



## **Business Promotion Office Start-Up Workshop**

### **MARKETS Project**

This publication was produced for review by the United States Agency for International Development. It was prepared by MARKETS Project, for USAID/Nigeria, implemented by Chemonics International Inc., in conjunction with Oscar Rizo-Patron and Joseph Jordan.

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## **LIST OF ACRONYMS**

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BPO	Business promotion office
BSD	Business Services Director
M&E	Monitoring and Evaluation
MARKETS	Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites
MT	Metric tons
PMP	Performance Monitoring Plan
SAF	Special Activities Fund
SOW	Scope of Work
USAID	United States Agency for International Development

## EXECUTIVE SUMMARY

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The first part of the assignment was dedicated to the provision of a start-up workshop for MARKETS Business Promotion Offices (BPOs). It included interviews with staff members and 10 workshop sessions. The final agenda of activities of the two week period can be found in Annex three of this report. Also, seven presentations were developed specifically for this workshop and delivered. These can be found in Annex four. Both consultants collaborated closely on session planning; placing emphasis on the use of case studies. While Oscar facilitated the majority of workshop sessions, Joseph played an active role in session planning and participated in sessions to maintain momentum and ensure that key elements be addressed.

The second part of the assignment involved providing hands-on assistance to business advisors and MARKETS staff with respect to firm-level interventions and processes. The consultants attended meetings with potential MARKETS clients, worked with business advisors to draft a Business Plan, provided troubleshooting support to staff, and worked with MARKETS' M&E specialist to develop tools to provide data for MARKETS' PMP.

The consultants worked together closely with MARKETS' staff to provide guidance and advice in daily work, working with client firms, and in assembling the Annual Operating Plan. Overall, the consultants emphasized that business advisors should pursue simple interventions with potential client firms that can yield the most sales in the least amount of time. The first step, of course, is crafting well-developed Business Plans and getting them signed.

The consultants met with Olam Rice and assisted business advisors in drafting a preliminary business plan for submission to the firm. Oscar attended a meeting with sorghum brokers (RPCs) and provided his thoughts on existing opportunities. The consultants also met with business advisors working in the dairy, cowpea, and aquaculture sectors to discuss potential opportunities and to assist business advisors in critically assessing those opportunities.

For follow-up, the consultants recommend that the BPOs complete their respective Annual Operating Plans as soon as possible, that business advisors get involved in the Nigerian business community through local chambers of commerce and other organizations, and that BPOs start submitting weekly reports. Also, the M&E specialist mentioned interest in building a database to manage information for the project. This may be worthwhile to pursue further as it could assist with managing the 33 indicators contained in MARKETS' PMP and the local M&E specialist commented that he had expertise in managing databases.

Finally, the consultants suggest that additional support in enterprise development and the overall approach be provided. Our proposal, as contained below, is that Oscar provide approximately four days a month of remote support from Peru that would include reviewing documents and troubleshooting problems with the new Business Services Director (BSD) and/or business advisors as well as periodic visits to the field.

## **BPO START-UP WORKSHOP**

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### **1 Introduction**

Following arrival the consultants dove into their work. The first portion of the assignment was dedicated to the provision of a start-up workshop for MARKETS Business Promotion Offices (BPOs). The first day included interviews with COP Dick Cook and MARKETS technical staff conducted by Oscar while Joseph focused on polishing workshop presentations. Both consultants collaborated closely on session planning; placing emphasis on the use of case studies. While Oscar facilitated the majority of workshop sessions, Joseph played an active role in session planning and participated in sessions to maintain momentum and ensure that key elements be addressed.

### **2 Interviews with MARKETS Staff**

The purpose of the interviews with MARKETS technical staff was to become acquainted with the backgrounds of team members in order to better tailor training sessions to staff needs. Several important elements came out in the interviews with staff. First, many staff members when asked about how they could contribute to the success of MARKETS responded by talking about their individual technical expertise. The technical expertise of MARKETS local professionals is impressive; however it's important that the entry point for intervention be the primary constraint or bottleneck to growth that a client firm faces. From a management perspective it will be important during implementation to closely monitor business plans and ensure that proposed MARKETS interventions correspond with solving a strategic bottleneck to business growth for the client firm. This is in contrast to providing a predetermined technical solution that may or may not correspond to solving a client firm's strategic bottleneck.

An example of technical expertise influencing interventions is in the area of dairy. During one of the interviews it was mentioned that the main bottleneck of a potential client dairy processor is the low productivity of the firm's cows. However, when queried about the potential intervention of MARKETS, the individual identified the need for new packaging and a marketing campaign for one of the company's primary products. This was aligned with the individual's recent experience working in marketing in the dairy sector.

Subsequent to the interviews, the consultants realized that local staff members are motivated professionals, however required assistance in gaining a better understanding of the overall approach as well as in analyzing and critically assessing current opportunities from a business perspective. Therefore, the consultants endeavored to use case studies – either from other projects or current examples from MARKETS - as much as possible during workshop sessions.

### **3 Workshop Sessions**

Presentations from workshop sessions can be found in Annex 4 of this report. Below is a brief synopsis of each presentation as well as some thoughts on how each presentation could be improved in the future. The consultants noticed early on that the sessions lasted longer than original time allotments. Typically, this resulted from a lively discussion amongst staff

members regarding a specific intervention or client firm. In these cases the consultants allowed the dialogue to continue as it contributed to reaching workshop objectives. The agenda of activities contained in Annex three documents the schedule of the consultants during the assignment for both the workshop and hands-on portions of the assignment.

### **3.1 Introduction: BPO Goals and Principles**

The starting point was a 30 minute introduction on the approach from a “big picture” perspective. During this session, Oscar Rizo Patron reviewed with staff where MARKETS begins in terms of approach and methodology and discussed what this means for interventions. During this session the consultants introduced a work strategy to guide business advisors in each intervention. The work strategy contains five steps and was used regularly as a didactic tool to illustrate the process used to work with client firms. At this level MARKETS staff seemed to grasp the overall principles of the approach.

Although important, this session should be kept as brief as possible. The most important elements of this session were to provide background on the overall approach and introduce the five-step work strategy for MARKETS interventions. This helped to create an overall framework for subsequent sessions, case study presentations, and for hands-on application.

### **3.2 Case Studies**

Using the five-step work strategy introduced during session one, the consultants reviewed five case studies of how constraints to doing business have been approached with success. Throughout each case study presentation MARKETS staff engaged in substantive dialogue and questions about the details of the intervention. The discussion brought to light some confusion that exists amongst staff members about the approach. Namely, many staff members thought that what was meant by “demand driven” is that MARKETS should enter at the producer and/or firm level and work to identify buyers for product. One of the aspects emphasized during the case studies is that MARKETS enters at the buyer level and then works with producers and/or firms, if needs be, to meet the requirements of the firm. Therefore, the focus for the seller becomes producing what sells as opposed to selling what is produced. Clearly, this approach is more effective in increasing the overall productivity and income of producers and/or firms.

The duration of this session was three and one-half hours. Although long, the session was helpful in demonstrating some of the nuances of the approach and interventions. The consultants noticed that staff members were fully engaged throughout the session. The evidence for this includes the questions asked and the ensuing group-level discussion following each question. The case studies were indeed an effective tool to illustrate the approach and spur dialogue and interaction amongst participants.

### **3.3 Role of BPO and Business Advisors**

This session focused on BPO organization, relationship with the project office in Abuja, and general tools for working with client firms. Specific tools discussed included Annual Operating Plans and Business Plans. Following the session the group split up to tackle five case studies for current/potential client firms. The teams assessed individual businesses with which MARKETS currently works within the context of the value chain. Specifically, each

team identified the final buyer, the primary bottlenecks/constraints to business growth for the client, and key activities to address those bottlenecks.

The length of the presentation itself was approximately one hour. The session also included an additional two hours of preparation time for the case study teams. While several key points were explained during the presentation, the presentation itself could be shortened in favor of spending more time on working through the case studies with the teams.

### **3.4 Case Study Presentations**

The next morning each case study presented to the group the results of the assessments. Each team included one individual who currently works with the business in question. This exercise served as a litmus test for determining how business advisors are applying their understanding of the “demand driven” approach to current project interventions. Each case study team presented its assigned client firm to the group. During each presentation the consultants worked with the teams to evaluate the problems and proposed solutions presented. Generally, the consultants noted that there was little causal linkage between the primary bottleneck to business growth identified and the key activities proposed to address said bottleneck. One example includes recommendation of a feasibility study for a “bankable” loan in response to a long list of needs of the client firm. Further investigation by the consultants revealed that the client firm was a start-up project and not a firm already in business with established distribution channels.

Although going through each presentation and review at the group level lasted three and one-half hours, the interactive nature of this session and hands-on approach served to edify key principles of the approach both for the presenters and the rest of the group. The session also provided real-time support to business advisors through critical assessment of current MARKETS opportunities and interventions.

Case study presentations were clearly successful in challenging participants to grapple and think critically about the problems of client firms and to develop solutions tailored to solve the identified problems. For each proposed solution, the consultants assisted business advisors in thinking strategically about MARKETS cost for each intervention and relating this to the expected benefits in terms of sales generated from removing the identified bottleneck.

### **3.5 STEP 1 – Business Identification**

Following a break for lunch the team reconvened for a session on how to identify client firms. Finding contact information for a firm is usually the first step. The consultants visited a local grocery store and identified potential client firms in the sectors of legumes, dairy, rice, and also for potential new sectors for the project following the first year of implementation. The consultants emphasized that this type of “market intelligence” was work that the business advisors should take the lead on instead of conducting potentially expensive “market studies” that yield little in terms of sales generation (high cost/low benefit).

Knowing what the BPO can offer to client firms in terms of services is also a key aspect of approaching potential clients. This is an area that was addressed during the presentation, but could be further elaborated upon for future presentations to provide greater clarity.

### **3.6 Communicating Success**

In the afternoon two communications consultants presented a two hour session on communicating success. The communications representative from USAID/Nigeria (DOC) was present for this session. Oscar participated in this session to provide a business perspective and ensure full and constructive engagement with project stakeholders.

The next day was devoted entirely to communications. Although communications is an important element of implementation, for future workshops with similar scope, it is recommended that the overall communications portion of the workshop last no longer than three hours.

### **3.7 Annual Operating Plans – Getting Started**

The next Tuesday we resumed training sessions and introduced the Annual Operating Plan as a tool for business advisors to use in their daily work. The purpose of the Annual Operating Plan is to provide business advisors with a firm grasp of the resources and opportunities that exist within their corridor. Research to be carried out by each business advisor includes compiling information on production capacity, weather patterns, and primary economic activities. The consultants worked with the team to establish a due date for initial drafts of Annual Operating Plans for each BPO.

The consultants prepared a template for MARKETS Annual Operating Plans and reviewed both the template and a sample Annual Operating Plan with the team. Oscar emphasized that the exercise is not academic, but rather to arm business advisors with important knowledge about their corridor. This methodology of explaining the template and providing an example seemed quite effective. The template, example, and presentation can be found in the annex section of this report. This session would probably be better placed, however, prior to the presentation on buyer identification or subsequent to the presentation on tracking results. The reason for this would be to keep the session presentations consistent with the work strategy presented during the first session.

### **3.8 STEPS 2,3, & 4 – Assess Client, Craft and Implement Business Plan**

This session was devoted to reviewing the Business Plan template for MARKETS, an example Business Plan for MARKETS, and an example of a weekly report. Business Plans formalize the relationship between the business advisor, client firm, and the project. The Business Plan is not only an agreement, however. It also documents the primary bottleneck/constraint of the business that MARKETS endeavors to remove in order to increase client sales. After identifying the key bottleneck to business growth the business plan should demonstrate a clear linkage between resolution of this bottleneck and the proposed activities of MARKETS to remove the bottleneck. Subsequently, there should be a reasonable estimation of what the cost of proposed activities will be from MARKETS perspective and the projected amount of incremental sales that will result from removing the identified bottleneck. Providing projected activities and an estimate of results in terms of sales assists both the business advisor and the project to analyze the cost of the proposed intervention as compared with potential benefits in terms of increased sales. Following, the consultants presented an example weekly report to the team. The weekly report, to be completed by the director of each

BPO on a weekly basis, serves to provide the Business Services Director (BSD) with an update on where current activities with client firms and/or potential client firms.

Again, the consultants presented and explained the templates during the presentation followed by an example. In the case of the Business Plan the consultants put together a hypothetical example of what a Business Plan might look like for Olam rice. In the case of the weekly report the consultants used an example from another project. Again, this methodology was viewed as being effective from the level of engagement by project participants. Related presentations, templates, and examples can be found in the annex section of this report.

### **3.9 STEP 5 - Track Results**

This session focused on M&E for MARKETS. M&E begins when the business advisor signs a Business Plan with a client firm. Again, the session was placed within the context of the work strategy used throughout the sessions to frame the overall approach. During this session the consultants explained specifically how the Business Plan fits into project M&E, how to set a baseline with the client firm for sales and employment, attributing incremental sales of client firms to MARKETS interventions, M&E audits, and assessing potential for increased sales as compared to project cost for each intervention. Dovetailing with the session on Business Plans, this session focused on the importance of a cause-effect relationship between removal of an identified bottleneck, the project intervention, and subsequent incremental sales increase due to the intervention. Also introduced was a preliminary process for how the M&E specialist works with BPOs to evaluate and verify the cause-effect relationship of BPO activities and incremental sales of client firms.

This session built upon concepts and tools presented in the previous session on Business Plans. Also, because MARKETS M&E specialist was present throughout, several important issues came up with respect to overall process used and several of the details. Following up on these issues later in the week ensured that M&E at the BPO level flows seamlessly into MARKETS' overall PMP. This session, however, could be made more effective by making it shorter and providing a brief group activity and/or case study to illustrate the main points.

# HANDS-ON APPLICATION

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## 1 Introduction

The second part of the assignment involved providing hands-on assistance to business advisors and MARKETS staff with respect to firm-level interventions and processes. The consultants attended meetings with potential MARKETS clients, worked with business advisors to draft a Business Plan, provided troubleshooting support to staff, and worked with MARKETS' M&E specialist to clarify processes and develop workable solutions to provide data for MARKETS' PMP.

The consultants worked together closely with MARKETS' staff to provide guidance and advice in daily work, working with client firms, and in assembling the Annual Operating Plan. Overall, the consultants emphasized that business advisors should pursue simple interventions with potential client firms that can yield the most sales in the least amount of time. The first step, of course, is crafting well-developed Business Plans and getting them signed.

## 2 Olam Rice

Olam is a rice processor located in eastern Nigeria. Olam is a large multinational processing and commodity trading company based in Singapore. They currently manage an out-growers' scheme where they provide rice producers with inputs and technical assistance.

### 2.1 Initial Meetings

The consultants participated in two meetings with Olam, one in the project office in Abuja and one at Olam Rice's headquarters in Makurdi. Prior to the first meeting the consultants reviewed current ideas for assisting Olam including helping Olam to purchase equipment to increase sales in addition to identifying a buyer for an excess volume of low-grade rice currently in the company's warehouse. Following the first meeting Olam's expectation for assistance was clear and involved receiving cooperation from MARKETS to finance the firm's out-grower's scheme. The consultants noticed that several members of MARKETS staff spoke with the representative from Olam and that the representative's expectations and understanding of MARKETS' approach were not aligned with what the project can provide.

It became clear during the meeting that selling Olam's excess product volume would not contribute to increasing incremental sales; i.e. there would be no change from the initial baseline of sales and production set at the onset of the project intervention. Further conversation revealed that one of Olam's primary problems was a lack of consistent, high-quality supply of rice paddy from local producers. For this reason they were using an out-growers' scheme to improve quality and delivery of rice paddy to the processing plant.

### 2.2 Drafting a Business Plan

Following the meeting in Makurdi MARKETS agreed to submit a preliminary Business Plan to Olam containing specific activities to assist the firm in improving the quality of rice paddy received from local producers and complement the firm's current out-grower's scheme. Oscar worked with the business advisors (Josephine and Ben) to finalize a Business Plan for Olam.

### **3 Sorghum Brokers and Sorghum Alliance**

Oscar met with project staff, brokers (RPCs) from the sorghum alliance, and Doug Leavens acting COP of the PRISMS project to discuss provision of a financial feasibility study to secure local financing to organize a supply base of sorghum for Nigeria Brewery. The majority of the meeting focused on financing. Briefly touched upon was the importance for Nigeria Brewery of improving productivity with respect to both quantity and quality of raw material of both sorghum and malted sorghum. According to one broker, the average sorghum field today yields 1.5 MT per hectare. Given proper technical assistance, improved farming practices, and new seed varieties overall yield could be increased to 4.5 MT per hectare. This could represent an opportunity for MARKETS to work with individual brokers and maltsters to create purchasing contracts with producers based on quantity and quality of raw sorghum.

Of note is the importance of differentiating the scopes of PRISMS and MARKETS when meeting with client firms. Namely, MARKETS should be careful so as not to be perceived by the business community/clients to be a source for financing.

### **4 Niya Farms – Dairy**

Niya Farms is a potential client in the mid-belt region focusing on dairy processing. The firm supplies hotels in Abuja such as the Hilton and several supermarkets with dairy products. One of Niya's main challenges is that their raw material is imported milk powder. The firm has no cows to provide fresh milk. While this problem seems like it would represent a significant structural constraint to business growth, the primary bottleneck identified was packaging. In discussions with the business advisor it was noted that there is no way to know, in this case, if packaging is the primary constraint to increasing sales. And, even if significant evidence exists to indicate packaging as the primary constraint, it is doubtful as to whether the associated costs for new packaging and a product launch are less than the benefits in terms of increased sales resulting from this intervention.

Also, MARKETS can not purchase cows for Niya Farms, even though for all practical purposes this represents the most significant constraint to growth. For practical purposes the consultants defined "bottleneck" as an impediment to sales growth where costs for removal of said impediment are low relative to the benefit of increased sales. The lack of cows represents a larger structural problem for Niya Farms to expand as opposed to a "bottleneck" that could be effectively addressed by a MARKETS intervention.

### **5 Al Hadji Mohammed Koya – Legumes**

This firm is a wholesale distributor of cowpea in Kano. Primary bottlenecks identified for the firm involved low quality of cowpea, inappropriate technology, and a lack of western education. The business advisors commented that more buyers needed to be identified to purchase the product of the distributor.

