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DEVELOPMENT OF PROFITABLE PRODUCTS FOR BUSINESS ASSOCIATIONS

KOSOVO CLUSTER AND BUSINESS SUPPORT PROJECT



October 2006

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DEVELOPMENT OF PROFITABLE PRODUCTS FOR BUSINESS ASSOCIATIONS

THIS REPORT PROVIDES A PLAN FOR DEVELOPING AND MARKETING PROFITABLE PROGRAMS FOR SIX BUSINESS ASSOCIATIONS SO THAT THEY CAN MOVE TOWARD BECOMING SELF-SUSTAINED ORGANIZATIONS.

Kosovo Cluster and Business Support project - "Development of Profitable Products for Business Associations".
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PURPOSE OF ASSIGNMENT

The Association/Product Development Specialist will provide technical assistance to current recipients of association management grant awards. The purpose of the assignment is to teach the KCBS Project-sponsored associations how to develop profitable product lines and design a for-profit services portfolio. In this context, the consultant will provide direct assistance to boards and staff to turn specific plan goals into dues financed or fee-paid products and/or services.

BACKGROUND

THE KCBS PROJECT' unique experiment in cluster development is focusing from the very beginning on the sustainability of new practices, procedures and business models after donors leave Kosovo. Associations have been targeted as the primary institutions responsible for managing this sustainability. Because of this approach, the KCBS Project has insisted on strategies that create self-financing associations from the very outset.

To date associations have been slow to take responsibility for these activities and instead rely heavily on KCBS support. The KCBS Project, however, sees its role as providing capacity. We will work with the associations to help them identify opportunities and respond, not create specific products and services that meet specific needs.

To date RCAF has demonstrated an entrepreneurial approach. AWAK managed a trade show that generated a small profit. The remaining associations have not yet undertaken activities that generate significant income.

The outcome of this SOW is to create at least one profit-generating product/service in each association through a specific program/activity for each association (e.g. a quality seal program, best management program).

EXECUTIVE SUMMARY

The volunteer leadership and staff of Kosovo business associations that have been targeted for assistance under the KCBS program have benefited from prior training in the areas of Board capacity building, financial management, and strategic and short-term planning.

Executive Directors possess a general background and understanding of the practices and principles of good association management. They know the needs of the members and have ideas on how to meet the needs. However, there are no written guidelines that outline strategies for developing income-producing activities such as seminars, annual meetings, publications, exhibitions or information centers.

Associations have been dependent on donor agencies to subsidize programs. Activities are planned without thought of producing a profit to offset association expenses and provide surplus funds for the future. In fact, when one executive director was asked what the costs were for a training, the response was “there were no costs, it was paid for by KCBS”.

Many association executives do not know that a fee can be charged for an activity funded by a donor agency. It is important for associations to realize that agencies cover expenses, but whenever possible, programs should generate surplus income for future activities.

Associations are not pricing activities as a profit because a cost analysis was not made, and the breakeven point has not been established. Others are providing free services that could be placed into a profit center.

At least two associations wanted to develop products that were impractical and financially impossible, such as labs for testing products. Building and managing a lab is not a function of the associations’ missions. An understanding of the roles of associations and private business enterprises needs to be clarified.

A reoccurring theme in associations is that dues are not being paid, causing a revenue shortfall to the budget. There is no organized plan to collect dues, and executive staff is hesitant to remove members who do not pay. A systemic approach to dues collection will assist executives in their efforts.

Associations need to analyze why dues are not being paid by setting aside discussions at board meetings to find solutions. Dues might be too high for smaller companies and the dues structure might need to change.

A key outcome of this consultancy has been to introduce best practices in relation to developing profitable programs and activities for each association, and to provide the tools to help them put into practice what they have learned.

The six associations can transition from being partially or totally dependent on donor funding to becoming self-sustained organizations by pricing activities as a profit and following guidelines for developing and marketing their fee-based products.

The technical assistance and training provided will insure that associations have knowledge to make informed decisions, for their revenue activities and dues, without compromising the services provided.

FIELD ACTIVITIES TO ACHIEVE PURPOSES

During the eighteen working days allotted to this project, at least two meetings were held at the offices of six associations or at the KCBS Project headquarters and one meeting was held at the manufacturing plant of an association President.

The following trainings were held:

- Training was held for eight associations and KCBS Project staff on how to organize and implement a product development plan. A PowerPoint presentation outlined the steps in developing a profitable activity and marketing plan.
- A practical workshop for six associations was held. Executive Directors presented their fee-based product plans to the group. Awards were given out for best product development plans and best marketing plans.

Meetings were held with the following:

- Over twenty meetings were held with the following associations, including two Board meetings: Association of Kosovo Wood Processors, Road Contractors Association of Kosovo, Kosovo Dairy Processors Association, Kosovo Association of Milk Producers, Kosovo Poultry Producers and Feed Millers Association, Alliance of Kosovo Agribusinesses.
- One-on-one technical assistance was given to six association executives on developing a product, pricing dues on a sliding scale, developing Associate member dues category, and procedures for collecting dues.
- Technical assistance was provided to the Association of Micro-finance Institutions of Kosovo, the Kosovo Bankers Association, and Business Consultants Council on planning fee-based products and other management issues.

The following handouts were prepared:

- A. Ten-page product development workbook, in English and Albanian, on “Developing Profitable Products and Services”. The workbook is a hands-on plan outlining: Getting organized, getting member input, budgeting, costing, researching competition, and setting the price.
- B. Marketing and communication plan detailing the processes to successfully market the product.
- C. Marketing model with sample association marketing plan.
- D. PowerPoint presentation notes on “How to Develop a Profitable Product”.

TASK FINDINGS AND RECOMMENDATIONS

Task 1. Product Development Component: One specific product line/program/service was developed for each association and a schedule for launching the product was established. Budgeting requirements, staffing, pricing strategies and competitors are in the product marketing plans attached for each association.

The Association of Kosovo Wood Processors developed a plan for *Natyra 2007*, an exposition of its member companies, including furniture, door and floor manufacturers.

Findings: The association held a 2006 exposition and did not generate sufficient profit to add substantially to association revenues. Although it was successful in generating a small profit, the expenses were too high and more revenue could have been generated with proper planning.

Recommendations: Implement new marketing initiatives and broaden the prospect base to include supplier companies. Target market international visitors and buyer companies. Increase association revenue by selling 20% more booth space, and increase income by initiating a sponsorship program to industry suppliers.

Road Contractors Association of Kosovo planned a *Technical Guide* for the road construction industry. The *Guide* will educate members of the Association on quality aggregate-asphalt production and road construction. It will target middle management with practical information not readily available in other publications.

Findings: The *Guide* will increase association revenue by selling advertising to suppliers, associations and other industry supporters. RCAF members are very big customers of the insurance and banking industries, and they will be targeted for financial support. The *Guide* will also be used as a training resource.

The Kosovo Poultry Producer and Feed Miller Association will establish quality standards for poultry products by publishing a *Best Practices Guide*. The guide will serve as a resource for poultry producers regarding safety and compliance.

