in the business model

Structure of the tool:

- 01 customer segments
- 02 value proposition
- 03 channels
- 04 customer relations
- 05 income streams
- 06 cost structure
- 07 key resources
- 08 key activities
- 09 key partners

Key questions:

- 01 Who are my key customers and how do I connect to them?
- 02 What value will I offer my customers?
- 03 How can I create and deliver that value?
- 04 What does it cost, and what can I earn?
- 05 How does my organisation or business function?
- 06 Is the existing business model viable? What change(s) could improve the

overall performance of my organisation?

- 07 What are the strengths and weaknesses of the existing business model?
- 08 What external influences impact positively and negatively on the business model?
- 09 Is the buyer's business model open to the inclusion of small-scale producers as providers?
- 10 Does the buyer's business model contain a double-facing value proposition (i.e. both towards their customers and towards their providers)?
- 11 Does the producer organisation's current model make it attractive as a business partner for a formal buyer?

B: Plenary session on using Tool 2

The facilitator leads the session by:

- selecting one of the companies visited for using the tool
- assisting trainees with the tool by asking relevant questions
- filling out the flipchart in front of the class

Session preparation by facilitator:

Handouts of the LINK Methodology, short version.

Materials needed:

Flipchart paper, markers.

23 Session 10: Performance Measurement, Monitoring and Evaluation

Learning objectives

By the end of this session, participants will be able to:

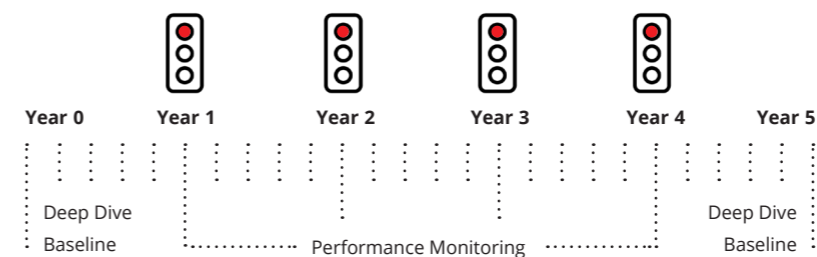
- understand the opportunities and importance of performance management in the area of inclusiveness
- know the generally accepted approaches and indicators for measuring inclusiveness

Topic 5: Performance Measurement

PM is an approach that assesses current status and tracks change over time. The goal is to use cost-effective ways to measure performance that can complement more intensive and expensive in-depth assessment. PM approaches are not designed to measure attribution between specific interventions and specific outcomes the way an impact assessment might, however.

Monitoring and Evaluation (M&E) is the structural and regular checking of the progress being made towards pre-set goals. It involves monitoring tracks while planned activities are being undertaken, identifying the resulting outputs, and evaluating the processes being followed. This process is typically done on a quarterly, semi-annual, or sometimes, an annual cycle. Evaluations are usually carried out after two years or more. They focus on the outcomes and, if work has been going on long enough, possibly the impacts of activities.

M&E systems indicate whether the planned activities and processes directly lead to the hoped for results (attribution). If properly designed, these systems are also built into decision-making loops within a project/program/partnership so that changes can be made as necessary.



This figure illustrates how PM can regularly track progress when used between an initial study and an occasional in-depth assessment.

Session preparation by facilitator:

Review performance management methodology guide.

Structure of session

A: Introduction by facilitator to performance management

The facilitator outlines the topics to be covered thus:

- opportunities and challenges
- designing a performance measurement approach:
 - purpose
 - Theory of Change
 - learning questions and indicators
 - data collection methodology
 - specific metrics and survey questions
 - completing the learning cycle

B: TASK 24: Make a Theory of Change for a selected case

The facilitator guides the trainees through the following steps:

- Select the appropriate indicators and metrics from the PM framework, and consider using them for key points in your Theory of Change.
- Formulate one or two key indicators for topics that are specific to your case and not covered in the PM framework.
- Describe how you would collect the necessary information for three indicators.
- Outline the decision-making processes in your case, and how your M&E system will inform on-going decisions.

Materials needed:

Handouts of performance management methodology guide. Handout of case study (if available).

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Trainers Manual
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