Following discussion the consultants determined that there is a larger business called Phemson that is interested in expanding its sourcing channels for cowpea. The consultants commented that Phemson seemed like a better client for MARKETS in this case and that

generally, business advisors should not be rigid about the firm to pick as a client. Therefore, instead of approaching Phemson as a possible buyer for the product of Mr. Koya, it could be better to approach Phemson as a client firm to assist them with expansion of their sourcing channels. Most importantly is to possess the capacity to properly assess how the client firm fits into the context of the value chain.

## **6 Zartech - Aquaculture**

The value chain for aquaculture in Nigeria involves fishermen at the producer level, middlemen who act as consolidators at the next level, suppliers who buy from the consolidator and the final buyers that purchase from the supplier. The business advisor from Lagos discussed the need to “organize the market” (create buyers/demand) for the aquaculture sector as there is currently no single “big” buyer for fish in Nigeria.

Zartech is a fish supplier that processes approximately 100 tons of fish per month. Fifty tons goes to a single buyer and the other 50 is split between several smaller buyers. After further discussion the consultants commented that a client of this size represented an opportunity to outsource for MARKETS. By working to identify and solidify outsourcing opportunities to local producers and consolidators for Zartech MARKETS could achieve a great deal with respect to increased sales. The consultants pointed out that the approach of MARKETS is not to organize demand, but rather to identify demand and respond to it by organizing supply.

## **7 M&E**

Joseph spent approximately three days working with MARKETS’ M&E specialist to plan and develop tools to measure results at the BPO level. The primary challenge addressed was how to structure the business plans, baseline forms, and monthly reporting guidelines to provide data for the 33 indicators contained in MARKETS’ PMP. All forms and guidelines developed for MARKETS’ M&E system are contained in Annex five of this report.

### **7.1 Approval Process for Business Plans**

The consultants worked with the M&E specialist and the SAF manager to formulate a process for review and approval of client Business Plans. This process is preliminary, but a starting point and further elaborated upon in Annex five of this report.

### **7.2 Setting a Baseline**

Setting a baseline involves capturing data at the firm level for sales and employment for the 12 month period leading up to MARKETS’ intervention. Other than sales and jobs; each intervention will determine the specific indicators from MARKETS’ PMP for which data is collected. These indicators will be determined prior to the signing of the final Business Plan.

### **7.3 Monthly Reporting**

Business advisors will provide data on a monthly basis for each client firm that includes data for the contract indicators as well as other indicators selected to measure the specific intervention by the M&E specialist, the business advisor, and the Business Services Director.

# RECOMMENDATIONS AND FOLLOW-UP

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## 1 Introduction

The consultants would like to make a couple of recommendations to increase the overall effectiveness of the MARKETS project in addition to a couple of suggestions for follow-up work to continue the momentum.

## 2 Recommendations

### 2.1 Commodity Focus of the Contract

Fortuitously, MARKETS' contract provides structure for the first year of project activities and defines several strategic sectors in Nigeria for MARKETS intervention. The consultants identified a few other sectors that could represent high-growth opportunities for the project (i.e. cashew nuts and marble). MARKETS should remain vigilant of opportunities in other sectors so that the project can be opportunistic in implementing activities at the BPO level to achieve project objectives.

### 2.2 Project Organization and Management

First, it is recommended that a more precise definition of “fast track” be developed by the project. It seemed that the working definition of “fast track” for MARKETS staff involved doing a feasibility study for a loan or doing a spot sale involving finding a buyer for excess supply of a client firm. Instead, it would be better to define “fast track” as the quickest solution to the bottleneck of a client firm, agreeing with the client firm on the activities selected to remove the bottleneck, and putting this in writing in the form of a fully executed Business Plan.

Next, accountability is a key aspect of working with client firms. The consultants noted that some client firms spoke with several MARKETS staff and there did not seem to be one individual from MARKETS' perspective “in-charge” of the client firm. Accountability is a key aspect to the overall approach and for each Business Plan there is space for the signature of one business advisor. Therefore, it is recommended that each client firm have one contact person from MARKETS who serves as the “account manager”. Technical staff could feasibly play the role of account manager as well. It is further recommended that technical support staff roles be clarified to avoid duplication of activities with business advisors in the BPOs.

Also, the role of the M&E specialist should be clear with respect to PMP management for MARKETS. It is important not to unload data collection responsibilities for the 33 indicators on to the business advisors. Rather, the M&E specialist should manage this process closely to select indicators for each specific intervention. Unloading collection of the 33 indicators onto business advisors clouds the purpose of each intervention. Instead, it should be clear that the primary goal is to increase sales at the business advisor-client firm level. This approach will keep the message to client firms clear and consistent with respect to MARKETS' objective and serve to increase the number of client firms for the project, increase interventions, and contribute to the project meeting its targets in other indicator areas.

Finally, the term “alliance” should be better defined for MARKETS staff. The consultants detected some confusion amongst staff members about what this term means. Overall, staff members seemed to think that MARKETS’ role is to work with “alliances” in the same way that it would work with a business. It is difficult to work with a group of businesses in this manner as a group of businesses rarely have the same needs and at times may have conflictive needs. Instead, management should communicate that “alliances” are primarily a platform for businesses within a value chain to convene and convey their broader objectives at a policy level. MARKETS can facilitate the work of the alliances, as well as use the venue to identify additional client firms and opportunities within value chains.

### **2.3 BPO Level**

Generally, it seemed that MARKETS’ staff gravitated toward market studies and financial feasibility studies to solve the problems of client firms. It is important to emphasize that market intelligence is more beneficial and less costly than a market study and that finance not be used as a fall-back when a business advisor is unable to identify the primary bottlenecks of a client firm. Although increasing access to finance is important and part of the MARKETS contract, there is no guarantee that MARKETS will succeed in securing financing by churning out feasibility studies for client firms. Rather, it is recommended that financing be sought within the context of making a sale. Using the same logic, there is no evidence showing that market studies alone can increase the sales and jobs of client firms.

While the corridors for MARKETS are set up on a production basis, it appears that trading routes run from north to south; i.e. producers in the north supply processors in the south. Therefore, it is likely that BPOs will engage in the same business at different levels of the value chain. Interventions by BPOs should be coordinated carefully and the business advisor or account manager responsible should be determined on a case by case basis.

## **3 Follow-Up**

### **3.1 BPOs**

The Abuja BPO and other BPOs should create Annual Operating Plans as soon as possible. This involves collecting information on business activities in each respective corridor.

Also, business advisors and the Business Services Director (BSD) should work to create relationships with organizations such as local Chambers of Commerce, export/import associations, and commercial/industrial organizations within selected commodity sectors. This will provide MARKETS with name recognition within the Nigerian business community.

Next, BPOs should start sending weekly reports as soon as possible providing an update on where project activities are for each business and the business advisor responsible (account manager) for each client firm. This is an important management tool and will help keep the team in the loop on where MARKETS’ stands with various clients. By tracking where the project is with each client closely, management can recommend key activities for interventions or recommend that the project cease activities in an area that does not look promising from a sales perspective.

Also, “market intel” trips should be conducted through visits to the local grocery stores and looking at labels for local Nigerian processors. These processors already have existing distribution networks and MARKETS’ could potentially provide assistance in widening these channels, providing support in outsourcing, or working at the producer level to improve supply of raw material.

### **3.2 On-Going Support**

At the time that the consultants departed Nigeria the Business Services Director had not been hired yet and the BPOs in the north and in the south were not yet fully staffed. Two weeks was sufficient to provide training and preliminary hands-on support, however further work is necessary to ensure continued momentum.

For further activities it is recommended that Oscar provide remote support from Peru to the Business Services Director and BPO business advisors. The support would consist of providing feedback on proposed project interventions, BPO weekly reports, draft Business Plans, and thoughts on the Annual Operating Plans to be completed by each BPO. This would take approximately four days per month and would also involve periodic trips to Nigeria to work with the Business Services Director and with client firms to review interventions and provide real-time feedback.

### **3.3 M&E System**

The M&E specialist mentioned that he was experienced in database management and was investigating the possibility of creating a database to track project results against the 33 indicators contained in MARKETS’ PMP. The creation of a database to manage information could be a good option for information management. Databases have been created by other projects with a similar scope by hiring a local database specialist and crafting a database to the needs of the project. This would also involve working with the local M&E specialist and using the database of another project with a similar scope as a starting point.

## ANNEX 1: SCOPE OF WORK

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**Chemonics International Inc.**  
**Nigeria MARKETS Activity**  
**Scope of Work for Business Promotion Office Start-Up Workshops: Oscar Rizo-Patron**  
**and Joseph Jordan**

### **Background**

USAID/Nigeria has begun implementing the five-year Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) activity. MARKETS focuses on expanding economic opportunities in the agricultural sector by increasing agricultural productivity, enhancing value-added processing, and increasing commercialization through *private-sector led and market-driven* growth and development. MARKETS will work along the commodity development chain--from primary producer to processor to end-users--with the aim of reaching significant numbers of agricultural households and rural enterprises. The activity aims to transform Nigerian agriculture in selected areas from low input/low output, subsistence farming to commercially competitive agriculture. It will identify and address priority food and cash crop/non-crop systems where productivity gains will lead to 1) significant impacts on the economy and 2) improvements in household livelihoods of those involved in the agriculture sector. In addition, the activity will support off-farm agricultural enterprises that will enhance the transformation process and generate employment.

A significant aspect of this approach is to provide locally-based extensions of the MARKETS project through Business Promotion Offices (BPOs) which will screen, identify, and work with the project office to create sales and jobs for client firms with a focus on strategic sectors.

### **Purpose**

Consultants will work with project staff to convene BPO personnel for an induction workshop on how to put Markets' results-oriented and demand-driven approach into practice, instructing business promotion office in what to do, how to do it, and what not to do. In addition to providing operational guidance, the workshop will include training in M&E procedures to build into operations and feed the project indicators as contained in Markets' PMP. Following the induction workshop, the consultants will provide hands-on training to Markets BPOs and business advisors starting with the identification and tracking of buyers and client firms, how to fill out MOU templates, results monitoring and reporting, and operations. Consultants will accompany business advisors in the process of setting up shop in their respective corridors including meeting with potential clients, buyers, reporting results, and administrative management. As part of this accompaniment, business advisors will get a sense of how to work with buyers and client firms to make successful deals as well as in how to prioritize opportunities using the \$5 in sales for every \$1 of resources spent for every intervention at the BPO level. Transferring this simple cost-benefit analysis tool to business advisors is an important key to ensuring maximum impact of Markets interventions at the BPO level.

Consultants will:

- Work with the Markets team in development and delivery of a two and one-half day workshop to introduce BPO staff to the concepts and administrative procedures for the offices.

- Assist with the start-up of the BPOs in the management of the process from how to work with client firms, the purpose of the MOU and how it is incorporated into operations, working with buyers, results monitoring and reporting, use of templates and general administration of the BPOs.
- Provide practical training to hone business advisor skills in business analysis and identify opportunities to add value.
- Develop and define procedures for the monitoring and evaluation of BPO results.

### **Specific Duties and Responsibilities**

#### ***Induction workshop topics:***

##### ***The Markets Project – Big Picture***

- Conceptual Principles
- Operational Principles and their significance for the decision making. Specific case studies from other projects using a similar approach.
- Organizational Chart: the role of the Abuja office in supporting activities of BPOs.

##### ***Role of BPO: working with client firms and buyers***

- Role of the BPO as a sales agency with vast resources to develop/modify products based on buyer demand;
- Management/organization of the BPO and roles of staff;
- Resources available to the BPO – expat and local, research on global demand and potential buyers conducted by Abuja office;
- How to access resources and specialized consultancies – process of programming, requesting, and reporting;
- Practical approaches to working backward from the deal - identifying buyers, probing existing and potential needs, accompanying client firms in working with buyers;
- Selecting clients – criteria, getting started, the purpose of the MOU, how to use the MOU, and selecting activities to include in the MOU;
- Working with producers/clients to modify products or how products are delivered to buyer;

##### ***M&E***

- Performance monitoring – purpose, how the MOU fits in with M&E approach, monthly and quarterly reporting, what to expect, and M&E audits from the Abuja office. Importance of the MOU to creating baseline and measuring results attributable to project activities;
- Goals, per year and cumulative;
- M&E as a management tool;
- How results are measured;
- Baseline: Who's the client, a group of producers or the buyer?
- Causality and attribution: importance of the MOU. Flexibility of MOUs, addendums, modifications;
- Examples: successes and mistakes taken from Peru PRA, Paraguay Vende, Armenia MEDI, and Azerbaijan ABAD;

##### ***Communications***

- Importance of communications to the approach – using successful case studies to create a multiplier effect.
- Case study examples.
- Working with the project office communications specialist to identify and write up successful case stories.

***Hands-on Accompaniment of Business Advisors:***

- Provide practical training and guidance, ensuring that business advisors are learning by doing.
- Accompany business advisors to meetings with targeted client firms and buyers.
- Lead the questioning process in initial meetings and gradually hand over the lead roles to business advisors to give them a feel for specific questions to ask during this process.
- Assist business advisors and producers in identifying appropriate uses of Markets resources to increase sales and jobs of client firms.

The consultants will travel to the BPOs as scheduled by the Abuja office, supervising business advisors in conducting meetings with client firms in pre-selected sectors and with potential buyers. The consultants will assist business advisors in analyzing gaps in the value chain where the BPO can add value. Business advisors will turn this analysis into an actionable plan. The overall objective is for the business advisors to learn by doing and to put the tools and ideas presented in the induction workshop into practice.

**Deliverables**

- Two and one-half day BPO workshop provided.
- BPOs assisted with start-up activities.
- Business advisors and project staff understand the overall approach and receive hands-on application experience using the tools presented in the BPO workshop.
- M&E procedures developed in coordination with Markets' PMP.
- Three page trip report submitted outlining necessary follow-up activities for BPOs and Abuja office staff.

**Timing/Duration**

The assignment is in-country and expected to run from February 6-17. LOE – 14 days for each consultant

**Location**

Abuja

**Reporting**

While in Nigeria, the consultants will report directly to MARKETS COP, Dick Cook, and coordinate closely with the HO PMU.

## ANNEX 2: CONSULTANT CVs

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### 1 Oscar Rizo-Patron

Economist and business manager with more than 18 years of experience in promoting non-traditional product exports. Ample experience in strategic planning, business plan development and design and business technical needs assessment. Built and established strategic alliances between different non-traditional produce and food producers in Peru. Successfully promoted positive relationships between national and international fresh produce and vegetable producers for exports. Active member of the Board of Directors and Executive Council of the Peruvian Exporters Association, and helped set forth export policies to benefit small and medium sized agricultural producers. Possesses ample experience with the financial sector to leverage and secure loans and lines of credit for farmers and small producers. Worked extensively with fruit and vegetable producers to improve product quality, create new jobs, increase farmer income, and ensure business sustainability and success. Brought together local exporters and trading companies to ensure long-term provision of reliable suppliers of new products for international markets. Fluent English.

**EDUCATION**                      B.S., economics, University of Maryland, College Park, 1986.

#### PROFESSIONAL HISTORY

**1999-present**                      Deputy chief of party and team leader, PRA Project, Chemonics International, Lima, Peru. In charge of generating trade ties and attracting private investment to 11 economic corridors in Peru. Creates, establishes, and sustains strategic alliances with local producers as well as generates and maintains sustainable and profitable business in these areas. Has contributed to generating over US\$71 million in new business, more than 35 thousand permanent jobs and about US\$6 million in fixed assets investments. Works in close relationship with 15 regional offices and provides them with the business approach and orientation to achieve sustainable economic development goals.

**1995-1999**                              General manager and chairman of the board, Industrias Forestales La Marginal, S.A. (INFOMAR), Pucallpa, Peru. Responsible for managing one of the largest tropical forest companies in the region that uses forest resources according to environmentally sustainable criteria, transforming hardwood lumber for export to more than 15 countries. Supervised different areas such as raw material provision, production, commercialization, administration and finance. Was in charge of managing more than 200 employees. Set goals and a business plan to achieve said goals, as well as prepared a yearly budget for the company. Generated sales for US\$5 million exporting lumber to virtually all continents. Was very successful in exporting wood types never exported before. Signed a US\$4.8 million contract with ENAFER S.A. to provide them lumber.

**1997-1999**                              Managing director, Phoenix Foods, S.A., Lima, Peru. Was responsible for designing the business strategy for this fresh fruit (grapes, citrus) and vegetable (asparagus, avocado, and onion) export company. Developed business strategies with several Peruvian and South American export companies targeting the US, Japan, and European markets. Was in charge of setting and achieving goals for each harvesting season. Evaluated business opportunities

and contracts with several international clients.

- 1994-1999** Member of Executive Council and director, Wood Products Industries Committee, Exporters Association (ADEX), Lima, Peru. Participated actively in Adex's policy and strategy development in close collaboration with the institution's president and other council members. Was responsible for preparing business plans to promote Peruvian wood products worldwide. Had an important policy and decision-making role within the council and participated in improving the forestry sector relationship with other industries in the country as well as with government agencies in charge of the sector. As director and president of the Trading Companies Committee, responsible for promoting trading companies activities as international trade generating engines. Organized business round-tables in several states to facilitate exports of new products to international markets.
- 1992-1999** Manager, Golden Phoenix of Peru S.A., Lima, Peru. Was responsible for strategic planning and goal setting for this direct human consumption food trading company. Was in charge of supervising the international trade division. Negotiated product price, volume and contract terms and conditions with providers and clients. Negotiated transportation arrangements and prices with air and sea shipping companies. In charge of supervising product quality control and logistics in different Peruvian states.
- 1992-1995** Managing director, Columbus Financial, S.A., Lima, Peru. Worked directly with export companies and banks to develop and execute foreign trade commercial transactions with international customers as well as to secure credit lines with local and foreign banks. Provided expert advice and consulting services on exports to small and large exporting companies.
- 1989-1992** International trade officer, First Interstate Trading Company, Los Angeles, California and Lima, Peru. Was in charge of carrying out a debt recovery program with the Government of Peru through non-traditional product exports. Carried out financial transactions for more than US\$180 million and was able to recover US\$34 million of non-collectable debt.
- 1986-1988** Trade assistant manager, Interpro, Lima, Peru. Was responsible for promoting export business generation in the food, textile, and timber sectors for this non-traditional product marketing for international markets company.
- 1984-1986** Language lab supervisor, Language Media Center, University of Maryland, College Park, Maryland. Was responsible for controlling and supervising all language lab-related activities as well as ensuring that all necessary educational materials and supplies for lab practices were readily available to all students.
- LANGUAGES** Fluent in English.
- PERSONAL** Peruvian citizen.