Findings: *The Best Practices Guide* will be financed by sponsorships, selling ads to industry suppliers and supports. Although the guide will be offered free to members, the revenue must be generated from large customers of the poultry producers.

The Kosovo Association of Milk Producers: Milk producers in the association are generally small farmers who are unable to spend their time on attending workshops, even though the information is often critical to managing and caring for their cows. They are in need of technical assistance and veterinary help on their farms. The product that the Milk producers are developing is a *KAMP Technical Team*, a team of experts that will visit farmers upon request to offer services of immediate need. In addition, consulting on hygiene, medicine, and even farm management record keeping will be offered.

Recommendations: Pricing this product will take research and negotiating with the experts on the team. The team must get a fee for their time, but the association needs to bring in revenue from the program. The fee must be affordable, yet provide enough for both the association and the experts to benefit.

The Kosovo Dairy Processors Association has an internal problem of non-payment of dues by its members and the association can not continue without solving this problem. The "product" that has been recommended is a new system to collect dues based on invoicing members in a systemic way, and removing members from the rolls if they remain delinquent and a new dues schedule.

Recommendations: A new dues structure should be implemented, using a sliding scale so dairies pay according to milk capacity. Currently all dairies pay the same. It is recommended that the association accept all dairies, not just licensed ones, as members. A major campaign to non-licensed dairies should be launched, and training fees need to be unbundled from the dues.

Alliance of Kosovo Agribusinesses: Will sponsor an International Agribusiness Exposition in 2007 to provide an opportunity for members to increase market share and increase association.

Recommendations: Since there is competition by CEO for staging an Agribusiness Exposition, it should be planned for February or June to avoid the fall competition. The Executive Director needs to attend meetings offered by the KCBS Project. The association should depend on the board to plan member-driven fee-based services.

Task II.

- A. Strategic planning review: The plans of the six associations were reviewed. It was recommended that their new fee-based products be added to the plans for 2007. Before adding additional products or services into the plans, associations should first go through the product development steps to be assured that the product will be profitable.
- B. Certification: Many associations have plans to develop a certification program. It is recommended that associations wait until they are mature before attempting to develop this product. First a Best Practices guide or handbook should be developed, based on known standards for the industry.
- C. Member-driven products: Strategic plans were overly ambitious and they listed tasks that did not appear to be member driven. It is recommended that organizations streamline their plans and develop programs that solve member needs.
- D. Fiduciary responsibility meetings: In June, a local consultant was hired from a business service provider to provide reinforcement training on fiduciary responsibility customized to each association's strategic plan.

CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE ACTIVITY

A key element to building management capacity and boosting financial sustainability is to follow written product development plans for programs and activities of the organization. Associations must develop sensible, affordable plans that are member-driven.

Six associations have been given the framework for implementing best practices with the purpose of eliminating areas of weakness. The resultant recommendations will provide guidance to associations to initiate change and improve management systems which will help to gain improved financial sustainability.

- Association dues are the backbone of an organization. Many associations do not have a systemic approach to collecting dues, and they keep members on who have not paid. Technical assistance should be given to executives on dues renewal practices.
- Associations need to introduce a supplier dues category to their Boards. They are excellent revenue-generating models. Technical assistance should be provided on fee structures of supplier memberships.
- Association executives lack basic skills or best practices of association management. Training should be offered to cover this area.
- A network of association executives should be established, with monthly meetings for exchanges of ideas.
- Many tasks of Executive Directors require entrepreneurial skills. Training should be offered in marketing and selling practices.
- Price products as a profit. Develop member-driven products that include a plan for charging a fee based on a cost analysis.
- Associations function better when they are the responsible parties for managing activities. The service provider model appears to hinder the Executive Directors in making informed decisions and taking responsibility for those decisions. It is a financial burden in some cases, as the provider is taking the product profit that could be going directly to the organization.

ANNEXES

Annex I – Product Development Plan Manual

Annex II – Marketing and Communication Plan

Annex III – Marketing and Communication Model

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Annex V – Association of Kosovo Wood Processors Product and Marketing Plans

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ANNEX I – Product Development Plan Manual

Product Development Plan
Kosovo Cluster and Business Support
Project

September 2006

Joan Perrin CAE, Marketing Specialist

A written plan: Defines individual roles of leaders and staff, and includes a costing and pricing analysis, which links with the Strategic Plan and the budget.

Marketing and Communication Plan: Outlines target markets, general tactics, packaging the product, delivering the product, promotion strategy, staff and resource.

Informed Membership: Regular Members and Associate members should be educated and kept aware of the new product development plan.

Democratic: Leaders make sure that Members are involved in the organization. Leaders seek input on decisions. Members vote on issues that require consensus.

Regular Verbal and Written Communication: This serves to keep members interested and motivated. Bulletins are sent out to encourage participation and generate attendance at events. Members are your best customers!

Close personal relationships with key local government contacts and business organizations: Meetings are arranged to gather information from officials on upcoming legislation and government-funded projects that could influence the launch of your product. Working partnerships are established.

Coalitions – Successful programs can involve linking with other groups with similar interests. Products and services from one association can often serve the members of other associations. Groups do not need to agree 100% on all the issues, but they can come together to provide a single, mutually agreed upon program. Coalitions add credibility.

Site Visits – Fact-finding tours can be organized for Board and Committee members to meet with regular and supplier members and see projects and problems for themselves. Buy-in for new for-profit activities can be discussed.

Discuss other elements: What elements work best in Kosovo?



Step 1

Get Organized

Form a committee of about six people and choose a leader who will serve as the chairperson. Appoint someone who will serve as note-taker and communicator to the members.

The chairperson should have good leadership qualities.

- Team building skills - Shares leadership. Good listener.
 - Understands membership issues, well connected.
 - Relationships with local business, civic leaders, other associations.
 - Good at persuading and speaking to individuals and groups.
-
- Review the Goals and Objectives of the Strategic Plan
 - Determine if the product or service is compatible with the Strategic Plan. New products and services must link with the mission statement, goals and objectives.
 - Strategic Plans are flexible documents that need to be reviewed annually. Check to see if goals and strategies continue to serve member needs. Consider amending if out dated.
 - Get agreement on the most important issues and a timetable for action.



Workbook

List the proposed products, services, new dues category. Where does the product correspond to the Strategic Plan?

Would the product attract new members? How? Retain current members?

Who would benefit from the product? Members, Non Members, Supplier Members? Other?

Step 2

Ask Your Members

- New products originate with a consensus of the Board, Committees and Regular Members...never just one individual.
- New or enhanced products are introduced into an association when there are problems and unmet requirements of members.
- New products are never introduced based solely on financial considerations. If a product or service does not meet a member need, it will fail regardless of price or marketing efforts.



What are the unmet needs and problems of your members?

What are the products/services offered by your association?

List the strengths and weakness of current products:

List new product ideas. Prioritize based on member needs: What can members pay?