## 2 Joseph D. Jordan

An international development professional experienced in project management, compliance with USAID regulations, and performance management. Provides research support to Dr. James Riordan on the economic corridors methodology and its application on competitiveness projects industry-wide. In Armenia, worked with Dr. Riordan in the visitation and assessment of business centers operating in the economic corridors targeted by the USAID/MEDI and USAID/ABAD projects located in Armenia and Azerbaijan respectively. During these visits assisted with a team case study review of current clients who business advisors supported in Armenia. These case studies involved building the capacity of business advisors to strategically think about the costs of project interventions and time in relation to the sales that those interventions could generate. Assisted in conveying the concept of attribution of project activities to sales results in these sessions and how this is made operational and monitored through the contract between the client and business advisor. Has managed five USAID-funded projects for Chemonics International, including two in El Salvador, overseeing project administrative elements, monitoring and evaluation systems, contract compliance, and financial management. Currently provides home office management support to a USAID-funded enterprise development project in Paraguay. More than four years of experience developing work plans, reports, and proposals. Facilitates drafting and creation of performance management plans for projects and proposals. As a Peace Corps volunteer in El Salvador, trained rural community leaders in community-based project design and management and successfully applied to USAID for a \$25,000 grant to construct a school. Native English, fluent Spanish.

### EDUCATION

B.A., international studies, Austin College, Sherman, Texas, 1999. Minor in philosophy.  
 Study abroad, emerging market economics and political economy, Prague School of Economics and Political Science (VSE), Czech Republic, 1997.

### PROFESSIONAL HISTORY

#### 2004-present

Manager, Latin America & Caribbean Region, Chemonics International Inc, Washington, D.C. Provides management support for USAID programs and corporate initiatives. Performs various duties in support of departmental new business efforts with emphasis on performance management and enterprise development programs. Assignments:

- USAID/Paraguay, Poverty Alleviation Program (Vende) project. Currently manages contractual and budgetary elements of this \$6 million 4-year enterprise development project. Edits quarterly and annual reports and provides guidance to field office staff in complying with Chemonics and USAID policy. (July 2005-present)
- Provides research support to promote demand-driven economic corridor methodology among business cluster and competitiveness projects throughout the development community. Assists Dr. James Riordan in the writing of a book that will provide principles for managing projects that aim to increase sales and jobs. Conducted a shadow assignment in Armenia and Azerbaijan as part of this work with Dr. Riordan to review performance management systems on two projects. Additionally, assisted Dr. Riordan in the visitation and assessment of business centers operating in the targeted economic corridors of Armenia and Azerbaijan. In Armenia, participated in a team case study review of current clients with whom business advisors supported. The case study review involved peer assessment of specific planned activities of the business advisors and assessing whether these

activities could yield a \$1:\$5 ratio in terms of invested project resources to sales generated. Assisted in conveying the concept of attribution of project activities to sales results in these sessions and how this is made operational and monitored through the contract between the client and business advisor. In Azerbaijan, participated in numerous break-out sessions with client firms and business advisors to assess the potential for business deals and facilitate the process of assisting field staff in properly assessing the costs and benefits of project interventions in relation to sales generated by project activities. Regularly consults with projects and proposal teams that have adopted the approach for implementation. (October 2004-present)

- USAID/El Salvador, Sanitary and Phytosanitary Standards in the United States (SPS) project, El Salvador. Managed this \$800,000 2-year project. Worked with project staff to draft performance monitoring plan. Drafted surveys for data collection and supported overall management of the monitoring and evaluation system. (October 2004-June 2005)
- USAID/El Salvador, Surface Water Diversion, Storage, and Use (SWDSU) project, El Salvador. Managed this \$600,000 nine month project. Managed budget projections and contract compliance for the project. (October 2004-June 2005)

**2003-2004**

Assistant project administrator, Europe and Eurasia Region, Chemonics International, Washington, DC. Conducted administrative and personnel tasks including recruitment, hiring, and fielding of consultants. Advised field office managers on USAID and corporate policies and procedures. Edited quarterly reports, technical documents, marketing materials and work plans for USAID. Performed various duties in support of departmental business development activities including the writing of corporate capabilities, recruitment, proposal coordination, and drafting of performance management plans. Provided administrative start-up and support for USAID projects in Bosnia, Russia, and El Salvador.

**2003**

Program manager and proposal coordinator, National Hispanic Press Foundation, Washington, DC. Wrote a successful grant proposal to the Daimler-Chrysler Foundation for \$200,000 for the Higher Education for Hispanics program. Managed program to assist small, Hispanic-owned publications across the United States with funding from the Verizon Foundation.

**2000-2002**

Municipal development volunteer, Municipality of Candelaria de La Frontera, Peace Corps, El Salvador. Assisted the municipality in analyzing county expenditures, developing public finance strategic plans, and receiving grant support for technology and health projects. Trained community leaders in the management of community-based projects.

**1998-1999**

Legal and administrative assistant, Midland and Sherman TX. Provided legal and administrative support to two law firms. Configured and managed a database for the billing of clients. Interviewed and assessed the needs of potential clients. Summarized testimonial depositions involving commercial litigation.

**PERSONAL**

U.S. citizen.

## ANNEX 3: FINAL AGENDA OF ACTIVITIES

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### Tuesday February 7, 2006 – Abuja

8:30 – 9:00 am

**Meeting with Dick**

9:00 – 6:00 pm

**Interviews with Markets Staff:** *Oscar*

Femi – Dairy Specialist

Niels – Technical Service Director

Biyi – Senior Program Advisor

Bola – Input supply Coordinator

Emmanuel – M&E Specialist

Onyechi – Aquaculture Specialist

Ben – BPO Manager Middle Belt ( Abuja)

Josephine – BA, BPO Middle Belt ( Abuja)

Ibrahim – Input Supply Coordinator Northern Belt ( Kano)

9:00 – 6:00 pm

**Workshop Preparation:** *Joey*

- Prepare workshop sessions and presentations
- Meet with Sheila Tang, SAF manager

### Wednesday February 8, 2006 – Abuja

8:15 – 9:00 am

**Meeting with Dick**

9:00 – 9:30 am

**Session #1:** Introduction: BPO Goals and Principles

- Big picture of where Markets begins
- How conceptual principles are woven into BPO operation
- Roles and work strategy

9:30 – 1:00 pm

**Session #2:** Case Studies

- Five case study examples and discussion

1:00 – 2:00 pm

**Lunch**

2:00 – 5:00 pm

**Session #3:** Role of BPO and Business Advisors

- Operations
- Organizational set-up and relationship with project office
- Annual operating plans
- Client business plans
- Case study working groups – five examples from Markets

### Thursday February 9, 2006 - Abuja

9:30 – 1:00 pm

**Session #4:** Case Study Presentations

- Working group presentations on work with current clients and discussion

1:00 – 2:00 pm

**Lunch**

2:00 – 3:00 pm

**Session #5:** STEP 1 – Business Identification:

- How to look for business opportunities
- General Tips

3:00 – 5:00 pm

**Session #6:** Communicating Success

### Friday February 10, 2006 - Abuja

Project Communications – All day session: *Jane and Laura, Oscar participated in these sessions to ensure a business orientation to project communications presentation*

Brainstorm with team on hands-on work. Start setting up schedule for following week. Review and adjust training sessions. Decide on materials that need to be prepared and

reviewed during the weekend.

### **Saturday February 11, 2006 - Abuja**

9:00 – 6:00 pm

#### **Prepare Materials for Following Week**

- Guidelines for writing annual operating plan
- Sample annual operating plan
- Sample weekly report
- Business Plan Template
- Sample Business Plan
- Template for business trackers
- Agenda for following week
- Finalize Monday afternoon workshop sessions
- Brainstorm possibilities for M&E approach

### **Monday February 13, 2006 - Abuja**

9:00 – 10:00 am

#### **Meet with Dick**

11:00 – 1:00 pm

#### **Meet with RPCs (sorghum) – Oscar**

10:00 – 1:00 pm

#### **M&E Review – Joey**

- Meet with M&E specialist
- Review progress and challenges to date
- Identify action items for the week

### **Tuesday February 14, 2006 - Abuja**

9:00 – 10:00 am

#### **Session #7: Annual Operating Plans – Getting Started**

- Macro-level diagnostic
- Micro-level diagnostic
- Analysis
- Action Plan
- Strategy to Sell the Corridor
- Review example

10:00 – 10:45 am

#### **Session #8: STEPS 2,3, & 4 – Assess Client, Craft and Implement Business Plan**

- Management tool for activities
- Client Business Plan
- Tips on implementing client Business Plan
- Weekly reports

10:45 – 11:00 am

#### **Break**

12:00 – 1:00 pm

#### **Session #9: STEP 5 - Track Results**

- Business Plan
- Baseline
- Attribution
- M&E audits
- Sales to investment ratio

1:00 – 1:30 pm

#### **Session #10: Wrap-up and identify next steps for week**

- Starting tomorrow:
  - Set-up meetings with potential clients
  - February 17 – first weekly report due
  - March 10 – complete Annual Operating Plan

4:00-5:00 pm

#### **Dairy Brainstorm with Femi**

- Overall approach
- Opportunities with specific businesses

5:00-6:00 pm

#### **Aquaculture Brainstorm with Onyechi**

- Overall approach
- Opportunities with specific businesses

### **Wednesday February 15, 2006 - Makurdy**

11:00 – 3:00 pm

#### **Meet with Olam Rice Company**

- Oscar, Neils, Ben, Josephine, Joey, and Regi George from Olam Rice

3:00 – 6:00 pm

#### **Debrief on Meeting During Return Trip**

- Oscar, Neils, Ben, Josephine, Joey

### **Thursday February 16, 2006 - Abuja**

11:00 – 1:00 pm

#### **Meet with Dick – Oscar**

- Results
- Organizational set-up

11:00 – 2:00 pm

#### **Meet with Emmanuel on M&E – Joey**

- Discuss baseline
- Brainstorm on operational approach
- Agree on process for tracking results against business plans
- Overall approach
- Fast track opportunities

3:00 – 5:30 pm

#### **Meeting on Fast Track Opportunities - Oscar**

4:00 – 6:00 pm

#### **Meet with Emmanuel on M&E – Joey**

- Assess current fast track opportunities with team
- Develop forms for baseline tailored to Markets' needs
- Attribution of results to project interventions
- Begin drafting baseline questions for tertiary indicators

### **Friday February 17, 2006 - Abuja**

9:00-12:00 pm

#### **Meet with Emmanuel on M&E – Joey**

- Intensive brainstorming session on processes
- Agreement on process and next steps – M&E responsibility in reviewing business plans for the 5:1 ratio and a draft process and guidelines for this
- Discussion of creating a database to track progress in each indicator

9:00-12:00 pm

#### **Olam Business Plan – Oscar**

- Work with Josephine and Ben to review and finalize draft business plan for Olam Rice

1:00-2:30 pm

#### **Lunch with Dick and Doug Leavens**

- General debrief on assignment
- Next steps

3:00-4:30 pm

**Meet with Onyechi on Aquaculture**

5:00-6:00 pm

- Identification of demand

**Meet with Sheila**

- General debrief on assignment
- Discussion of proposed process for business plan review and approval

6:00-7:00 pm

**Meet with Femi**

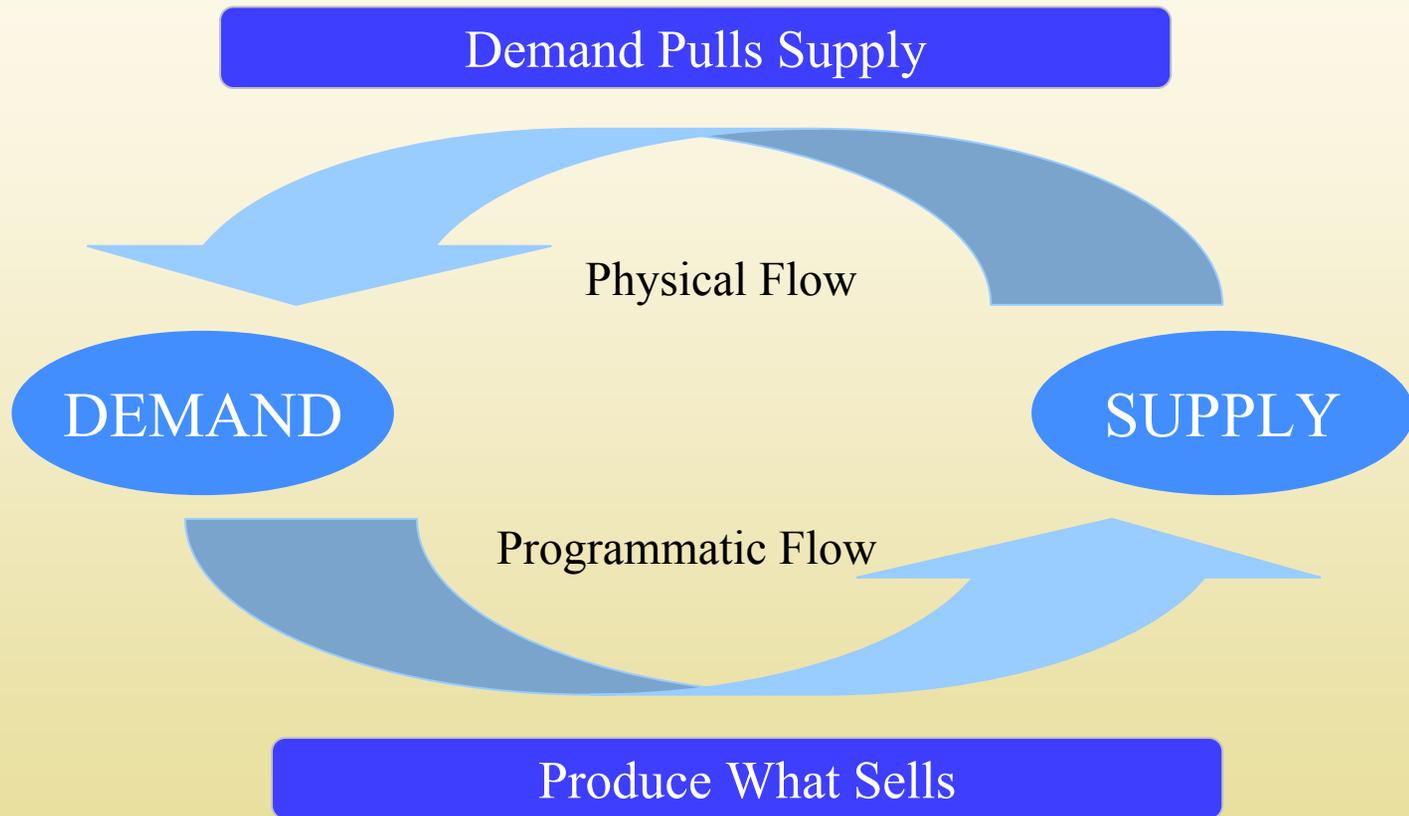
- Review of dairy opportunities
- Discuss same day trip to dairy farm

## **ANNEX 4: START-UP WORKSHOP PRESENTATIONS**

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### **1 Introduction: BPO Goals and Principles**

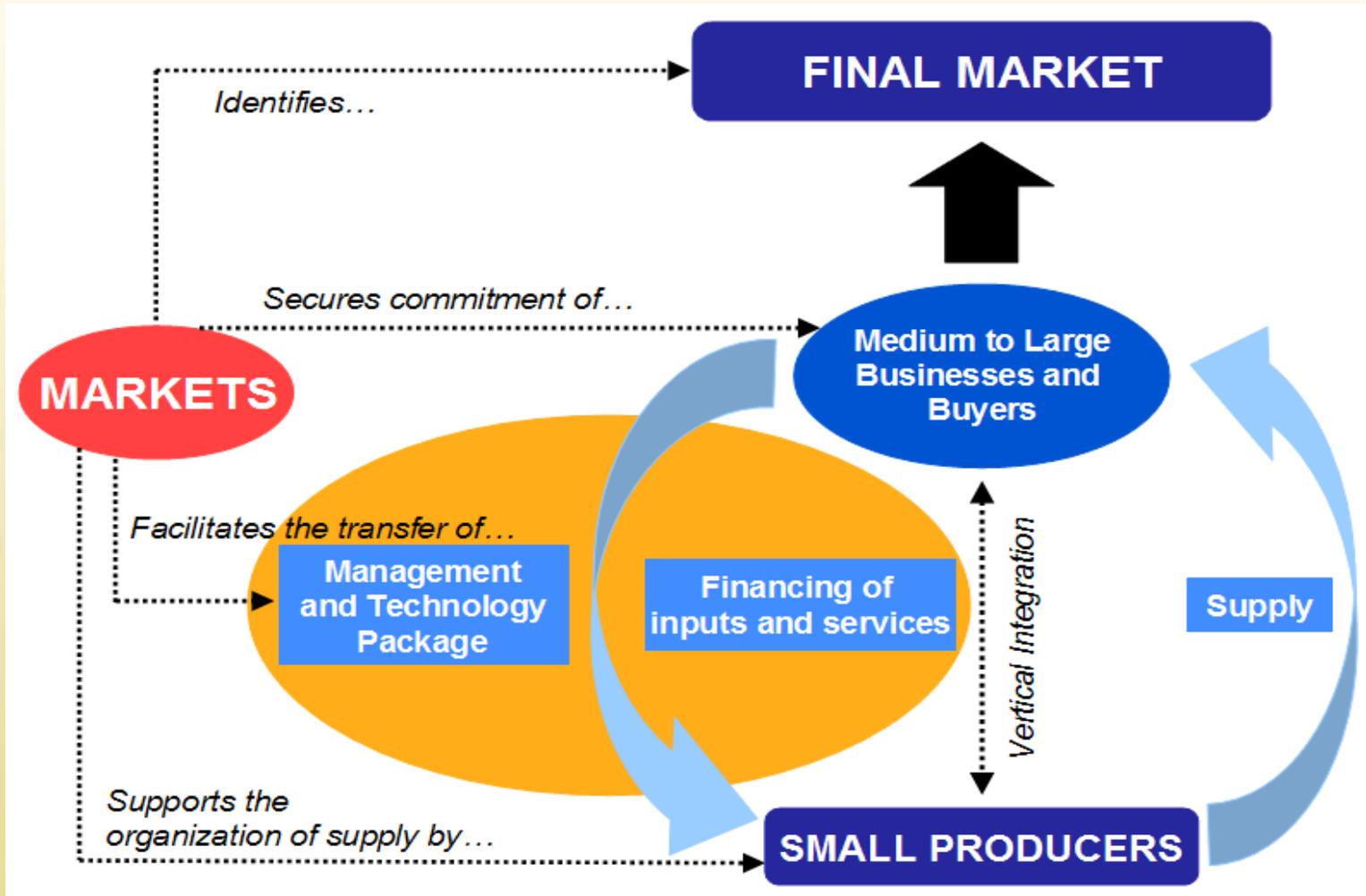
# Where MARKETS Begins



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

# The MARKETS Approach



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

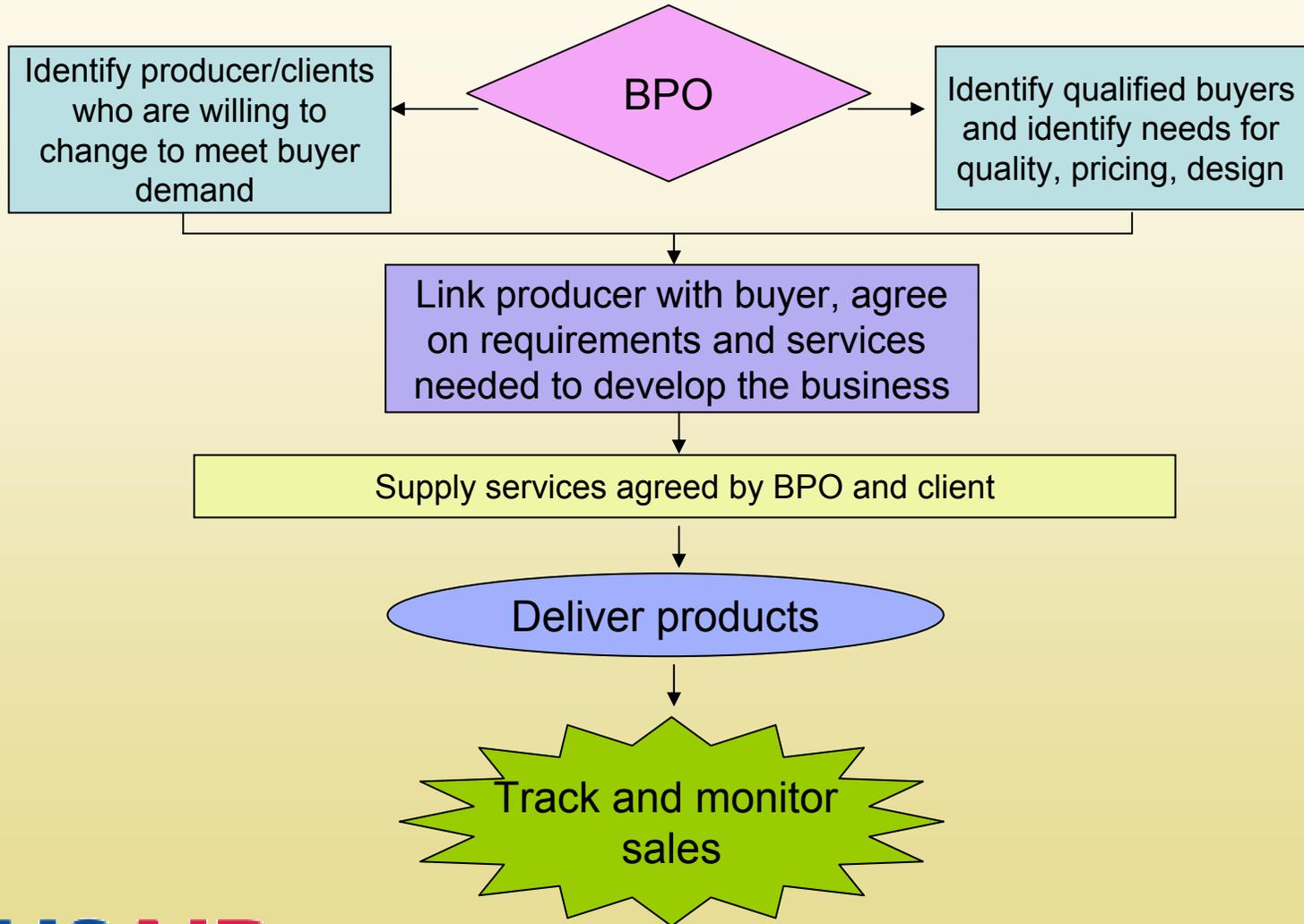
# Business Promotion Offices (BPO)

- In strategic locations in the north, mid-belt, and south, providing assistance along economic corridors.
  - North BPO – Kano (Cowpea and Sorghum)
  - Mid-Belt BPO – Abuja (Dairy and Rice)
  - South BPO – Lagos (Aquaculture)
- BPO staff - identify buyers, assess problems, and recommend solutions to increase sale
- Clients will range from producer organizations and processors to traders, wholesalers, and large buyers.



**MARKETS**

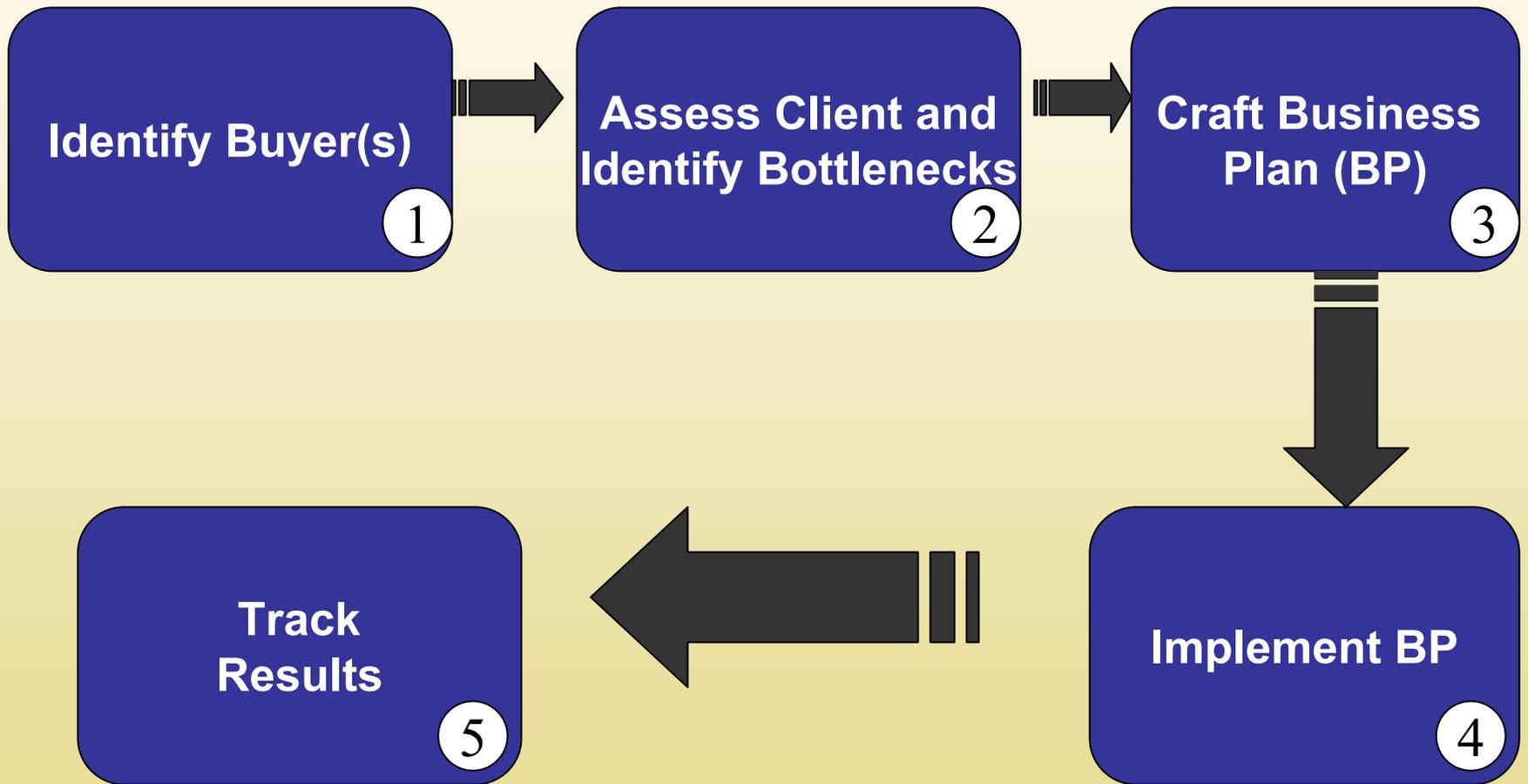
# Role of BPO



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

# BPO Work Strategy



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

## **2 Case Studies**

# Five Case Studies



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**



# The Trout Case



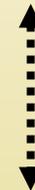
- 1) Identify buyer: Large local processor.
- 2) Assess client and identify bottlenecks: Problems developing new supply to meet export demand.
- 3) Craft BP:
  - Project- Help develop new supply from small and medium producers. Support new investment.
  - Client- Provide feed, buy product, and lead technical assistance.
- 4) Implement BP: Through business advisors.
- 5) Track results: \$4.9 million in additional sales as of Sept. 2004.

**U.S. & Europe**



**US \$4,900,000**

**Piscifactoria,  
Arapa, Riverfish**



**Small Trout farms  
558 Permanent Jobs**

**\$300,000 investment  
in 2004  
\$500,000 in 2005**

**MARKETS**



**USAID**  
FROM THE AMERICAN PEOPLE



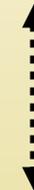
# The Bean Case

- 1) Identify buyer: Two Peruvian exporters identified through export association.
- 2) Assess client and identify bottlenecks: Exporters had buyers, needed producers.
- 3) Craft BP:
  - Project- Identify riverbeds for farming. Technical assistance for producers on riverbed farming. Cost share supervision of farmers with buyer.
  - Clients- Financed purchase of seed and supervised entire operation.
- 4) Implement BP: Through business advisors.
- 5) Track results: Five companies now cultivate an area of 5,000 hectares attracting additional companies to the area.

**Export Market**



**Two Peruvian  
Export Firms**



**5,000 hectares  
cultivated**

**Local Bean Farmers**

**MARKETS**



**USAID**  
FROM THE AMERICAN PEOPLE



# The Potato Case

- 1) Identify buyer: Frito Lay contacted and interested in buying. The project went to the corridor to look for producers that could meet market requirements
- 2) Assess client and identify bottlenecks: Producers not producing variety and quality of potato that Frito Lay needed.
- 3) Craft BP:
  - Project: Technical assistance on production side to meet buyer requirements.
  - Producers: Follow instructions of experts.
- 4) Implement BP: Through business advisors and ST experts.
- 5) Track Results: \$418,000 in additional sales as of Sept. 2004



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

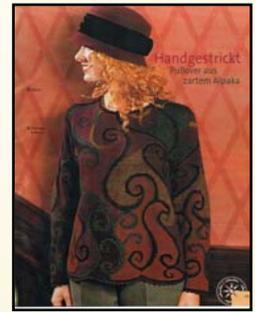
# The Hard Yellow Corn Case

- 1) Identify buyer: Called local chicken producer.
- 2) Assess client and identify bottlenecks: Low quality and low yield seed variety for corn production.
- 3) Craft BP:
  - Project: Introduced SYNGENTA to supply new seed variety meeting needs of chicken producer.
  - Producer Association: Follow farming practices for new seed variety that was 50% more expensive.
- 4) Implement BP: Through business advisors and accompaniment throughout process.
- 5) Track results: 2,000 hectare corn harvest.

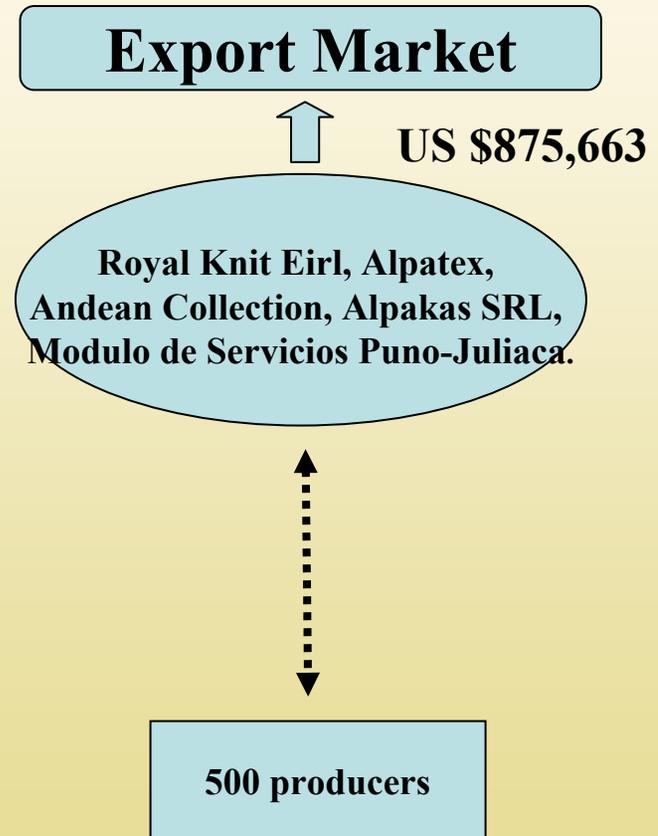




# The Sweater Case



- 1) Identify buyer: Phone calls and networking.
- 2) Assess client and identify bottlenecks: High demand but problems organizing supply and transferring technology package. High additional sales expected.
- 3) Craft BP:
  - Project- Organization of supply and technical assistance.
  - Clients- Buy production and lead technical assistance.
- 4) Implement BP: Through business advisors.
- 5) Track results: \$875,663 in additional sales.



### **3 Role of BPO and Business Advisors**

# Role of BPOs

- Engine of Markets
- Identify buyers, with first names and last names
- Identify “clients” producers, traders, processors
- Identify clients
  - a) assess bottlenecks,
  - b) develop targeted solutions to address bottlenecks
  - c) select appropriate tools to promote growth in sales and jobs
- Implement assistance to selected clients
- Manage relationship with client – “account manager” for client firms
- Facilitate relationship between buyer and seller



# BPO to Project Office

- Communicates client's needs to Project Office
- First attempts to address client's needs with tools available and applicable experience, knowledge within the BPO, then through additional assistance from Project Office
- Needs timely feedback, approval and information from the Project Office



**MARKETS**

# Role of Project Office

- Directs framework & strategy
- Approves client selection, appropriate tools and interventions
- Provides tools (market contacts, specialized TA, guidelines on Strategic Activities Fund)
- Provides resources (information and guidelines)
- Assists with buyer identification (sales & marketing)
- Monitors client's growth and attributability of Markets' intervention



**MARKETS**

# Project Office to BPOs

- Provides timely feedback to BPO
- Responsive to BPO needs
- Needs timely feedback and information from BPOs
- Supervise project implementation and monitor strategy and interventions



**MARKETS**

# Relationship Between BPOs

- Promote new market linkages and identify new buyers in new areas
- Promote communication between clients, with mutual interests
- Share strategic ideas for creative interventions
- Share Lessons Learned, Best Practices
- Work as a team



**MARKETS**

**What are BPO  
tools for its work  
with client firms?**



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# Tools to Assist Clients

- Market Linkages
- Technical Assistance
- Strategic Activities Fund (SAF)



**MARKETS**

# Work Backwards from the Buyer



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# Market Linkages Starting with a Buyer

- Identify buyers inside and outside of corridor focusing on selected commodities
- Main cities are the natural market – Abuja, Kano, Lagos
- Identify new buyers and work backwards
- Accompany process and facilitate communication to “make the deal” between processor, trader, and producer



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# Market Linkage Examples

- A dairy needs to source additional milk from all over Nigeria. MARKETS offices in Nigeria and the corridors work with producer groups to supply the variety of inputs required by the processor.
- Nigeria Breweries requires certain quality standards at the farm and post-harvesting level as well as at the malting level. Business advisors from BPOs coordinate with producer groups and with malters to manage the process, overcome obstacles, and ensure success.



**MARKETS**

# Technical Assistance

- Improve competitiveness of business
  - Improve organization, administration or management
  - Utilization of production practices, technology or equipment
  - Organization of supply
  - Improve post harvest yields, etc.
- Assist business expansion
- Be as specific on client needs, qualifications of consultants and expectation of results from specialized technical assistance



**MARKETS**

# Technical Assistance Examples

- **Access to Capital** – An agribusiness firm needs to obtain a loan for an important expansion. Markets provides TA to develop a “bankable” business plan and projections.
- **Management Techniques** – A dairy processor needs to increase the productivity of its workers. Markets provides TA to help develop a performance-related incentive scheme.
- **Production Technology** – After identifying a buyer, Markets provides TA to sorghum farmers needing help to increase the yield and quality of their crop.
- **Training** – Markets provides training to a group of small farmers on the application of new fertilizers and herbicides.



**MARKETS**

# Strategic Activities Fund

- Assist with contracting specialized local firms to provide key support in niche areas.
- Could be used in place of specialized technical assistance.



**MARKETS**

**What have we  
learned from  
experiences  
elsewhere?**



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# Principles

- Set clear objectives. Select interventions with quantitative objectives and determine what is possible to achieve within the allotted time frame.
- Keep business focus.
- DON'T intervene when the client does not need our assistance, where he/she can develop by himself.
- CAN'T resolve all of the business' problems. "Focus"
- "Produce what is sold" and not "try to sell what is produced".
- Focus on identifying buyers with first and last names.



**MARKETS**

# Choose Clients Based Upon:

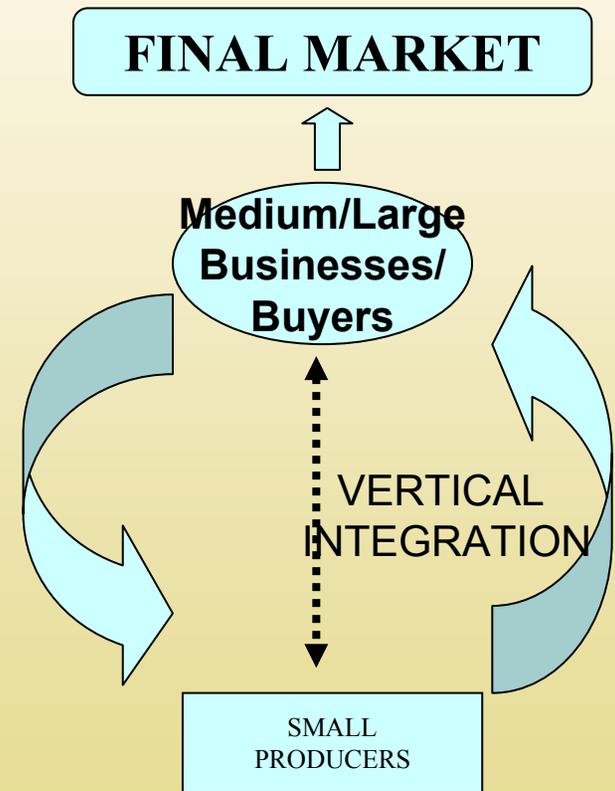
- (1) potential for sales and jobs,
- (2) potential of the businessperson,
- (3) possibility to grow in the market,
- (4) degree of development of the product,
- (5) capacity to adapt advice from consultants,
- (6) disposition to invest, match contribution,
- (7) willingness to share information.