Step 3

Review budget. Check income/expenses of past activities

- Revenue and participation of past activities will help forecast the success or failure of proposed products.
- Check records to determine past participation by members for events such as training, conferences, exhibit shows, and other for-profit products.
- Evaluate trends. Are registrations down in the past year? Have members failed to participate in formerly popular programs? Are some activities generating "sell out" interest?
- Make recommendations on launching new products based in part upon historical reports
- Make recommendations on affordability. Has expense been budgeted?

Prepare net profit and loss on each activity: Fill in or attach to manual.

Sample Budget

Conduct Management and Skills Training Courses

Expected Revenues:				
No.	Description	Unit	Price	Amount
1	Members	15	150	2250
2	Non-Members	10	200	2000
Total				4250

Expected Expenses				
No.	Description	Unit	Price	Amount
1	Venue	30	20	600
2	Ads	2	150	300
3	E-Promotion	2	75	150
6	Trainer Fees	1	600	600

7	Material	30	5	150
Total				1800
Surplus/Deficit				2450

Note: To breakeven, the minimum number of registrations should be 14, otherwise the event will be cancelled



Workbook

What conclusions can you draw from your reports? Where are your winners and losers?

Step 4

Determine Goals and prepare a Cost Benefit Analysis

Goal	Objectives	Strategy	Tactics	Cost	Income
Expand the wood products market	Improve knowledge Of Kosovo products Increase association revenues	Organize a two-day Kosovo marketing event	Trade Show Invite non-members Recognized Speakers Government dignitaries	Staff salary (no additional) Speakers fees:: 300 Venue: 1000 Material: 300 Food: 2000	100 attendees @ 150 ea. = 15,000
Total				3600	15,000
Profit/loss					11,400

List the core values served by the new product.

List the intangible non-monetary benefits of the product:

List the start-up costs: Where will revenue come from?

Determine the cost of providing the product:

Sample worksheet for association hosting training

Best Practice Workshop of Road Construction Companies

Expected Revenue	Unit Euro	Quantity	Total Budgeted	Actual
Participation Fees				
Members				
Non-members				
International Attendees				
Sponsorships				
Total Revenues				
Expected Expenses:	Unit Euro	Quantity	Total Budgeted	Actual
Venue				
lunch				
coffee breaks				
International Speaker				
Accommodation				
Handouts				
Interpretation Material				
Sound & Light				
Interpreters				
Transportation				
Communication				
Marketing Brochure				
OTHER				
OTHER				

Step 5

Determine Availability of Resources

Launching new products often require extra staff and volunteer time to successfully implement the program.

Before going forward with the plan, take a look at the impact on staffing, start up costs, equipment and facility.



Staffing impact:

Start up costs:

Equipment and facility impact:

Step 6

Research the Competition in the Marketplace

Determine if competing products and services of allied associations and for-profit groups are offered to your members. How do they market and sell their products? Gather information via the web, telephone, and marketing material.

Choose a date carefully for introduction of a new activity. Research event calendars of the government and other associations and business groups. Back-to-back trade shows with your competition can add to the success of your show, or be a disaster.

What other groups offer a similar product? What is the price range of competing products?

Would there be an opportunity to combine and partner for a joint opportunity?

What unique advantages would your new product offer?

Step 7

Look at the Economic and Legislative Climate

- Monitor the broader economic climate and wait to introduce a new product if recent events are negatively affecting your association members.
- Watch legislative decisions that would influence your product.
- Look at the internal economic situation of your association. Stability is key when developing a new product.

What are the economic and legislative trends that are impacting your association? How will regulations affect new product sales? Is the association healthy and stable?

Step 8

Set the price and prepare a Marketing and Communication Plan

ANNEX II – Marketing and Communication Plan

Marketing and Communication Plan for Kosovo Associations

Define Your Product

Write a one-page document outlining the product concept. The document will be used as a communication tool for Board and Regular Members, and serve as a reference when reviewing objectives, and evaluating results.

- A full description of the product
- Time frame for product launch.
- Customer profile (Member, non-member, associate or supplier).
- Market universe.
- Desired financial outcome.
- Breakdown of total cost
- Selling price
- Budget with expenses and revenue projections for two years
- Resources (staff and volunteers) and follow-up support

Draft your plan

I. Goals:

Overall goals that you want to accomplish. For example:

- Assist member companies to increase market share
- Increase the number of supplier members by 10%
- Provide added educational opportunities
- Increase revenue in the association by ____%.
- Publish an industry management handbook

II. Strategy:

How you will accomplish the goals. Indicate the marketing, promotion and communication strategies that will be used for each goal. For example:

- Organize a trade show for members to showcase their products
- Invite non-members to attend meetings and exhibit at trade show
- Organize a training program for regular members
- Design Quality Assurance Program

III. Marketing Initiatives:

How you will promote the product: Media, direct mail, web site, word of mouth, posters, flyers, and specific administrative and organizational tasks.

- Set a proposed date for the trade shows.
- Solicit bids from hotels to rent space for the event
- Select competitive bid
- Produce flyer publicizing the event
- Contact members via telephone, email and direct mail
- Obtain lists of non-member prospects & send brochure
- Hire presenters

III. Responsibility:

Identify the staff person, volunteer, partner or consultant in charge of each initiative. For example:

- Program Director
- Administrative Assistant
- Membership Manager
- Board Member
- Board of Directors

IV. Audience:

Identify the group or groups you will target and include the number of prospects in each group.

- Members
- Non-members
- Allied associations
- Suppliers
- Local government
- Media
- International organizations

V. Timeline:

Target dates must be set for proposed completion of each marketing initiative. Results can be tracked on a separate calendar grid using GANTT software through Excel. Assign responsibility for tracking both activity and financial milestones to administrative staff.

Weekly - Monthly - Quarterly

VI. Costs:

Obtain written quotes for all marketing expenses. Break out all costs for marketing and track spending per timeline.

- Venue
- Printing
- Travel
- Food
- Speakers Fees
- Advertising in local newspapers
- Signage on site
- Pens, note pads

VII: Income:

Show budgeted income and expenses and compare with actual.

- Number of attendees
- Registration income
- Sponsorships revenue
- Non-member fees
- Other

VIII. Benchmarks

Indicate if goals are being met. Report on the number of sales, revenue, expenses. Track results and compare with budget. If goals are not being met:

- Redouble your marketing efforts
- Cut expenses - Postpone or cancel the program

ANNEX III – Marketing and Communication Model

Marketing and Communication Plan

Goals	Strategy	Marketing Initiatives	Responsible	Audience	Timeline	Costs	Income
Assist member companies to increase market share	Organize a trade show	Set a date Oct. 1, 2007	Program Director	-Members	11/06	Venue	8000
		Solicit bids from hotels & select competitive bid	CEO	-Non-Members -Allied Associations -Suppliers -Government	12/06	1000 room rental	
		-Produce flyer -E-mail blast -In kind trade ads -Web site -Local press -Early Bird discount.	Membership Manager	-Media -International Groups	1/07	Food 100 x 20 attendees = 2000	
			Administrative Assistant		5/07	Printing 300	
Increase revenue in the association by 15%	Initiate sponsorship program.	Contact industry suppliers	CEO	Industry suppliers	12/07 - 12/08	200	8000
		Design solicitation package.	Membership Manager				
Increase the number of supplier members by 10%	Invite to attend meetings	Obtain list of non-member prospects	Membership Manager	Non-Members Suppliers	11/06	600	3000
	Exhibit at Trade Show	Send direct mail invitation to exhibit.	Administrative Assistant		1/07		
Increase educational opportunities for regular members	Provide Skills and Training Workshop.	-Contact members by telephone & e-mail.	Membership Manager	-Members -Non-Members -Allied Associations -Suppliers -International Groups	4/07-9/07	1000	1500
		-Brochure			4 months out		
		-Advertise on web site -Ads in local papers			2 months out		

ANNEX IV – Profitable Products and Services for Business Associations (Presentation)



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Developing Profitable Products and Services for Business Associations

Joan Perrin, CAE



WE ARE PARTNERS! SPECIFIC TASKS WE WILL ACCOMPLISH

- Identify one specific product/program/service and create a product development plan.
- Develop a schedule for product roll-outs
- Create a marketing and communications plan
- Identify costing and pricing strategies



KEY ELEMENTS IN A SUCCESSFUL PRODUCT DEVELOPMENT PROGRAM

- A written product development plan
- Marketing and communication plan
- Informed membership
- Democratic



KEY ELEMENTS IN A SUCCESSFUL PRODUCT DEVELOPMENT PROGRAM

- On-going verbal and written communication
- Relationships with government and business organizations
- Coalitions
- Site Visits



PLAN FOR DEVELOPING PROFITABLE PRODUCTS

- Get organized
- Ask your members
- Review the budget and income/expenses of past activities
- Determine Goals and Prepare Cost Benefit Analysis



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Plan continued

- Determine availability of resources
- Research the competition in the marketplace
- Look at the economic and legislative climate
- Set the price and prepare a marketing and communications plan



Marketing and Communication Plan

- Goals
- Strategy
- Marketing initiatives
- Responsibilities
- Audience



Marketing and Communication Plan

- Timeline
- Costs
- Projected income
- Rescue plan



CHECKLIST FOR COSTING ACTIVITIES

- Review finances of past activities
- Determine direct costs
- Prepare activities expense budget



CHECK LIST FOR PRICING ACTIVITIES

- Review income and participation history
- Determine objectives
- Get member input
- List benefits to customers



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CHECK LIST FOR PRICING ACTIVITIES

- Competition
- Look at economic and legislative climate
- Set the price and prepare revenue budget



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One - on- one Technical Training

- Marketing tips and tricks
- Case studies
- Model plans
- Awards for best product development plans
- Awards for best marketing communication plans

ANNEX V – Association of Kosovo Wood Processors Product and Marketing Plans

Product Development Plan – Association of Wood Processors of Kosovo (AWPK)

Objective

- Increase member and supplier participation in the 2007 AWPK exposition by implementing new marketing initiatives and broadening the prospect base. Increase the number of visitors by 15% with target marketing of international visitors and buyers.
- Increase association revenue by selling 20% more booth space (6). Increase income by initiating a sponsorship program to industry suppliers.

Product Description

The exposition, Natyra 2007, will be held May 9-12 in the industrial zone outside of Pristina. There will be 40 booths for sale to member companies and suppliers. AWPK needs to receive written assurances from the vendor/service provider that the entire space is available (in 2006, an area of the exhibit hall could not be used and booth space was limited).

Additional income is expected to come in from an advertising/sponsorship program targeting sales to supplier companies, a previously untapped industry segment. Ads in the back of the exhibit program will be sold. Sponsorships of events will be sold (coffee breaks, lunch, opening reception, pens, pads, other).

The exposition in 2006 attracted over 4,000 visitors, surpassing attendance targets. Thirty-four companies exhibited, falling just a little short of goal (40)).

The net revenues of the Exposition need to be increased over the net of 2006 since the fair is the major fee-based activity. A combination of cost-cutting and added income generation is needed. The Chamber of Commerce is the service provider. Their fee was high, taking the lion's share of the net profit. Negotiations with the Chamber over costs need to take place before November.

Target Audience

Thirty-four members and approximately 50 suppliers for booths.

Target Advertisers

List the companies that you will be contacting.

Competition in the Marketplace

The Chamber of Commerce held an exposition for this industry segment in 2005. Last year was the first exposition sponsored by the AWPK. The Chamber included itself as a sponsor even though AWPK paid a market price for services in organizing it. The Chamber/AWPK relationship must be clarified and negotiated to the satisfaction of both parties. AWPK Board members who are also on the Chamber Board should be consulted in October. If feasible, a Board member should visit the Chamber with Arieta to discuss the service contract.

Resources

Staff: Arieta Vula, Executive Director, will manage booth sales, advertising and secure sponsorships.

Service Provider: The Chamber of Commerce of Kosovo will serve as the service provider for the following services: Site, transportation to the exposition, security, electricity on site, promotional banners in the city, radio and television advertising, promotional brochures and invitations to dignitaries.

Board Members will support the exposition by exhibiting and advertising their own companies. They will contact suppliers to ask for support for sponsorships and advertising.

Consultants and suppliers: Local printer and designer.

KCBS Project Staff: Vesna Golubovic and Safo Musta

Start-up costs: 10,000 Euro for deposit upon signing contract.

Economic and Legislative Climate

Many apartments and commercial units are being built. When construction of the interiors of these units takes place, there will be a growing demand for doors, windows, floors, furniture, and other wooden products.

Goals and Cost Benefit Analysis Sponsorship/Advertising

- List specific advantages of sponsoring or advertising.
- Potential revenue from ads: 8000
- Potential revenue from new supplier members: 3000

Budget

Board must review and approve.

Marketing and Communication Plan-AWPK

Goals	Strategy	Marketing Initiatives	Responsible	Timeline	Audience	Costs	Income
Assist member companies to increase market share	Organize Trade Fair Natyra 2007	- Set exposition date	- Arieta Vula, Director	11/1/06	Industrial Zone site.	Budget 30,000	34,000
		- Check industry calendar.		11/5/06	Chamber & site Mgr.		
		- Visit with Chamber & Industrial Zone site &	- Arieta & AWPB Board President			Members, Board, Service Provider	
		- Solicit bids.		12/1/06			
		- Select competitive bid	- Arieta, Board President			Past exhibitors, Allied Associations -Suppliers -Government -International Groups	
		- Sign contract.		12/15/06			
-Set exhibitor price.	- Arieta & Board						
-Early Bird discount.	- Designer, printer						
-Produce flyer							
-Create prospect database & contact.							
-E-mail blast	-Arieta			12/20/06			
-In kind trade ads	-Arieta			12/15/06			
-Web site	-Arieta						
-Local press & TV	Chamber of Commerce			1/15/07	Media		
Increase revenue in the association by 15%	Initiate sponsorship program.	- Design solicitation package.	Arieta	12/07 - 12/08	Designer	1000	8000
		- Contact industry suppliers.	Board & Arieta	12/10/06	Industry suppliers: List firms. Contact via email, visit, or telephone		