**MARKETS**

# Working Group Activity: Case Studies of Five Current Client Firms

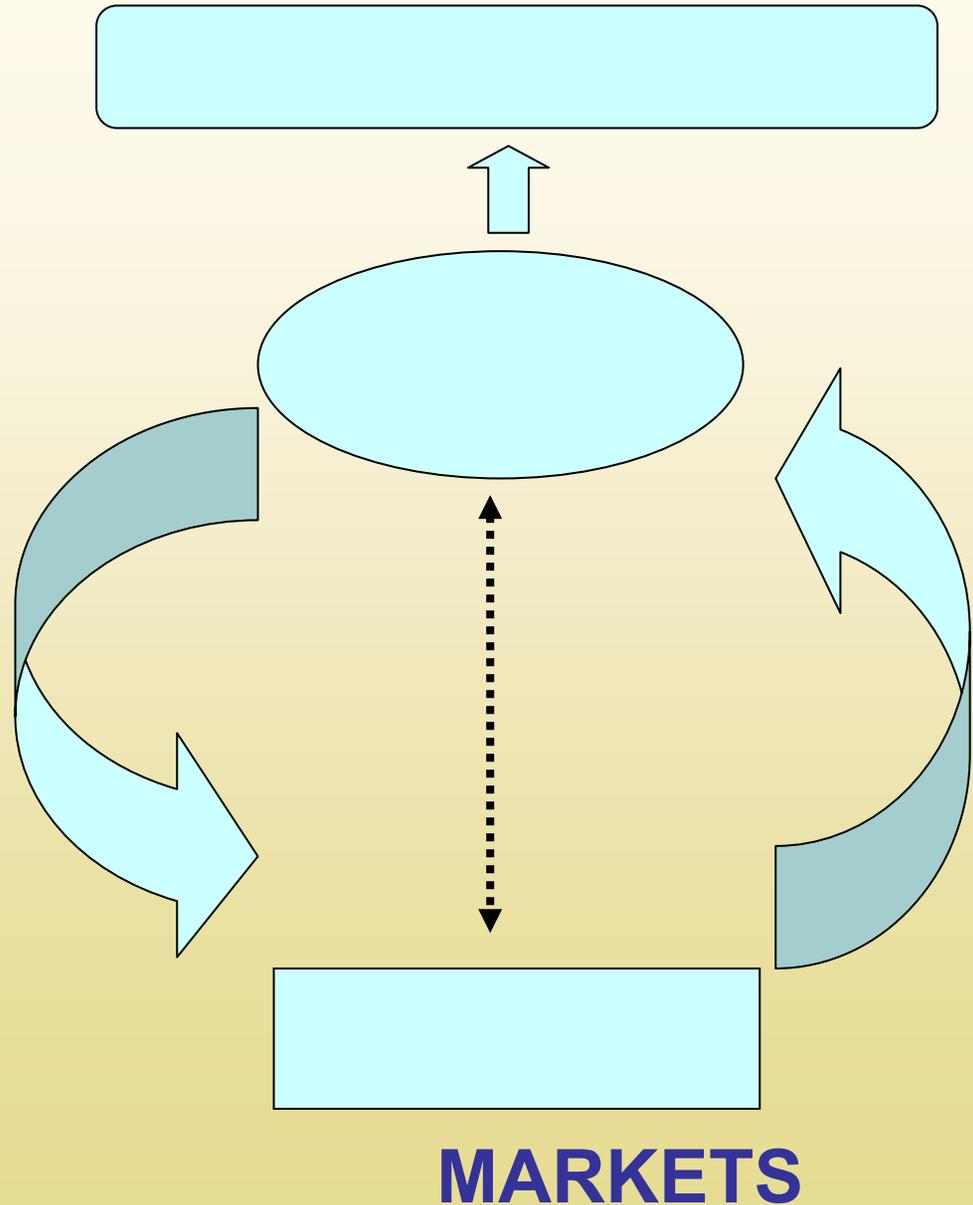
- Five Markets clients
  - Adonai Farms
  - Al Hadji Mohammed Koya
  - Niyya Farms
  - Olam and Veetee Rice
  - Nigeria Brewery Plc.



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1. Identify buyer, client, and producers in context of the value chain at right.
2. Assess client and identify bottlenecks.
3. Identify key activities to address bottlenecks.
4. Present case to group.



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# Presentation Format

- Explain client firm and how it fits into the value chain.
- Define market – who's the end buyer?
- Present primary bottlenecks.
- Explain potential intervention of BPO to resolve primary bottleneck(s).



**MARKETS**

## **4 STEP 1 – Business Identification**

# Step 1: Identify Buyer

- Map current buyers and sellers (buyers within and outside corridor): why they do not buy more, what about other products
- Identify buyers who *could* purchase in the corridor but who are not currently purchasing within the corridor
- Tools:
  - Personal Contacts from previous work experiences
  - Business contact tracker
  - Phone, e-mail
  - Public and private presentations
  - Traveling and visiting potential buyers outside the corridor
  - Local market or grocery store



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# Working with the Buyer

- When approaching potential buyers:
  - Know businesses and production within corridor
  - Know what BPO is and can offer

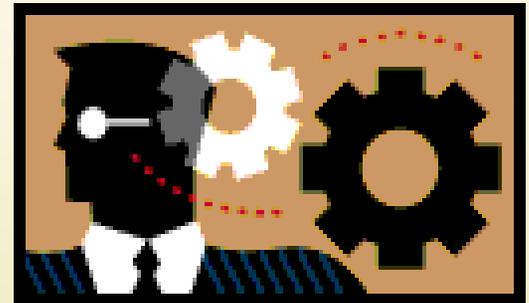


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# Knowing the Corridor

- Organization Level
- Production Costs
- Yields
- Distance to the market
- Transport Costs
- Seasonality



# Market Intelligence

- Visit the local grocery store to find the buyers/processors – these are potential clients
  - Legumes/Cow pea
  - Rice
  - Dairy
  - Cashew nuts
  - Juice





1kg e



**VEETEE**

Discover The World's Finest Rices



SUPREME  
**BASMATI**

100% RICE 100%





New Improved

# Executive Choice Cashews

Crispy, Tasty & Nutritious

200g 7.05oz

By John, Scott W & R.R. Inc. Boston

A vertical carton of Chivita Orange & Pineapple Juice. The top half of the carton is blue with the brand name 'chivita' in white lowercase letters with a red outline. Below the name is a green oval containing the text 'Orange & Pineapple Juice' in white. The bottom half of the carton features a photograph of a whole pineapple and a sliced orange. The text 'NO PRESERVATIVES' is printed in white on the orange slice.

**chivita**

*Orange &  
Pineapple Juice*

NO PRESERVATIVES

# Know What the BPO is and Can Offer

Service	Instrument	Example
Information about best areas and experienced producers	Your know-how Funds to hire people to gather the information	Artichokes Hard Yellow Corn
Information about New Markets	Fund to hire international or national consultants	Quinoa
Organization of Supply	Your know-how Hire People	Cotton Hard Yellow Corn
Technical Assistance	Hire people	Potatoes Coffee Handycrafts Tourism



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**MARKETS**

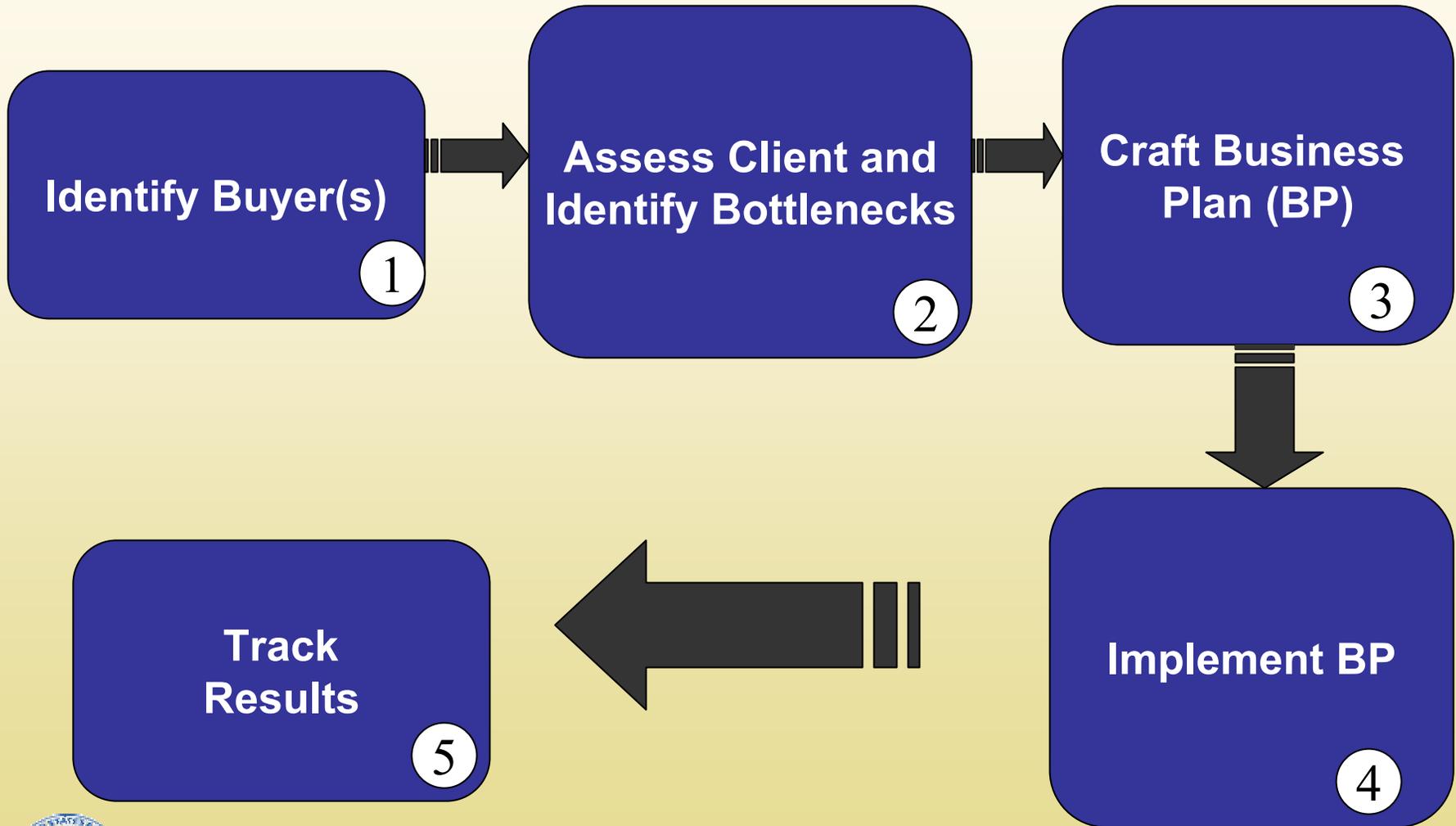
# The Artichoke Case

- Business Advisor contacted main industrial processors in the coast of Peru and after giving them **information** and inviting them to the corridor he encouraged them to go and invest there.
- Producers had experience in other types of artichokes.
- The idea came from the fact that in the coast you produce during certain months, and in the corridor you are able to produce during the rest of the year.



## **5 STEPS 2,3, & 4 – Assess Client, Craft and Implement Business Plan**

# BPO Work Strategy



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# Business Plan Template for Markets



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**DRAFT BUSINESS PLAN TEMPLATE  
FOR  
NIGERIA MARKETS**

The Nigeria Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) project, financed by USAID, and [INSERT COMPANY NAME], hereinafter referred to as Client, signed this Business Plan and hereby agree as follows:

**1. Background**

The [Insert Name of BPO] Business Promotion Office (BPO) in accordance with the MARKETS Program implemented by Chemonics International Inc. aims to provide targeted business assistance and increase sales leading to job creation in identified geographic regions in Nigeria. The [Insert name of BPO] will be providing non financial services to support the business and production activities within the region.

[INSERT A BRIEF DESCRIPTION OF CLIENT FIRM-INCLUDE THE FOLLOWING]

1.1 [TYPE OF ORGANIZATION]

1.2 [LENGTH OF EXISTENCE OF BUSINESS - NEW, EXISTING, EXPANSION]

1.3 [NATURE OF BUSINESS AND MARKETING CHANNELS]

- [GOODS OR SERVICES THAT THE COMPANY PRODUCES OR SELLS]
- [MARKETING CHANNEL-DIRECT, WITH DISTRIBUTORS,ETC.]
- [MARKET OPPORTUNITIES THAT THE BUSINESS CURRENTLY TAKES ADVANTAGE OF TO BE PROFITABLE]

1.4 [GEOGRAPHIC SCOPE OF THE BUSINESS-LOCAL, REGIONAL, NATIONAL,ETC.]

[LIST BUYERS THAT EXIST FOR THE CLIENT'S PRODUCTS OR SERVICES]

**2. Scope of Business Plan**

2.1 Identification and prioritization of primary bottleneck

- [ONE SENTENCE DESCRIPTION OF PRIMARY BOTTLENECK IDENTIFIED AND PRIORITIZED BY BPO AND CLIENT FIRM.]

2.2 [INSERT NAME OF BPO] BPO under this Business Plan commits to

- [AS MANY BULLETS AS NEEDED REGARDING THE INITIAL COMMITMENT OF BPO TO REMOVE BOTTLENECK.]

2.3 Client under this Business Plan commits to

- [AS MANY BULLETS AS NEEDED TO DESCRIBE CLIENT'S COMMITMENT TO REMOVE BOTTLENECK.]
- Follow recommendations made by BPO experts within the area of this agreement.

### 3. Planned results of the cooperation

The following outcomes are expected as a result of the cooperation.

- Sales increase of [ENTER AMOUNT OF EXPECTED INCREASE AS A RESULT OF BPO ASSISTANCE/ACTIVITIES]

### 4. Effective period

This Business Plan shall become effective from the date of its signature by the parties and is signed for a period of [ENTER DATES COVERING PERIOD OF INITIAL ASSISTANCE].

### 5. Reporting

The Client should coordinate all activities under this BUSINESS PLAN with [INSERT NAME OF PRIMARY BUSINESS ADVISOR], business advisor, [INSERT NAME OF BPO] BPO. The Client agrees to provide access to sales, production, and employment data for 12 months previous to the signing of this agreement and for each month starting from working with the [INSERT NAME OF BPO] BPO until project completion. The data for the previous 12 months, that is, the baseline data, are incorporated in this contract by reference. [INSERT NAME OF BPO] BPO, for its part, hereby agrees to keep all data reported by the Client confidential and limited to representatives of the MARKETS program. [INSERT NAME OF BPO] BPO further agrees not to disclose such data unless expressly authorized by the Client.

Independent verification of data may be requested in order to document and ensure the integrity of data reported. The Client agrees to cooperate with consultants hired by the MARKETS project in order to verify reported data. The MARKETS project hereby agrees not to disclose data and to maintain Client confidentiality of such data unless the use of said data is expressly authorized by the Client.

### 6. Miscellaneous

6.1 This BUSINESS PLAN may be terminated by each party by giving 5 working days prior notice in writing to the other party.

6.2 This BUSINESS PLAN is signed in two copies in English.

### 7. Signatures of the Parties

Postal address: [ADVISOR'S OFFICE ADDRESS]

Name: [ADVISOR'S NAME]

Title: Business Adviser

Signature:

Date Signed: [DATE]

Place Signed: [PLACE]

[BUSINESS NAME]

Address:

Name:

Title:

Signature:

Date Signed: [DATE]

Place Signed:

-----  
For internal use only to be completed by Business Advisor – check yes or no:

Yes	No	Question
		Do the activities in this business plan network small-scale farmers, micro-entrepreneurs, traders and others involved in the commodity chain in the region?
		Will the activities in this business plan contribute to increased fertilizer production by the private sector?
		Will the activities in this business plan help farmers and agro-processors leverage financing?
		Will the activities in this business plan increase productivity of pre-selected commodity sectors?
		Will the activities in this business plan contribute to turning bulk commodities into value-added products?

# Illustrative Business Plan – Olam Rice Case



**MARKETS**

The Nigeria Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) project, financed by USAID, and Agro Millers, Olam Nigeria Ltd., hereinafter referred to as Client, signed this Business Plan and hereby agree as follows:

### 1. Background

The Abuja Business Promotion Office (BPO) in accordance with the MARKETS Program implemented by Chemonics International Inc. aims to provide targeted business assistance and increase sales leading to job creation in identified geographic regions in Nigeria. The Abuja BPO will be providing non financial services to support the business and production activities within the region.

- 1.1 The Client is a large rice processor. It processed approximately 3,000 mt of raw rice last year and expects to process approximately 18,000 mt of raw rice this year.
- 1.2 The Client is currently trying to expand its supply of rice paddy through demonstration sites and increasing the hectareage and yields of the producers which it works.
- 1.3 The Client is in the business of selling rice.
  - The Client sells bags of rice in bags of 50kg, 25kg, and 10kg.
  - Client product is currently sold through wholesalers.
  - [MARKET OPPORTUNITIES THAT THE BUSINESS CURRENTLY TAKES ADVANTAGE OF TO BE PROFITABLE]????????
- 1.4 The Client does majority of its sales in the mid-belt region, the national Market of Nigeria, and some in the West Africa region.

[LIST BUYERS THAT EXIST FOR THE CLIENT'S PRODUCTS OR SERVICES]  
?????

### 2. Scope of Business Plan

#### 2.1 Identification and prioritization of primary bottleneck

- The primary bottleneck identified by the mid-belt BPO working together with the Client is the Client's current challenge of organizing additional rice paddy for processing at a higher level of quality and expanding its production base.

#### 2.2 Abuja BPO under this Business Plan commits to

- Identify and hire three technicians to oversee rice production in the XX area of XX State. Abuja BPO will provide overall oversight and supervision of technicians and Abuja BPO will coordinate its work closely with the Client to ensure that the right variety of seed and level of quality is produced to Client standards.