Increase the number of supplier members by 10%	Invite to attend meetings Exhibit at Trade Show	Obtain list of non-member prospects Send direct mail invitation to exhibit.	- Arieta	Non-Members Suppliers	11/06 1/07	600	3000
Increase educational opportunities for regular members	Provide Skills and Training Workshop.	-Contact members by telephone & e-mail. -Brochure -Advertise on web site -Ads in local papers	-AKA Staff	-Members -Non-Members -Allied Associations -Suppliers -International Groups	4/07-9/07 4 months out 2 months out	1000	1500

ANNEX VI – Road Contractors Association of Kosovo Product and Marketing Plans

Product Development Plan – Road Contractors Association of Kosovo (RCAK)

Product Objective

-Increase professionalism of employees of Kosovo road construction companies, quarries and asphalt producers by publishing a Technical Guide for the road construction industry. The Guide will educate members of the Road Construction Association of Kosovo on quality aggregate-asphalt production and road construction.

-Increase association revenue by selling advertising in the Guide to suppliers, large member companies, associations and other industry supporters.

Product Description

The Technical Guide will be composed of three areas:

- Quarries (Production and Quality Management Systems)
- Asphalt (Production, Bituminum, Aggregates)
- Construction Site

It will contain useful, practical information for members.

Road products production in compliance with the highest standards

- Producing quality pavement
- Best safety practices. Overview on laws and regulations
- Tenders, how to design a bid, resources that are available (books, web sites)
- Case studies (if space permits)

The Guide will be approximately 3 1/2 x 2 1/2, bound, 4-color handbook of 125 or so pages. It will be designed for ready reference, with pictures, graphs and figures to illustrate the technical information. The guide will be easily up-dated as new information becomes available. Target launch date is January 2007. See attached outline.

Although the Technical Guide will be a stand-alone product, it will also be used with trainings. A Seminar on Basics with Dr. Naim Hasani is planned.

Target Audience

Thirty-two paid members, targeting hands-on middle management. The guide will not contain highly technical engineering information.

One hundred others (suppliers, central government, associations, municipal governments).

Sponsors and advertisers of the guide will be banks, insurance companies, and other suppliers. See marketing plan.

Competition in the Marketplace

Local governments are not providing technical information for the sector.

Resources

Consultants: The guide will be written by Dr. Naim Hasani, and Dr. Hutschenreuther . German technical experts on road construction products. Their company has worked with the association, researched the local industry, and published data.

Staff: Eljesi Surdulli, Executive Director, will edit, design and sell advertising. He will provide marketing and write items for the Guide not included by Dr.Hasani..

Esra Bucinca, Administrative and Finance Assistant will assist with sponsorship and advertising sales.

Board members and regular members will provide a list of their suppliers and assist in the campaign to get advertisers for the guide.

Valdet Osmani, Safa Mustafaj and other KCBS Project staff.

Start-up costs: The Board and staff have asked for a proposal from Dr. Hasani for the technical writing of the guide. After reviewing it, they will vote on acceptance or modification and determine the down payment for services.

Economic and Legislative Climate

Good roads are critical to the economic growth of Kosovo. Money is being wasted on building roads of poor quality that do not have a long life. Members of RCAK want to improve standards of companies producing poor quality roads. They believe that inferior products reflect on the entire industry. Local authorities are lax about insisting on higher standards, so a guide will be a welcome resource.

The internal economic and political situation of the association is stable.

Budget

Income: Member, and non-member price for the guide is being discussed by the Board. (20 Euro)

Sponsors and advertising revenue income budget is approximately 15,000 Euro. The Board is still reviewing the fee parameters for sponsors and advertisers. See attached.

Cost Benefit Analysis

See attached

Future fee-for service products

Technical material from Germany translated into Albanian: Provide material for sale to members.

Trainings: Theoretical and practical

Software program on road design: Sell programs to municipalities to help them design specs for projects.

Trade fair in cooperation with Chamber of Commerce, Kosovo and Chamber in Germany.

EU Awareness Training

Marketing and Communication Plan RCAF

Goal & Activity	Strategy	Timeline	Responsible	Audience	Costs	Income	
Increase professionalism of employees of road construction, quarries and asphalt producers by publishing a Technical Guide	-Schedule meeting with technical writer -Board Approval -Sign Agreement	October 30, 2006	-Eljesi -Board Members	Technical writer Printers Designers Members Non-members Suppliers Government Donor Agencies Other interested parties	Contract negotiations incomplete. Awaiting approval.	Budget: Developed/ approved by Board	
Increase revenue by selling advertising	-Schedule meetings w/ potential supporters. -Conduct meeting -Present program -Sign or -Follow up	October 20 – January 2007. -November: 4 meetings with advertising prospects. -December: 4 follow up meetings -Two weeks after visit. (Make call or second visit)	Elesi & Esra Board Members Eljesi and Esra	Insurance Companies -Siguria, Dukagjini Kosova, ERE, INSIG, SIGAL. -Banks -RK,RBK,PCB,BPB KSB,BEK	100 Euros for transportation	5,000 4,000	
Increase membership and revenue by developing supplier memberships	-Get Board approval on dues. -Present association benefits -Brochure	November – on going November: 4 meetings with supplier prospects.	Eljesi and Esra	Non-members from industry. -Suppliers	400 Euros for brochure and transportation	6,000	
Increase revenue for Technical Guide from sponsors.	As above	January 4 – on going One visit per month & one follow up.	Same as above	Donor agencies: EAR, DANIDA, DFID, GTZ, World Bank, CDF	100 Euros	2000	

ANNEX VII – Kosovo Dairy Processors Association Product and Marketing Plans

KCBS Project

Technical Assistance provided by Joan Perrin CAE

Association: Kosovo Dairy Processors Association (KDPA)

Date: October 10, 2006

Contacts: Teuta Rama, Executive Director, AFAS, Service Provider, Alajdin Fusha, President, Members of the KDPA Board.

Purpose of the assistance: Recommend profitable product lines.

Background: KDPA, established in 2001, represents the dairy processing industry in Kosovo. Total number of dairies: Twenty-five, eleven licensed, fourteen 14 non-licensed.

Only seven of eleven members have paid dues. Dues are 500 Euros per company as established by the Board. Income from dues is 3,500. This is not enough for the association to be financially stable.

Three meetings were held with KDPA: October 2, October 6, and October 10. Discussions centered on member needs, and development of an activity that would bring revenues into the association from member participation in activities. Three revenue-producing plans were discussed: New technology training, booklet to promote dairies, and adding an Associate membership category.

Training: Since member dues include all training fees, training can not be a revenue-generating product under the current system.

Promotional booklet: At first, the Service Provider and Executive Director suggested producing a booklet to promote dairy companies. The members would pay a fee to have their companies featured. There would be different levels of support for members, and suppliers would also participate as advertisers. When the project was brought to the Board for discussion, there was not much interest. One Board member mentioned that he had already produced promotional brochures and wouldn't participate.