2.3 Client under this Business Plan commits to

- Finance and provide new seed variety to producers.
- Follow recommendations made by BPO experts within the area of this agreement.

### **3. Planned results of the cooperation**

The following outcomes are expected as a result of the cooperation.

- Sales increase of [ENTER AMOUNT OF EXPECTED INCREASE AS A RESULT OF BPO ASSISTANCE/ACTIVITIES] ???

### **4. Effective period**

This Business Plan shall become effective from the date of its signature by the parties and is signed for a period of six months; March 1, 2006 to August 31, 2006.

### **5. Reporting**

The Client should coordinate all activities under this BUSINESS PLAN with [INSERT NAME OF PRIMARY BUSINESS ADVISOR], business advisor, Abuja BPO. The Client agrees to provide access to sales, production, and employment data for 12 months previous to the signing of this agreement and for each month starting from working with the Abuja BPO until project completion. The data for the previous 12 months, that is, the baseline data, are incorporated in this contract by reference. Abuja BPO, for its part, hereby agrees to keep all data reported by the Client confidential and limited to representatives of the MARKETS program. Abuja BPO further agrees not to disclose such data unless expressly authorized by the Client.

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Name: [ADVISOR'S NAME]

Title: Business Adviser

Signature:

Date Signed: [DATE]

Place Signed: [PLACE]

[BUSINESS NAME]

Address:

Name:

Title:

Signature: |

Date Signed: [DATE]

Place Signed:

-----  
For internal use only to be completed by Business Advisor – check yes or no:

Yes	No	Question
		Do the activities in this business plan network small-scale farmers, micro-entrepreneurs, traders and others involved in the commodity chain in the region?
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		Will the activities in this business plan help farmers and agro-processors leverage financing?
		Will the activities in this business plan increase productivity of pre-selected commodity sectors?
		Will the activities in this business plan contribute to turning bulk commodities into value-added products?

# Example of a Weekly Report



**MARKETS**

SAMPLE WEEKLY REPORT FROM PERU  
NOV 3RD 2004

STATUS REPORT ON CLIENT FIRMS

1. Palm Heart

Palm Heart to Pichis Pachitea

The buying of palm heart keeps moving normally to the Processing Plant in Zungaro de ASPAPI. There is some delay in payment creating difficulties with the farmers.

We had a meeting with the President of the Association of palm farmers of Zungaro and indicated his interest to rehabilitate the abandoned plantations, and is looking for financing. Will introduce them to the Caja Rural San Martin

Palm heart from Aguaytia

- After the M&E meeting last week, we met with the representatives from the farmers association interested in increasing their hectares due to the purchase contract they signed with Backus. We could help them in improve their yields from 3MT to 7 MT if they buy maintenance equipment (machetes).

2. Business, Perú – Brasil

- We are developing business opportunities with Brazil, we will meet with importers from Manaus this week.

3. Caraotas beans – 1,000 ha in river beds with Procesadora S.A.

- Harvest is coming to an end the quality has been affected by rains and productivity will be hurt. Will know result in 2 weeks. Until end of December, Procesadora has bought 180mt and needs 120mt placed in Pucallpa to be transported to Lima.
- We were doing trial to make hand-made selection, by women, but the productivity was very low, so the bean will be delivered to Lima for machine classification.

4. Whole black pepper

The Woodland Foods order was canceled because the sample contained a high level of E. Coli. We spoke with the producer to evaluate possible solutions, they are willing to collaborate.

The farmer and consolidator, Mr Javier Hasegahua, is willing to improve the post harvest by not drying the pepper near farm animals and put them in plastic mats to avoid touching the ground.

Finally the sales to Lopeza in Huancayo, is being maintained at normal levels.

#### 5. Native Handicrafts

- COMYS has prepared a small lot of seeds crafted manually for the agent of One World Projects, we will send them to Lima and wait for comments. They are looking for ornaments like necklace and bracelets made of Amazonian products.

#### 8. Cotton

- So far Plan Ucayali keeps providing gin service and purchase to the group of farmers in this last part of the harvest. For that reason we hired 11 technicians to oversee and support the distribution of seeds and further support producers for each value chain.
  - a) Chain 1: ASFERA SAC; 4 Technicians for 3,500 ha.
  - b) Chain 2: ECOMUSA Sr. de los Milagros 3 Technicians for 4,500 ha.
  - c) Chain 3: Plan Ucayali – COOPALA 1 Technician for 2,500 ha.
  - d) Chain 4: Jupadi – S&C Ingenieros, 2 Technicians for 2,500 ha.
  - e) Chain 5: Asc. de Prod. de Pueblo Libre – S&C ingenieros; (pre client of BPO) 1 Technician for 400 ha.
  - f) Chain 6: Corporación algodonera. Supported directly by gin for 1,500 ha:
- On Wednesday 11th we will hold a workshop for our technicians to provide them with the business model and instructions. Also Plan Ucayali will be part of the workshop that will include the level of quality they need to receive. Visiting the gin in Zungaro. BPO will provide vehicles to the group.

#### 9. Black-eyed pea

- No news from last report

#### 10. Hard Yellow corn

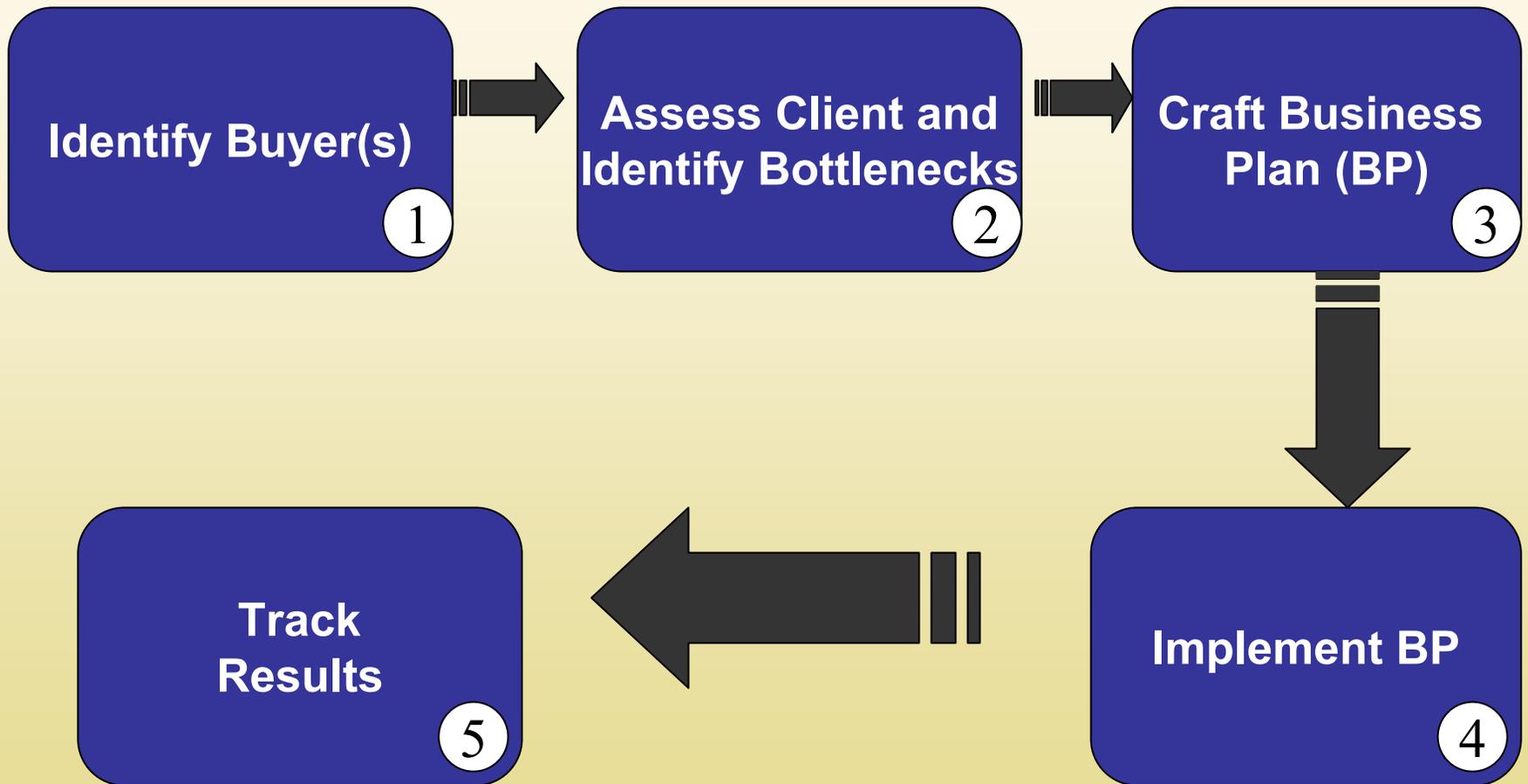
The most recent sample includes new hybrid varieties supported by BPO and Syngenta. Master y Colorado will compare new varieties to the traditional varieties. Marginal 28 is ready to finish, the crop is in the filling period of the grain.

#### **Other activities:**

- Last week we had the visit of Mr Michael Glover from USAID who visited several clients to evaluate the growth potential of the cotton business and the beans in the river beds.

## **6 STEP 5 - Track Results**

# Step 5: Track Results



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# How We Measure Sales

- “Incremental Sales” of client firm
- Calculation: Gross Sales (-) Baseline Sales
- Gross Sales = value of total sales made by the client with BPO support
- Baseline = value of the client’s gross sales in the 12 months before BPO results started



**MARKETS**

# Example

- You agree with a client to start working....TODAY
- First, create a baseline – sales over past 12 months

Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006
100	100	100	100	100	100	100	100	100	100	100	100

And you'll have a monthly report of sales after BPO intervention:

Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007
150	120	100	135	180	110	100	175	150	150	120	110



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# Example for Olam Rice

- Gross monthly sales for Olam Rice are:

Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007
150	120	100	135	180	110	100	175	150	150	120	110

- Minus the baseline taken when we signed business plan:

Mar 2005	Apr 2005	May 2005	Jun 2005	Jul 2005	Aug 2005	Sep 2005	Oct 2005	Nov 2005	Dec 2005	Jan 2006	Feb 2006
100	100	100	100	100	100	100	100	100	100	100	100

- Equals BPO sales:

Mar 2006	Apr 2006	May 2006	Jun 2006	Jul 2006	Aug 2006	Sep 2006	Oct 2006	Nov 2006	Dec 2006	Jan 2007	Feb 2007
50	20	0	35	80	10	0	75	50	50	20	10



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# Tools for BPO M&E

- Business Plan
- Baseline
- Weekly and Monthly Reports



**MARKETS**

# Business Plan

- Management tool
- Allows analysis of CAUSE-EFFECT:  
Do bottlenecks coincide with BPO actions? Is there a 5:1 ratio?
- Description of the client's business
- Strategy and commitments of the BPO and the client

**DRAFT BUSINESS PLAN TEMPLATE  
FOR  
NIGERIA MARKETS**

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[INSERT A BRIEF DESCRIPTION OF CLIENT FIRM-INCLUDE THE FOLLOWING]

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1.2 [LENGTH OF EXISTENCE OF BUSINESS - NEW, EXISTING, EXPANSION]

1.3 [NATURE OF BUSINESS AND MARKETING CHANNELS]

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- [AS MANY BULLETS AS NEEDED REGARDING THE INITIAL COMMITMENT OF BPO TO REMOVE BOTTLENECK.]

2.3 Client under this Business Plan commits to

- [AS MANY BULLETS AS NEEDED TO DESCRIBE CLIENT'S COMMITMENT TO REMOVE BOTTLENECK.]
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6.2 This BUSINESS PLAN is signed in two copies in English.

### 7. Signatures of the Parties

Postal address: [ADVISOR'S OFFICE ADDRESS]

# Baseline

- Record of client information:
  - Sales
  - Production
  - Jobs generated
- For the last 12 months
- Done once
- Specific form
- You should be able to defend the numbers

# BPO Monthly Report

- Monthly Report includes:
  - Value of Sales
  - Production
  - Prices and Investment
- By client



**MARKETS**

# Attribution

- Cause-effect analysis of BPO's intervention with each client
- Based on the Business Plan
- If a cause-effect relationship can be identified, client's sales are accepted as a result of BPO intervention.



**MARKETS**

# Audit (Monitoring & Evaluation)

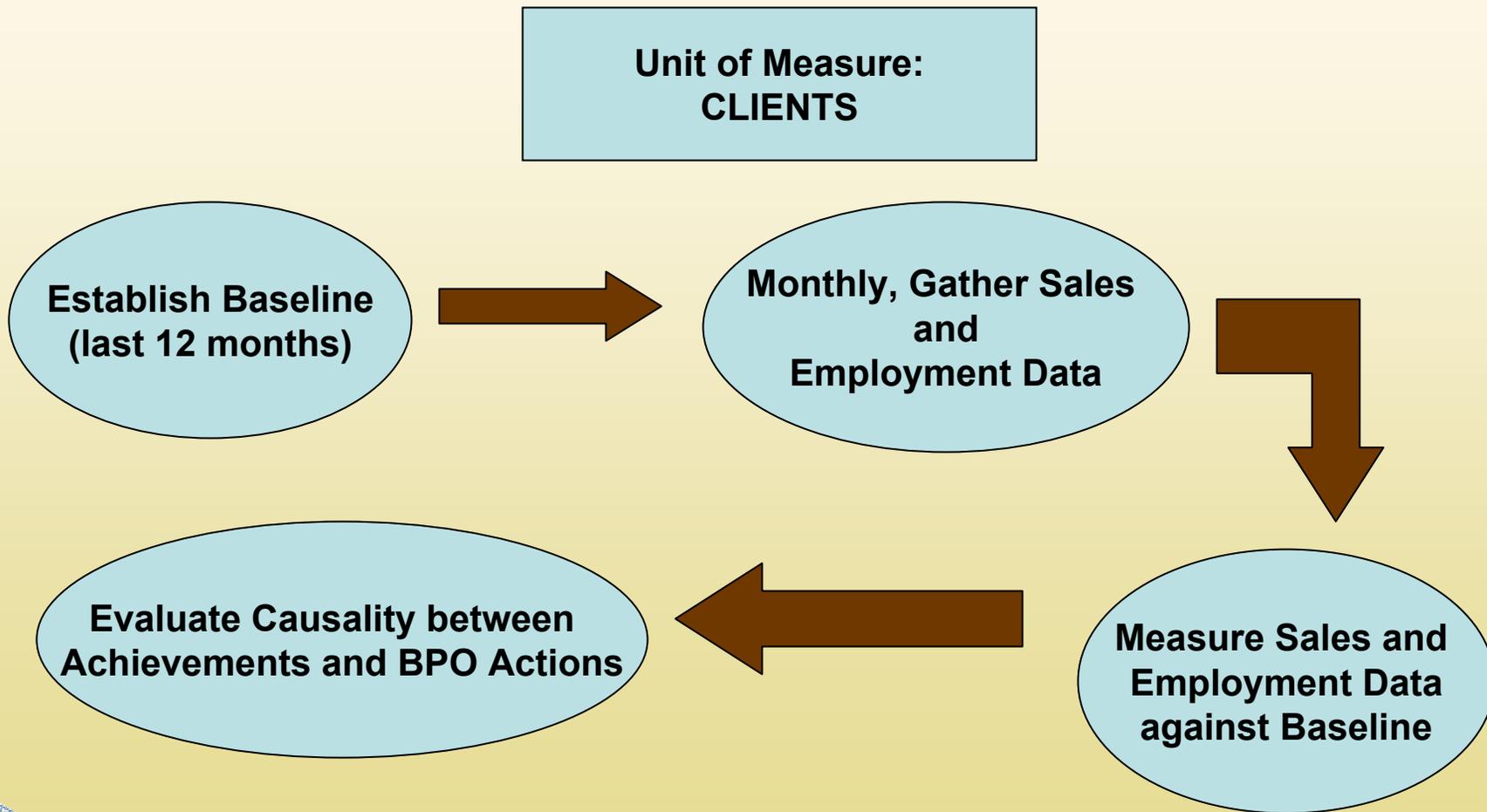
- M&E Specialist audits BPO and their clients
  - Verifies information from BPO
  - Visits BPO's clients
  - Verifies Information (making sure the information is correct through interviews with clients, producers, etc)
  - Corrects or modifies information
  - Reports on travel (report of the M&E member about his visit)



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

# How BPO Measures Results



**USAID**  
FROM THE AMERICAN PEOPLE

**MARKETS**

## **7 Annual Operating Plans – Getting Started**

# Annual Operating Plan Guidelines for Markets



**MARKETS**

## 1 Introduction

The annual operating plan is a tool for BPOs to use as a starting point to understand the business potential of its respective region. The annual operating plan is the “birth certificate” of the BPO – it all starts here. The process of putting the annual operating plan together will give BPO business advisors a better idea of the opportunities and challenges facing their region. The annual operating plan also is also a mechanism for sharing key information with other BPOs, project staff, other projects, potential investors, client firms, and USAID.

The following steps should be taken when creating annual operating plans for BPOs:

- Perform macro and micro-level economic diagnostic,
- Assess economic activities within the region,
- Assess the market,
- Estimate supply,
- Strategize,
- Create an action plan.

The annual operating plan should also include a sales strategy for the region, proposed actions for the year, and when those actions will occur.

## 2 Macro-level Diagnostic

Present the big picture of the regional economic situation. Working out this section will help the BPO to better conceptualize where the region is going in the next four to five years, with an emphasis on where the greatest economic potential in the region lies. This section should provide thought and answers to the following questions:

- Which economic activities will be the most vibrant in the medium and long term for the region? Why?
- Which economic activities are experiencing growth and which are diminishing? Why?
- What is happening with the population distribution between the rural and urban areas of the region? What is the distribution between agricultural activities and other economic activities such as agribusiness, services, etc.?
- Geographically, which areas of the region are better off economically? How does the region fit into the national market and/or international market?
- Where is the region selling the majority of its goods and services?
- What are the weather patterns of the region? Desert, tropical, growing season, humidity, precipitation, type of soil, etc.?
- What are the import duties on pre-selected commodity sectors?
- What are the average freight costs within the region and between major cities?

The macro-level diagnostic should finish with a list of businesses in the region working in Markets pre-selected commodity sectors.

Focus on pre-selected commodity sectors and other sectors in the region that are economically vibrant. The overall purpose of this section is to identify potential client firms and possible intervention areas by BPOs.