Associate membership category: Suppliers to the dairy industry are good prospects for associate membership. There is no dues category presently to take in suppliers. However, a category can be established. Equipment manufacturers, importers, and other vendors would contribute to revenues with dues and as sponsors of programs. I do not recommend pursuing this avenue at this time because it is more important to strengthen the Regular member dues collection system rather than establish a new category of Associates.

Before the association can benefit from a product development plan or marketing and communication plan, certain steps should be taken to put the association back on track.

Recommendations:

1. A system to collect dues must be implemented. Teuta Rama was shown how to invoice members and what to say in the dues letter. She brought the invoice sample and letter to KCBS. Members should not be enrolled as members unless payment is received. Currently the system allows members to pay what they wish, on no set schedule. Collection has become a full time job. I recommend that dues payments be paid in full, or with one installment after six months.

Three dues reminders should be mailed to members, along with a telephone call. If members do not pay, they need to be removed from the records.

A database needs to be populated with information, including milk collection capacity. Information on members has not been captured.

2. A new dues structure should be implemented. There is a big income discrepancy between the three large dairy processors and the others. Requiring all to pay the same is not equitable. I believe that part of the reason that members are not paying is that the fees are too high for the smaller companies. I suggest the following sliding dues schedule based on milk capacity:

<u>Capacity</u>	<u>Dues</u>	<u>Number of dairies</u>
Less than 2000	200	10
2000-2005	350	5
5000-10,000	450	1-2
Over 10,000	600	2 or 3

3. Open the doors to all dairies, licensed or not. Since more than half of the dairies in Kosovo are unlicensed, it makes sense to allow them to join and help them become licensed. Poor quality from unlicensed dairies reflects on the entire sector, so it is in the best interests of large companies to help smaller ones to raise their standards. By opening the membership up to all dairies, using a sliding scale dues schedule, the association will grow, become stronger, and financially stable.
4. Launch a major campaign to non-licensed dairies to get licensed. Provide training on "How to License your Dairy".
5. Unbundle the training from the dues. Currently, dues include all training. Training can be a revenue-generating activity and it should be separate from dues. If the training is included, there is no financial commitment to attend, making it difficult to plan.
6. Provide extra support and mentoring from KCBS Project staff for the new executive director. Teuta Rama, the KDPA ED, needs association and general business training.
7. The service provider contract should not be renewed. The KDPA would function better by allowing the group to hire services on an "as needed" basis, using a competitive bidding procedure.
8. Strengthen Board communication. Improve attendance at Board Meetings by sending out an agenda (rather than just telephoning and announcing a meeting) and requiring attendance. Encourage participation by smaller dairies. I noted that one large dairy member who spoke for the other members dominated the Board meeting. The President needs to be aware of the problem. At meetings, all members need to be polled rather than allowing one member to dominate and impose his decisions on others.

There is a need for the KDPA because the dairy processing industry is facing strict regulation enforcement in the near future. Many dairies will be shut down if they don't meet the HACCP regulations. The KDPA can serve as the training ground for compliance information. There are revenue-producing trainings that can be developed in the future. In addition, a quality standards booklet would help dairies prepare for the HACCP enforcement. It is my hope that the association will get back on track and take advantage of the technical and financial support that is being provided.

ANNEX VIII – Kosovo Association of Milk Producers Product and Marketing Plans

Product Development Plan - Kosovo Association of Milk Producers (KAMP)

Objective

-Provide on site technical assistance to KAMP members to improve farm management techniques, increase the production of high quality milk, and provide hygiene and nutrition guidelines.

-Increase association revenue by charging farmers a monthly service fee for on site technical consulting services by a KAMP team of advisors.

Product Description

KAMP Team Expert Program: The team would consist of a consultant on hygiene, a lab person to collect samples of milk, a business services provider, and a vet. Fee payment would be based on a sliding scale on the number of cows. 1 – 2 Euro per month per cow. The fees for a Team Expert visit to a smaller farm would be very reasonable.

Traditionally, training for farmers has been free because it has been subsidized by donor agencies. Even so, trainings have not been well attended because it is often difficult for owners of small farms to get away. The rationale for the KAMP Team Expert Program is that farmers already pay for services regarding animal health and milk production problems. Farmers would subscribe as a cost effective way to upgrade their farms.

Team experts would develop a check-list of best practices. When making the monthly farm visits, the team would go through the list and a certificate will be issued to farms that are in compliance with best practices, as recommended by the technical experts. Dairy processors will improve relationships with farms that have earned a Best Practice Seal, and farmers will be able to market their products better. The product will generate good revenue if even half of the farms (100) sign up.

Target Audience

Two hundred-six members. Non-members: One hundred small farms.

Competition in the Marketplace

Farmers might hesitate using the team instead of their regular suppliers because they have established relationships. Door-to-door training on multiple aspects of farm management has not been offered before.

Resources

Staff: Kurtesh Sherifi, Executive Director

Technical Consultant: To be determined

Volunteers: Behlul Behluli, Board President

KCBS Project Staff: Mentor Thaqi

Sponsors: Vaccine companies, companies with new technology in milking, vets. Vaccine companies Vets Companies with new technology in milking

Start-up costs: Printing and publicity

Economic and Legislative Climate

The economic climate is poor for milk producers. The government is allowing foreign producers to sell their product in Kosovo for less than it takes for a local farmer to produce it. Foreign producers are subsidized by their governments. This provides them with an unfair competitive advantage. Milk quality differs among Kosovo dairies. Poor quality control of one milk producer reflects badly on others in the industry. In addition, it is difficult to sell milk to distributors when there is over supply.

Budget

Price quotes pending form expert team members.

Notes: 100-200 Euros per member supplier dues if approval by Board.

Marketing and Communication Plan - KAMP

Goals	Strategy	Marketing Initiatives	Responsible	Timeline	Audience	Costs	Income
Improve farm management techniques, increase the production of high quality milk, provide hygiene and nutrition guidelines.	Fee-based technical assistance through the KAMP Team Expert Program	-Introduce program to members by: -E-mail (question & answer format) -Newsletter. Front page article outlining benefits -Web site -Personal visits. -Promotional brochure -Government visits	Kurtesh Sherifi, Executive Director Kurtesh Kurtesh Team Experts Consultant AKA	11/15/06 11/15/06 Winter newsletter 11/15/06 11/06 – continuing 12/1/06 12/15/06	Members Members Members Members & non-members Minister of Agriculture, Prime Minister's Office	Brochure printing & design: 75 Euro or in kind advertising.	To be determined after Board decision on technical expert contract.
Increase revenue % 15 to meet the 60% fee-for-service contribution to the budget.	Develop an Associate member dues category. Supplier sponsorship/ advertising.	-Determine fee schedule -Board approval -List all suppliers -Develop data base -Board calls with invitation to join. -Follow up visits & calls -Supplier benefit brochure -Follow up calls & visits Visits to suppliers Advertising in -newsletter, -web site - brochures	Kurtesh Board Kurtesh Board Kurtesh Kurtesh	10/30/06 11/5/06 11/15/06 11/20 – ongoing 11/20 – at least 4 per month	Equipment, Mineral, Feed, suppliers & Veterinarians Industry suppliers		100 Euros per supplier member.

ANNEX IX – Kosovo Poultry Producers/Feed Millers Product and Marketing Plans

Product Development Plan - Kosovo Poultry Producers/Feed Millers Association (SHPUK)

Objective

- Establish and implement quality standards for poultry products and protect consumer interests by publishing a Best Practices Guide by the Kosovo Poultry Producers and Feed Millers Association. The guide will serve as a resource for poultry producers and other industry groups regarding safety and compliance with industry regulations.
- Increase association revenue by securing industry-supplier sponsorship of the Guide, selling ads to industry suppliers and other industry supporters. The guide would be distributed free of charge to members. The guide would be sold to non-members and industry supporters for 20 Euro.

Product Description

The guide will be approximately 3 ½ x 2 ½ and a staple bound, 4-color handbook of 20 or more pages. It will be easy to read and contain pictures, graphs and figures to illustrate best practices. Target launch is January 2007.

There will be nine best practices. In the back of the guide, a section will be set aside for advertising by large member companies, associations, and other industry supporters,

The Guide will be a revenue-generating product and serve as a useful link to other future revenue-generating products.

Extension Service: Experts will provide one-on-one technical training in best practices for farmers on their farms. The Guide will be the resource and checklist for the service. User fees will be charged.

Seal of Quality Program: Farms that meet the standards set up by the Extension Service and Best Practice Guide can qualify for acceptance in the Quality Seal program. User fees could be charged.

Target Audience

The Guide would be distributed free of charge to SHPUK Regular Member (50).

Non Members (100) pay a fee of 20 Euro.

Allied Associations and Government receive free or pay a fee:

- Ministry of Veterinary Affairs and Ministry of Agriculture
- Industry companies and organizations abroad
- Feed Mills (20)

Target Advertisers

Veterinary suppliers, veterinarians, feed concentrate companies, Sazli, ADI, Fauna (foreign suppliers), Veterinary Administration of Kosovo.

Attach list

Competition in the Marketplace

The state publishes information on industry standards. There is no direct competition in a best practice product.

Resources

Staff: Edvin Kotherja, Executive Director. Write, edit and produce the Guide. Secure advertisers.

Board Members: Secure commitments from suppliers for advertising. Support the guide by advertising their own companies.

Consultants and suppliers: Printer, designer.

KCBS: Ilir Zenelaj and Mentor Thaqi
Start-up costs:

Economic and Legislative Climate

Although there are virtually no cases of AI in Kosovo, there is negative publicity and fear of the problem on an international level. Timing is good to publish this Guide. The Department of Agriculture is interested in this resource for the farmers.

Budget

Board approval pending. See below.

Goals and Cost Benefit Analysis

Revenue goal: 3000

Expense: 1000

Net profit: 2000

Sell 100 Guides at 20 Euro each = 2000

30 - Members 30 - Government and NGOs

10 - Non-members - 10 - Feed mills 20 - other

Advertising sales: 5-10 ads: x 150 = 750 – 1500 (average 1000)

Cost: Printing & design: 1000 (A printer could donate in exchange for free advertising)

Marketing and Communication Plan

Goals	Strategy	Marketing Initiatives	Responsible	Audience	Timeline	Costs	Income
Educate members to Best Practices of the Poultry Industry	Publish Best Practices Guide	-Promotional brochures -Newsletter -Web page -Personal visits -Advertising at agricultural fairs (booth) -Visits to allied assoc.	Edvin Kotherja	-Members -Non-members -Suppliers -Government agencies -AKA Agricultural Fair	11/06 Next edition (12/06) 11/1/06 Spring Fair 11/15/06	Free Booth provided	20 Euros for non-members and other interested parties
Increase revenue to meet the 60% fee-for-service contribution to the budget.	Sell advertising in the Best Practice Guide	-Set up fees for advertising (Full page, half page, quarter page advertising) Get Board approval. -Board contacts suppliers and introduces them to program -Promotional brochures -Newsletter -Web page -Personal visits -Advertising	Edvin & Coordinator	-Fauna, Koni, AVUK -Meridian, Sano -Procredit, Raiffeisen -Casabank, Droga -Premium Vet -Berisha Techno Market Medi -Chamber of Commerce -Non Members -Minister of Agriculture	11/5/06 11/20/06 11/1/06 Next news-letter 11/1/06 11/06 At least 4 per month	1,000	3,000
Increase knowledge of farm management, hygiene, and quality standards.	Training on "Best Practices"	Hire Trainers, venue -Design materials -Promotional brochures -Newsletter -Web page, visits -Materials -Venue -Advertising	Edvin & Coordinator	-Members -Non Members -Min. of Agriculture <u>Sponsorship:</u> -Industry Suppliers -Banks, Insurance	Winter month when farmers are not as busy.	To be decided by Board	Very Low Register. fee to farmers

ANNEX X – Kosovo Poultry Producers/Feed Millers Product and Marketing Plans

Marketing and Communication Plan-AKA

Goals	Strategy	Marketing Initiatives	Responsible	Timeline	Audience	Costs	Income
Assist member companies to increase market share	Organize International Agribusiness Exposition	- Set exposition date - Check industry calendar. - Visit with Chamber and Industrial Zone site and Sport Center in Pristina to rent space for the event - Solicit bids to rent booths from local and regional suppliers Solicit bids. - Select competitive bid - Sign contract. -Set exhibitor price -Early Bid discount	- Ganimete Salihu, Office Manager - Ganimete & AKA Board President - Ganimete, Board President - Service Provider - Ganimete, Board - Ganimete, Board	12/1/06	- Industrial Zone site. - Industry Leaders - Chamber & site Mgr. - Members, Board, Service Provider Allied Associations -Suppliers - Government - International Groups -Media	<u>Expenses</u> Exhibition hall 7,000 Booths 100 * 100 10,000 Marketing 12,000 Electricity expenses 800 AKA office expenses 1,200 Transportation 2,000 Organizing B2B 1,000 Cocktail party 500 Security 1,400 Staff 8,000 Total 43,900	<u>Incomes</u> Exhibition space (1200m ² * 60) €72,000 Attendees (4000 * €0,5) 2,000 Total income €79,000
				12/5/06		12/15/06	
Have at least 20 sales /contracts resulting directly from the fair	Present to the Kosovo agribusinesses and farmers the new technology lines, mechanization and agricultural inputs	-Produce flyer -Create prospect data base - Contact prospects -E-mail blast -In kind trade ads -Web site -Local press & TV	- Designer, printer -Ganimete -Ganimete -Service Provider	12/15/06 -Must visit 4 prospects per month, and follow up with 3 per month. 12/20/06			