### **3.1 Identify primary economic activities of region**

List the primary economic activities considered by the BPO to be the most vibrant in the region. Focus on specific products or services related to pre-selected commodity sectors. Additionally, if other economic activities are identified as vibrant outside the pre-selected commodities, they should be described here. The analysis suggested in subsections 3.2 through 3.5 should be repeated for each economic activity.

### **3.2 Assess supply of each economic activity**

Estimate the supply that each identified economic activity can provide. The information should be presented in terms of actual production volume (hectares of cowpea for instance), seasonality, where product goes (does it stay in the region or leave the region to another destination?), and estimated prices. The preliminary supply assessment should also include distribution channels as well as current and potential buyers.

This is one of the most important sections of the annual operating plan. The recommended methodology to gather this information is to interview private sector associations, relevant government agencies that can provide reliable information, the internet, and through reading recent publications and other reference materials.

### **3.3 Analyze technology used for each economic activity**

Analyze the technology used the region for each economic activity. Technology includes details on the inputs used for production. For example, is production mechanized or manual? Is irrigation used? What other types of technology are used in the region for identified economic activities? Include a preliminary evaluation of the limitations on current technology being used for production.

### **3.4 Evaluate openness of potential client firms**

Provide a qualitative evaluation, for each of the identified economic activities, of the openness of potential client firms to work with Markets and its overall approach. Evaluate the attitudes of firm owners towards the approach. Information should be gathered through site visits and interviews.

### **3.5 Conclusion – prioritize identified economic activities**

Rank the economic activities in order of importance for BPO participation using the previous four subsections as a basis. During the prioritization, the criteria to consider are:

- Existence of an identified market,
- Availability of appropriate technology,
- Existence of buyers and investors,
- Presence of an entrepreneurial spirit,

- Sustainability, and
- Potential for generating sales and employment in the short term.

## **4 Analyze Prioritized Economic Areas**

Analyze competitiveness of prioritized economic activities in order to gain a general understanding of where the BPO will intervene in the value chain with the purpose of maximizing Markets' impact.

Subsections 4.1 through 4.6 will be repeated for each prioritized economic area.

### **4.1 Identify client firms**

Identify all firms in the region (businesses or people naturally working in the region or interested in investing in the region) for each economic activity. The BPO should interview top performers from each economic activity with whom the BPO plans to work and assess if they are expanding business or diversifying to other activities.

### **4.2 Quantify sales**

Estimate overall sales for each prioritized economic activity. For example, for dairy, what are the sales for bottled milk, for cheese, for yoghurt, etc.? For chick peas, what are the sales for canned chick pea, for dried chick pea, packaged chick pea, etc.?

### **4.3 Identify market destinations**

Identify markets for each prioritized economic activity. This section should include as much detail as possible. What are the market destinations for products within prioritized economic activities? Where are the products sold? What is the actual volume currently sold? What quality and quantity is required. For example, with tilapia – does the tilapia go to the local market, restaurants, or supermarkets?

### **4.4 Identify technology used for production**

Identify the actual technology used for production. Also, identify and examine alternative technologies and evaluate the profitability of adopting these technologies. For example, instead of peeling the bean by hand, there is a peeling machine which will reduce costs and improve profitability.

### **4.5 Identify bottlenecks and potential solutions**

Identify principal bottlenecks for increased sales for each prioritized economic activity. These bottlenecks may be in production or marketing. The principal bottleneck could also relate to public infrastructure – highways, public lighting, etc. In such a case, the solution will involve working together with the public sector – the local, regional, or national government.

## 5 Develop Action Plan

Set goals and present a strategy to realize those goals using the previous sections as a starting point. The strategy should include the actions to be taken and the goals which each action will contribute to achieving. In addition, each BPO should create a timeline for specific actions.

## 6 Sell the Region

Detail the actions that the BPO will take to sell its region. First, present the major bottlenecks that create obstacles to development and growth and identify actions that the BPO will take to remove those bottlenecks. Second, prioritize which obstacles the BPO will focus on removing, describe how it will remove those obstacles, and present a timeline of specific actions. The BPO should ask and answer in this section, "If I were to represent my region in an international trade show, what picture would I paint of the region to make it more attractive to foreign investors?"

# Annual Operating Plan Example for Markets



**MARKETS**

## 1 Introduction

This annual operating plan is the operating plan for one of the BPOs of the PRA project for the year 2000. The information included here will provide an idea to Markets BPOs of what annual operating plans look like and what information needs to be included in each annual operating plan. Although the sectors that Markets will initially focus on are pre-determined, it is vital for each BPO to go through the process of gathering information on respective corridors and use this information to identify activities where efforts can have the greatest impact.

## 2 Macro-level Diagnostic

Agricultural production is the principle economic activity of the Cajamarca corridor. The importance of agriculture is diminishing due to the increasing importance of mining in the area over the past 10 years with a focus on gold. Following these two activities are the areas of construction, which has experienced growth in the recent past, and manufacturing which has slightly diminished in importance. The rest of economic activities in the corridor remain constant.

By 2005, the corridor will be more economically dynamic where businesses focus on economic activities that support mining and agricultural exports with alternative crops that contribute to developing other complementary activities in the area. The corridor is the principal producer of milk in the country and produces milk products at high volume and quality. The corridor is also an important industrial center for wood processing. Finally, the corridor is turning into an important center of tourism offering medicinal baths, hiking, and hunting.

The medium-sized cities of the corridor have been growing in terms of population – mainly Cajamarca, Huamachuco, Chota, and Cutervo. The rural populations has decreased due to the migration of people living in extreme poverty, dedicated to subsistence farming, to the medium-sized cities located within the corridor where there is more job opportunity.

Geographically, the centers of economic activity are: Huamachuco – Cajabamba – San Marcos – Celendin – Cajamarca. These areas of economic activity will be included in the national and international market through good telecommunications networks between Huamachuco and Cajabamba. Products and services in the corridor are sold primarily in the national market in Lima and secondarily in the smaller market cities of Trujillo and Chiclayo.

### Economic Activities of the Region – Percentage of Gross Domestic Product

Source: INEI

Economic Activities	1972	1995
Agriculture	51.17%	34.27%
Mining	3.36%	17.10%
Industry/Manufacturing	9.94%	8.45%
Construction	3.98%	9.68%
Commerce, Restaurants, Hotels	7.29%	5.80%
Renting of Property	5.32%	5.05%
Government Services	9.71%	8.30%

Other Services	9.18%	11.20%
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### Population Distribution in Region

Source: INEI

Population	1972	1993
Rural	82.60%	75.30%
Urban	17.40%	24.70%

### Potential Areas for Economic Growth in the Region given Natural Resources that exist:

- Cajamarca, San Marcos, Cajabamba – agricultural activities, forestry, mining; alternative products include milk products, pine wood, and tourism.
- Bambamarca – Chota – Cutervo – agro-export crops and milk products.
- Cajamarca – Chilete – Tembladera. Alternative crops for agro-export.

### ⊕ Principal businesses working in the region per sector or activity:

Sector/Activity	Business
Mining	<ul style="list-style-type: none"> <li>• <u>Minera Yanacocha S.A.</u></li> <li>• <u>Compania Minera Cambior</u></li> </ul>
Milk Products	<ul style="list-style-type: none"> <li>• <u>Camilac (Gloria)</u></li> <li>• <u>Incalac (Nestle)</u></li> <li>• <u>Granja Porcon Cooperative</u></li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• <u>Laguna Seca</u> – 4 star hotel</li> <li>• Association of Tourism Agencies Cajamarca</li> <li>• Hacienda San Vicente</li> </ul>
Banks	<ul style="list-style-type: none"> <li>• Rural Bank of Cajamarca</li> <li>• Municipal Bank of Cajamarca</li> </ul>
Wood processing	<ul style="list-style-type: none"> <li>• <u>Cajamarca Industries</u></li> <li>• <u>Civil Association for Forestry Development</u></li> </ul>
Agro-industry	<ul style="list-style-type: none"> <li>• <u>Molino San Marcos</u></li> <li>• <u>Agro-Export Cajamarca</u></li> </ul>
Agricultural production	<ul style="list-style-type: none"> <li>• <u>Atahualpa Cooperative</u></li> <li>• <u>Agricultural and Ranching Cooperative Sunchubamba</u></li> </ul>

## 3 Micro-level Diagnostic

A preliminary analysis of the competitiveness of the different products and services offered in the regions was done. The prioritized economic activities for the operating plan of the first year are artichokes.

### 3.1 Identify primary economic activities of region

#### Artichokes

Growing of this product is new for the region. There exist areas with good conditions in the region for cultivating artichokes. To date, several demonstration sites have been set up for

spineless artichokes in Cajamarca and Huamachuco that show that artichokes are well-adapted for the region. Producers in the area are expecting yields of around 18 metric tons per Ha for the year of which 12 metric tons will be for export markets. There are 40 ha of spineless artichokes being harvested – the production of this area is sent to a processing plant in Chiclayo. The production was low due to the high genetic variability of the seed variety used.

The processing plants in Trujillo have started to process artichokes to diversify away from the majority of current production in asparagus with the expectation of high yields and low transport costs. Cajamarca will have to be competitive based on productivity and quality that is possible considering the advantages of the climate in the region that permits two harvests per year and low production costs.

### **3.2 Assess supply of each economic activity**

#### **Artichokes**

There is an actual available supply of 1,200 metric tons annually of artichokes for the 5.5 cm variety. This is processed and later frozen for export by various export companies (Procesadora S.A., Talsa, Exportadora Viru, among others). At the end, to make this process profitable they will look for processors that ask for sizes larger than 5.5 cm.

The volume of commercial production for this crop in the region is zero. The harvest seasons for the crop are between February and July and between August and December.

A processor in Chiclayo will be involved in helping with the seed variety used by producers, providing technical assistance, and buying product under a previously established contract.

### **3.3 Analyze technology used for each economic activity**

#### **Artichokes**

With Artichokes it is better to use advanced technology to obtain higher yields, better quality, and better profitability to make the activity sustainable.

### **3.4 Evaluate openness of potential client firms**

#### **Artichokes**

In the region we have identified several potential clients including AgroNec and CEDEPAS that work with producers interested in growing this alternative agro-export crop in Cajamarca. The clients will help in organizing supply, will bring technical assistance for producers, and will market the product. There is also interest from small banks from Libertad and Cajamarca to authorize loans for the artichoke campaign.

### **3.5 Conclusion – prioritize identified economic activities**

From the above analysis, the BPO has determined that the artichoke should be the economic activity that the BPO focuses its efforts on improving.

## **4 Analyze Prioritized Economic Areas**

#### **4.1 Identify client firms**

In the region we have identified several potential client including AgroNec and CEDEPAS that work with producers interested in growing this alternative agro-export crop in Cajamarca. The clients will help in organizing supply, will bring technical assistance for producers, and will market the product. Additional potential client firms include Procesadora S.A. and COMAPI – both artichoke processors in Trujillo.

#### **4.2 Quantify sales**

The estimated profitability of the first year with a price of US \$.40 per kilo of artichokes is a multiplier of 1.21 and will be the same the following year for lower production costs.

#### **4.3 Identify market destinations**

The product is destined for processors based in Chiclayo and Trujillo, not more than 200 km. from the production centers. The price paid varies between US \$.15 to .45 per kilo depending upon the size of the artichoke.

The potential demand of the product will be greater in the future and it is important to point out that the crop is semi-perennial with three years of being established in the field and has the possibility for increasing the planting area by at least 500 ha. Markets for artichokes exist in the European Union, Brazil, Argentina, Australia, and the USA – both fresh and processed. With processed artichokes, the artichoke has to have a growth rate of 10% annually in American markets. In Spain, the crop is reducing by approximately 50% due to the fact that labor is getting more and more expensive. From the global perspective, there exist a great potential for Peru – being able to compete with Spain and Italy in this product. There exist great possibilities to create a national industry of artichokes using asparagus factories as a base. The distribution channels will be: producer to processor to exporter.

#### **4.4 Identify technology used for production**

Currently, artichokes are planted and harvested manually with little to no machinery used to assist in the production process.

#### **4.5 Identify bottlenecks and potential solutions**

Bottlenecks identified in production include the lack of specialized technical assistance needed initially to get the necessary yields for the product. For marketing, price fluctuations, lack of distribution centers, lack of refrigerated transport, and bad roads pose a limitation. The form to resolve these problems will be through technical assistance to increase the percentage of exportable product, facilitate access to credit, negotiate prices between producers and processors, and work with the local and national governments on improving the road system.

### **5 Develop Action Plan**

Attach a timeline of actions as described in the guidelines for annual operating plans.

#### **4.1 Identify client firms**

In the region we have identified several potential client including AgroNec and CEDEPAS that work with producers interested in growing this alternative agro-export crop in Cajamarca. The clients will help in organizing supply, will bring technical assistance for producers, and will market the product. Additional potential client firms include Procesadora S.A. and COMAPI – both artichoke processors in Trujillo.

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### **5 Develop Action Plan**

Attach a timeline of actions as described in the guidelines for annual operating plans.

## **ANNEX 5: TEMPLATES AND GUIDELINES**

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### **1 Business Plan Template**

#### **BUSINESS PLAN NIGERIA MARKETS**

The Nigeria Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) project, financed by USAID, and [INSERT COMPANY NAME], hereinafter referred to as Client, signed this Business Plan and hereby agree as follows:

#### **1. Background**

The [Insert Name of BPO] Business Promotion Office (BPO) in accordance with the MARKETS Program implemented by Chemonics International Inc. aims to provide targeted business assistance and increase sales leading to job creation in identified geographic regions in Nigeria. The [Insert name of BPO] will be providing non financial services to support the business and production activities within the region.

[INSERT A BRIEF DESCRIPTION OF CLIENT FIRM-INCLUDE THE FOLLOWING]

1.1 [TYPE OF ORGANIZATION]

1.2 [LENGTH OF EXISTENCE OF BUSINESS - NEW, EXISTING, EXPANSION]

1.3 [NATURE OF BUSINESS AND MARKETING CHANNELS]

- [GOODS OR SERVICES THAT THE COMPANY PRODUCES OR SELLS]
- [MARKETING CHANNEL-DIRECT, WITH DISTRIBUTORS,ETC.]
- [MARKET OPPORTUNITIES THAT THE BUSINESS CURRENTLY TAKES ADVANTAGE OF TO BE PROFITABLE]

1.4 [GEOGRAPHIC SCOPE OF THE BUSINESS-LOCAL, REGIONAL, NATIONAL,ETC.]

[LIST BUYERS THAT EXIST FOR THE CLIENT’S PRODUCTS OR SERVICES]

#### **2. Scope of Business Plan**

2.1 Identification and prioritization of primary bottleneck

- [ONE SENTENCE DESCRIPTION OF PRIMARY BOTTLENECK IDENTIFIED AND PRIORITIZED BY BPO AND CLIENT FIRM.]

2.2 [INSERT NAME OF BPO] BPO under this Business Plan commits to

- [AS MANY BULLETS AS NEEDED REGARDING THE INITIAL COMMITMENT OF BPO TO REMOVE BOTTLENECK.]

2.3 Client under this Business Plan commits to

- [AS MANY BULLETS AS NEEDED TO DESCRIBE CLIENT’S COMMITMENT TO REMOVE BOTTLENECK.]

- Follow recommendations made by BPO experts within the area of this agreement.

### **3. Planned results of the cooperation**

The following outcomes are expected as a result of the cooperation. ■

- Sales increase of [ENTER AMOUNT OF EXPECTED INCREASE AS A RESULT OF BPO ASSISTANCE/ACTIVITIES]

### **4. Effective period**

This Business Plan shall become effective from the date of its signature by the parties and is signed for a period of [ENTER DATES COVERING PERIOD OF INITIAL ASSISTANCE].

### **5. Reporting**

The Client should coordinate all activities under this BUSINESS PLAN with [INSERT NAME OF PRIMARY BUSINESS ADVISOR], business advisor, [INSERT NAME OF BPO] BPO. The Client agrees to provide access to sales, production, and employment data for 12 months previous to the signing of this agreement and for each month starting from working with the [INSERT NAME OF BPO] BPO until project completion. The data for the previous 12 months, that is, the baseline data, are incorporated in this contract by reference. [INSERT NAME OF BPO] BPO, for its part, hereby agrees to keep all data reported by the Client confidential and limited to representatives of the MARKETS program. [INSERT NAME OF BPO] BPO further agrees not to disclose such data unless expressly authorized by the Client.

Independent verification of data may be requested in order to document and ensure the integrity of data reported. The Client agrees to cooperate with consultants hired by the MARKETS project in order to verify reported data. The MARKETS project hereby agrees not to disclose data and to maintain Client confidentiality of such data unless the use of said data is expressly authorized by the Client.

### **6. Miscellaneous**

6.1 This BUSINESS PLAN may be terminated by each party by giving 5 working days prior notice in writing to the other party.

6.2 This BUSINESS PLAN is signed in two copies in English.

### **7. Signatures of the Parties**

Postal address: [ADVISOR'S OFFICE ADDRESS]

Name: [ADVISOR’S NAME]  
 Title: Business Adviser  
 Signature: \_\_\_\_\_  
 Date Signed: [DATE]  
 Place Signed: [PLACE]

[BUSINESS NAME]  
 Address:  
 Name:  
 Title:  
 Signature: \_\_\_\_\_

Date Signed: [DATE]  
 Place Signed:

### 8. Project Office Review and Approval

Reviewed by:  
 Name: [NAME]  
 Title: [TITLE]  
 Signature: \_\_\_\_\_

Approved by:  
 Name: [NAME]  
 Title: [TITLE]  
 Signature: \_\_\_\_\_

---

For internal use only to be completed by Business Advisor – check yes or no:

Yes	No	Question
		Do the activities in this business plan network small-scale farmers, micro-entrepreneurs, traders and others involved in the commodity chain in the region?
		Will the activities in this business plan contribute to increased fertilizer production by the private sector?
		Will the activities in this business plan help farmers and agro-processors leverage financing?
		Will the activities in this business plan increase productivity of pre-selected commodity sectors?
		Will the activities in this business plan contribute to turning bulk commodities into value-added products?

## **2 Illustrative Business Plan – Olam Rice**

### **BUSINESS PLAN EXAMPLE**

#### **FOR**

### **NIGERIA MARKETS – OLAM RICE CASE**

The Nigeria Maximizing Agricultural Revenue and Key Enterprises in Targeted Sites (MARKETS) project, financed by USAID, and Agro Millers, Olam Nigeria Ltd., hereinafter referred to as Client, signed this Business Plan and hereby agree as follows:

#### **1. Background**

The Abuja Business Promotion Office (BPO) in accordance with the MARKETS Program implemented by Chemonics International Inc. aims to provide targeted business assistance and increase sales leading to job creation in identified geographic regions in Nigeria. The Abuja BPO will be providing non financial services to support the business and production activities within the region.