<p>Increase revenue in the association by 25%</p>	<p>Initiate sponsorship program</p>	<p>-Design solicitation package. -Develop Data Base -Board calls largest suppliers to introduce program -Advertise on web site -Newsletter -Visit local suppliers Contact industry suppliers. *Attach list.</p>	<p>Ganimete Board & Ganimete</p>	<p>Industry suppliers</p>	<p>12/07 - 12/08 Schedule at least 4 visits per month. Follow up with 3 visits per month.</p>		<p>Sponsorships revenue (10 * 500) 5,000</p>
<p>Increase the number of supplier members by 10%</p>	<p>Invite to attend at trade Show international and regional companies that sell mechanization, modern production technology and agricultural inputs Exhibit at Trade Show</p>	<p>-Obtain list of non-member prospects -Send direct mail invitation to exhibit. -Telephone follow-up</p>	<p>Ganimete</p>	<p>Non-Members Suppliers</p>	<p>2/07 2/07</p>		
<p>Increase educational opportunities for regular members</p>	<p>Provide Skills and Training Workshop. Organize a B2B event Organize trainings, discussion and sharing of ideas and problems among agribusinesses Organize a workshop on Free Trade Agreement</p>	<p>-Contact members by telephone & e-mail. -Brochure -Advertise on web site -Ads in local papers</p>	<p>Ganimete</p>	<p>-Members -Non-Members -Allied Associations -Suppliers -International Groups</p>	<p>3/07-on going</p>		

ANNEX XI – Association of Microfinance Institutions of Kosovo

KCBS Project

Technical Assistance provided by Joan Perrin, CAE

Association: AMIK (Association of Micro-finance Institutions of Kosovo)

Date: September 29, 2006

Contacts: Blerta Qerimi, Executive Director

Purpose of the assistance: Recommend profitable product lines

Background: AMIK received a long-term grant from Danida for capacity building of their association. The grant will terminate in 2008. There is a need to replace the grant money and find profitable activities that will generate income to assure the financial sustainability of the organization.

Members	Nine institutions
Dues Fee	1000 Euro
Market Universe	Fourteen institutions
Mission	Information clearing house Develop good relationships with Central Bank Strong social focus Build awareness of Women in Micro-finance Advocacy

Recommendations:

1. Expand membership by offering Associate Memberships to suppliers.

- Software companies
- Insurance companies
- Others who do business with the sector
- Dues should exceed the Regular Member dues amount

2. Annual Conference

- Set a registration fee for members, non-members, NGOs. Develop a parameter by asking members what they would pay. Prepare a cost analysis. Set profit goals.
- Increase marketing: Launch an on-line and print newsletter. Promote specifics of the Conference in the newsletter. Make personal telephone calls (Blerta and Edona). Involve Board members. Promote in local papers. Invite untapped companies and NGOs.
- Sponsorships: Set a price for sponsoring coffee breaks, lunch, pens, pads, speaker, other. Create an "Opportunities to Sponsor" flyer, place on the web and distribute to top prospects. Clearly list all the benefits to sponsors. Get names of suppliers from your Board (whom do your members do business with). Make a prospect list from these companies and others that you uncover.
- Table top supplier booths: Invite software and insurance companies to exhibit in the reception/coffee break area. Develop budget and determine costs to set up and drape a table. Determine fair price for tabletop by asking members what they would pay or recommend. Set a goal for the number of tabletop sales. Try for about 3-5. Offer free web site and newsletter advertising (logo only) as an added

bonus. It's OK to ask suppliers what benefits they want in exchange for sponsorship.

3. Best Practice Standards Publication

- Write a handbook for the Micro-finance sector on transparency, reporting issues, regulations, new laws, compliance, and other critical standards.
- Determine if a fee can be charged to non-members, government departments, Central Bank, suppliers. Ask your members.
- Get advertising/sponsors for logo insertion on the back page or elsewhere. Go to businesses, regular members, others in the sector. Your revenue will be generated from sponsor advertisements.
- Do cost analysis. Project must be profitable and generate funds to the organization. Set a net income goal. Limit costs for the product by exchanging free advertising in the publication for free printing and design work.
- Even if your donor agency is providing funds for this project, it is still reasonable and necessary to charge and raise money to cover overhead and management expenses.

ANNEX XII – Kosovo Bankers Association

KCBS Project

Technical Assistance provided by Joan Perrin, CAE

Association: KBA (Kosovo Bankers Association)

Date: October 6, 2006

Contacts: Diturie Hoxha, Manager and Dafina Haliti, Office Administrator

Purpose of the assistance: Recommend profitable product lines.

Background: KBA was established one year ago to represent the banks of Kosovo that are licensed. They provide fee-based professional and technical training for members, and an annual finance fair. The first fair last year was successful even though there wasn't much time for planning or marketing to exhibitors. Another fair is planned for spring 2007 with good potential for profit. The association receives funding from an EAR project, which is ending in the fall. The association must find other sources of income from fee-based activities to assure the financial sustainability of the organization.

Members	Five licensed banks (recently lost one member)
Dues Fee	6000 Euro
Market Universe	Two or three minority-owned banks.
Mission	Technical training for banks Training for small business and consumers Advocacy

Recommendations:

1. Increase profitability of the Finance Fair.

- Cut costs of the service provider (24,000 is too high). Perform easier management, and marketing tasks in house.
- Network with association executives. Learn best practices. Compare what they are paying, what they are charging, and share knowledge.
- Charge 45 per square meter for space, plus 25 for the booth set up and rental.
- Charge extra for premium booths (near entrances or corners).

2. Offer advertising and sponsorship opportunities to suppliers and members.

- Set an advertising/sponsorship fee for members, non-members, NGOs. Develop a parameter by asking members what they would pay. Prepare a cost analysis. Set profit goals.
- Program advertising: Offer foreign banks that do not exhibit an opportunity to advertising in the exhibitors' program. Advertisers receive secondary exposure, in the back of the program, but they pay a premium price.
- Sponsorships: Set a price for sponsoring coffee breaks, lunch, pens, pads, speaker, other. Create an "Opportunities to Sponsor" flyer, place on the web and distribute to top prospects. Clearly list all the benefits to sponsors. Get names of suppliers from your Board (companies that your members do business with). Make a prospect list from these companies and others that you uncover.
- Increase marketing: Market in an on-line and print newsletter. Promote specifics of the finance fair in the newsletter. Make personal telephone calls. Involve Board members. Promote in local papers. Invite untapped companies and NGOs.

3. Technical Training

- Organize study trips abroad for members that require advanced technical information not offered locally. Build in a profit for the association.
- Local training: Get advertising/sponsors for logo insertion on the back page of the hand out material or elsewhere. Go to businesses, regular members, others in the sector. Registration fees for training cover expenses. Extra revenue will be generated from sponsor support.
- Do cost analysis. Training must be profitable and generate funds to the organization. Set a net income goal. Limit costs for the training by exchanging free advertising in the publication for free printing and design work.
- Even if your donor agency is providing funds for this project, it is still reasonable and necessary to charge and raise money to cover overhead and management expenses.