2.1 The Client is a large rice processor. It processed approximately 3,000 mt of raw rice last year and expects to process approximately 18,000 mt of raw rice this year.

1.5 The Client is currently trying to expand its supply of rice paddy through demonstration sites and increasing the hectareage and yields of the producers which it works.

1.6 The Client is in the business of selling rice.

- The Client sells bags of rice in bags of 50kg, 25kg, and 10kg.
- Client product is currently sold through wholesalers.
- [MARKET OPPORTUNITIES THAT THE BUSINESS CURRENTLY TAKES ADVANTAGE OF TO BE PROFITABLE]????????

1.7 The Client does majority of its sales in the mid-belt region, the national Market of Nigeria, and some in the West Africa region.

[LIST BUYERS THAT EXIST FOR THE CLIENT’S PRODUCTS OR SERVICES] ?????

#### **2. Scope of Business Plan**

2.1 Identification and prioritization of primary bottleneck

- The primary bottleneck identified by the mid-belt BPO working together with the Client is the Client’s current challenge of organizing additional rice paddy for processing at a higher level of quality and expanding its production base.

2.2 Abuja BPO under this Business Plan commits to

- Identify and hire three technicians to oversee rice production in the XX area of XX State. Abuja BPO will provide overall oversight and supervision of technicians and Abuja BPO will coordinate its work closely with the Client to ensure that the right variety of seed and level of quality is produced to Client standards.

### 2.3 Client under this Business Plan commits to

- Finance and provide new seed variety to producers.
- Follow recommendations made by BPO experts within the area of this agreement.

### 3. Planned results of the cooperation

The following outcomes are expected as a result of the cooperation. ■

- Sales increase of [ENTER AMOUNT OF EXPECTED INCREASE AS A RESULT OF BPO ASSISTANCE/ACTIVITIES] ???

### 4. Effective period

This Business Plan shall become effective from the date of its signature by the parties and is signed for a period of six months; March 1, 2006 to August 31, 2006.

### 5. Reporting

The Client should coordinate all activities under this BUSINESS PLAN with [INSERT NAME OF PRIMARY BUSINESS ADVISOR], business advisor, Abuja BPO. The Client agrees to provide access to sales, production, and employment data for 12 months previous to the signing of this agreement and for each month starting from working with the Abuja BPO until project completion. The data for the previous 12 months, that is, the baseline data, are incorporated in this contract by reference. Abuja BPO, for its part, hereby agrees to keep all data reported by the Client confidential and limited to representatives of the MARKETS program. Abuja BPO further agrees not to disclose such data unless expressly authorized by the Client.

Independent verification of data may be requested in order to document and ensure the integrity of data reported. The Client agrees to cooperate with consultants hired by the MARKETS project in order to verify reported data. The MARKETS project hereby agrees not to disclose data and to maintain Client confidentiality of such data unless the use of said data is expressly authorized by the Client.

### 6. Miscellaneous

6.1 This BUSINESS PLAN may be terminated by each party by giving 5 working days prior notice in writing to the other party.

6.2 This BUSINESS PLAN is signed in two copies in English.

## 7. Signatures of the Parties

Postal address: [ADVISOR'S OFFICE ADDRESS]

Name: [ADVISOR'S NAME]

Title: Business Adviser

Signature:

Date Signed: [DATE]

Place Signed: [PLACE]

[BUSINESS NAME]

Address:

Name:

Title:

Signature:

Date Signed: [DATE]

Place Signed:

-----  
For internal use only to be completed by Business Advisor – check yes or no:

Yes	No	Question
		Do the activities in this business plan network small-scale farmers, micro-entrepreneurs, traders and others involved in the commodity chain in the region?
		Will the activities in this business plan contribute to increased fertilizer production by the private sector?
		Will the activities in this business plan help farmers and agro-processors leverage financing?
		Will the activities in this business plan increase productivity of pre-selected commodity sectors?
		Will the activities in this business plan contribute to turning bulk commodities into value-added products?

### **3 Draft Process for Business Plan Approval and Indicator Selection**

#### **3.1 Introduction**

The purpose of the below-outlined process is to provide an initial administrative process to use for reviewing and approving business plans between Markets' BPO Business Advisors and client firms. It should be noted that this is not meant to be the final process to be used, but rather as a starting point reflective of numerous conversations and brainstorming sessions with Markets' staff members. As the process is used, the Markets team will be able to identify adjustments that should be made to streamline the process and ensure that the overall process is contributing to achievement of program results and overall objectives.

As the team becomes more proficient with the steps the process will become faster. Overall, the process should be given approximately two to three days to complete for every business plan.

#### **3.2 Draft the Business Plan**

The BPO Business Advisor, working with a selected client firm, drafts a Business Plan to address key bottlenecks. The Business Advisor sends this draft version of the Business Plan to the Markets' M&E Specialist copying the Business Services Director. At this point, there is not a need for a specific budget, but there is a need to provide a rough estimate of what the intervention will cost Markets and careful thought put into the potential sales that this intervention could contribute to creating.

#### **3.3 M&E Unit Review**

Markets' M&E specialist evaluates the "big picture" of the draft Business Plan quickly to confirm that the potential sales increase equals five Nairas for every one Naira of money invested by Markets. If there are any large problems the M&E specialist returns Business Plan to Business Advisor with questions. If not, the M&E specialist forwards the Business Plan to the Business Services Director copying the COP and the accountant.

At this time the M&E specialist can begin to evaluate the proposed intervention contained in the Business Plan and begin selecting the other indicators contained in Markets' PMP that the intervention could contribute to providing information for. The M&E specialist could then draft a baseline form for that intervention to have at the ready following the approval of the Business Plan by the Business Services Director and by the COP.

#### **3.4 Business Services Director Review**

The Business Services Director reviews the Business Plan and provides comments and/or questions to the Business Advisor on additional items that should be considered or incorporated into the Business Plan prior to approval. Once this is completed a more detailed budget should be assembled by the Business Advisor for the specific intervention. The budget should be simple, yet comprehensive to determine a reasonable estimate in consideration of the necessary time needed for short term consultants as well as the materials that will be needed for each intervention. Once the Business Services Director approves, signs two copies of the business plan, and forwards the business plan is forwarded to the project accountant, COP, and SAF manager if applicable.

### **3.5 Accountant/COP/SAF Manager Review and Approval**

Because Markets is making a budgetary commitment through each Business Plan, final approval for each Business Plan should be granted by the COP and reviewed by the project accountant. Overall, Markets should provide an approximate overall operating budget for each BPO so that each advisor may have a general idea of how much money can be spent for each respective intervention. The project accountant will review the Business Plan to assess the proposed budget for the intervention and how it fits in with the overall budget for that particular BPO. Additionally, if SAF funds are to be used the SAF manager will also review the proposed budget in relation to the budget for the SAF. Should any issues arise the project accountant will advise the COP accordingly. If not, the COP can review the Business Plan in tandem with the accountant review for final approval.

If there are problems at this level, comments and issues are sent to the Business Services Director. The Business Services Director then works to resolve these problems – perhaps decreasing or increasing the activities – with the respective Business Advisor. Individual BPO directors will be brought into this on a case by case basis. Ideally, the Business Services Director will be well-informed of budgetary issues and will be able to resolve any issues on this level before submitting to the project accountant/COP/SAF manager.

Granting of final approval involves the COP signing both original copies of the Business Plan and sending back to the relevant Business Advisor along with a short email of approval copying the Monitoring and Evaluation specialist, the Business Services Director, the Accountant, and the SAF manager if applicable.

### **3.6 Baseline Form and Monthly Report Form Finalization**

The Business Plan is now signed and ready to go back to the client firm for final signatures of the Business Advisor and the client firm. Now, the Business Advisor and the M&E specialist meet to agree on the indicators that the M&E specialist selected for section C of the baseline form for the particular intervention/interventions called for in the Business Plan. Subsequent to this meeting the M&E specialist sends to the Business Advisor a finalized baseline form for the client firm in addition to a data collection form that the Business Advisor will be submitting for the client firm on a monthly basis.

### **3.7 Business Plan Signed and Baseline Taken**

Now, the Business Advisor can take the Business Plan to the client firm for final signature and to take the initial baseline. Once the Business Plan is signed it is better that the Business Advisor fills out as much information as possible for the baseline form and only ask the client firm the questions that the Business Advisor is unsure about. This methodology will ensure that Markets does not burden our client firms with data collection responsibilities. Then, the original signed version of the Business Plan is submitted to the M&E unit with the baseline form filled out and attached and a copy of this is sent to the Business Services Director. On a monthly basis, Business Advisors then complete a report in the agreed-upon format (similar to the baseline form) for each client firm with whom he/she works to track both the contract indicators and the other indicators that the particular intervention in question contributes to providing information for.

### 3.8 Data Entry

The M&E unit then enters the data contained in the baseline survey into the Excel spreadsheet or database program being used for data collection and analysis. On a monthly basis this will be updated and added to and overall results will be evaluated and verified by the M&E specialist. Overall monthly results broken down by client and BPO will be shared with the management team, other BPOs, and the rest of the Markets staff on a regular basis.

## 4 Annual Operating Plan Guide for BPOs

### 4.1 Introduction

The annual operating plan is a tool for BPOs to use as a starting point to understand the business potential of its respective region. The annual operating plan is the “birth certificate” of the BPO – it all starts here. The process of putting the annual operating plan together will give BPO business advisors a better idea of the opportunities and challenges facing their region. The annual operating plan also is also a mechanism for sharing key information with other BPOs, project staff, other projects, potential investors, client firms, and USAID.

The following steps should be taken when creating annual operating plans for BPOs:

- Perform macro and micro-level economic diagnostic,
- Assess economic activities within the region,
- Assess the market,
- Estimate supply,
- Strategize,
- Create an action plan.

The annual operating plan should also include a sales strategy for the region, proposed actions for the year, and when those actions will occur.

### 4.2 Macro-level Diagnostic

Present the big picture of the regional economic situation. Working out this section will help the BPO to better conceptualize where the region is going in the next four to five years, with an emphasis on where the greatest economic potential in the region lies. This section should provide thought and answers to the following questions:

- Which economic activities will be the most vibrant in the medium and long term for the region? Why?
- Which economic activities are experiencing growth and which are diminishing? Why?
- What is happening with the population distribution between the rural and urban areas of the region? What is the distribution between agricultural activities and other economic activities such as agribusiness, services, etc.?
- Geographically, which areas of the region are better off economically? How does the region fit into the national market and/or international market?
- Where is the region selling the majority of its goods and services?
- What are the weather patterns of the region? Desert, tropical, growing season, humidity, precipitation, type of soil, etc.?
- What are the import duties on pre-selected commodity sectors?

- What are the average freight costs within the region and between major cities?

The macro-level diagnostic should finish with a list of businesses in the region working in Markets pre-selected commodity sectors.

### **4.3 Micro-level Diagnostic**

Analyze the current and potential competitiveness of different economic activities in the region. Focus on pre-selected commodity sectors and other sectors in the region that are economically vibrant. The overall purpose of this section is to identify potential client firms and possible intervention areas by BPOs.

#### **4.3.1 Identify primary economic activities of region**

List the primary economic activities considered by the BPO to be the most vibrant in the region. Focus on specific products or services related to pre-selected commodity sectors. Additionally, if other economic activities are identified as vibrant outside the pre-selected commodities, they should be described here. The analysis suggested in subsections 3.2 through 3.5 should be repeated for each economic activity.

#### **4.3.2 Assess supply of each economic activity**

Estimate the supply that each identified economic activity can provide. The information should be presented in terms of actual production volume (hectares of cowpea for instance), seasonality, where product goes (does it stay in the region or leave the region to another destination?), and estimated prices. The preliminary supply assessment should also include distribution channels as well as current and potential buyers.

This is one of the most important sections of the annual operating plan. The recommended methodology to gather this information is to interview private sector associations, relevant government agencies that can provide reliable information, the internet, and through reading recent publications and other reference materials.

#### **4.3.3 Analyze technology used for each economic activity**

Analyze the technology used the region for each economic activity. Technology includes details on the inputs used for production. For example, is production mechanized or manual? Is irrigation used? What other types of technology are used in the region for identified economic activities? Include a preliminary evaluation of the limitations on current technology being used for production.

#### **4.3.4 Evaluate openness of potential client firms**

Provide a qualitative evaluation, for each of the identified economic activities, of the openness of potential client firms to work with Markets and its overall approach. Evaluate the attitudes of firm owners towards the approach. Information should be gathered through site visits and interviews.

#### **4.3.5 Conclusion – prioritize identified economic activities**

Rank the economic activities in order of importance for BPO participation using the previous four subsections as a basis. During the prioritization, the criteria to consider are:

- Existence of an identified market,
- Availability of appropriate technology,

- Existence of buyers and investors,
- Presence of an entrepreneurial spirit,
- Sustainability, and
- Potential for generating sales and employment in the short term.

#### **4.4 Analyze Prioritized Economic Areas**

Analyze competitiveness of prioritized economic activities in order to gain a general understanding of where the BPO will intervene in the value chain with the purpose of maximizing Markets' impact.

Subsections 4.1 through 4.6 will be repeated for each prioritized economic area.

#### **4.5 Identify client firms**

Identify all firms in the region (businesses or people naturally working in the region or interested in investing in the region) for each economic activity. The BPO should interview top performers from each economic activity with whom the BPO plans to work and assess if they are expanding business or diversifying to other activities.

##### **▪ Quantify sales**

Estimate overall sales for each prioritized economic activity. For example, for dairy, what are the sales for bottled milk, for cheese, for yoghurt, etc.? For chick peas, what are the sales for canned chick pea, for dried chick pea, packaged chick pea, etc.?

##### **▪ Identify market destinations**

Identify markets for each prioritized economic activity. This section should include as much detail as possible. What are the market destinations for products within prioritized economic activities? Where are the products sold? What is the actual volume currently sold? What quality and quantity is required. For example, with tilapia – does the tilapia go to the local market, restaurants, or supermarkets?

##### **▪ Identify technology used for production**

Identify the actual technology used for production. Also, identify and examine alternative technologies and evaluate the profitability of adopting these technologies. For example, instead of peeling the bean by hand, there is a peeling machine which will reduce costs and improve profitability.

##### **▪ Identify bottlenecks and potential solutions**

Identify principal bottlenecks for increased sales for each prioritized economic activity. These bottlenecks may be in production or marketing. The principal bottleneck could also relate to public infrastructure – highways, public lighting, etc. In such a case, the solution will involve working together with the public sector – the local, regional, or national government.

#### **4.6 Develop Action Plan**

Set goals and present a strategy to realize those goals using the previous sections as a starting point. The strategy should include the actions to be taken and the goals which each action will contribute to achieving. In addition, each BPO should create a timeline for specific actions.

#### **4.7 Sell the Region**

Detail the actions that the BPO will take to sell its region. First, present the major bottlenecks that create obstacles to development and growth and identify actions that the BPO will take to remove those bottlenecks. Second, prioritize which obstacles the BPO will focus on removing, describe how it will remove those obstacles, and present a timeline of specific actions. The BPO should ask and answer in this section, “If I were to represent my region in an international trade show, what picture would I paint of the region to make it more attractive to foreign investors?”

### **5 Annual Operating Plan Example for BPOs**

#### **5.1 Introduction**

This annual operating plan is the operating plan for one of the BPOs of the PRA project for the year 2000. The information included here will provide an idea to Markets BPOs of what annual operating plans look like and what information needs to be included in each annual operating plan. Although the sectors that Markets will initially focus on are pre-determined, it is vital for each BPO to go through the process of gathering information on respective corridors and use this information to identify activities where efforts can have the greatest impact.

#### **5.2 Macro-level Diagnostic**

Agricultural production is the principle economic activity of the Cajamarca corridor. The importance of agriculture is diminishing due to the increasing importance of mining in the area over the past 10 years with a focus on gold. Following these two activities are the areas of construction, which has experienced growth in the recent past, and manufacturing which has slightly diminished in importance. The rest of economic activities in the corridor remain constant.

By 2005, the corridor will be more economically dynamic where businesses focus on economic activities that support mining and agricultural exports with alternative crops that contribute to developing other complementary activities in the area. The corridor is the principal producer of milk in the country and produces milk products at high volume and quality. The corridor is also an important industrial center for wood processing. Finally, the corridor is turning into an important center of tourism offering medicinal baths, hiking, and hunting.

The medium-sized cities of the corridor have been growing in terms of population – mainly Cajamarca, Huamachuco, Chota, and Cutervo. The rural populations has decreased due to the migration of people living in extreme poverty, dedicated to subsistence farming, to the medium-sized cities located within the corridor where there is more job opportunity.

Geographically, the centers of economic activity are: Huamachuco – Cajabamba – San Marcos – Celendin – Cajamarca. These areas of economic activity will be included in the national and international market through good telecommunications networks between Huamachuco and Cajabamba. Products and services in the corridor are sold primarily in the national market in Lima and secondarily in the smaller market cities of Trujillo and Chiclayo.

### Economic Activities of the Region – Percentage of Gross Domestic Product

Source: INEI

Economic Activities	1972	1995
Agriculture	51.17%	34.27%
Mining	3.36%	17.10%
Industry/Manufacturing	9.94%	8.45%
Construction	3.98%	9.68%
Commerce, Restaurants, Hotels	7.29%	5.80%
Renting of Property	5.32%	5.05%
Government Services	9.71%	8.30%
Other Services	9.18%	11.20%

### Population Distribution in Region

Source: INEI

Population	1972	1993
Rural	82.60%	75.30%
Urban	17.40%	24.70%

### Potential Areas for Economic Growth in the Region given Natural Resources that exist:

- Cajamarca, San Marcos, Cajabamba – agricultural activities, forestry, mining; alternative products include milk products, pine wood, and tourism.
- Bambamarca – Chota – Cutervo – agro-export crops and milk products.
- Cajamarca – Chilate – Tembladera. Alternative crops for agro-export.

### Principal businesses working in the region per sector or activity:

Sector/Activity	Business
Mining	<ul style="list-style-type: none"> <li>• Minera Yanacocha S.A.</li> <li>• Compañía Minera Cambior</li> </ul>
Milk Products	<ul style="list-style-type: none"> <li>• Carnilac (Gloria)</li> <li>• Incalac (Nestle)</li> <li>• Granja Porcon Cooperative</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• Laguna Seca – 4 star hotel</li> <li>• Association of Tourism Agencies Cajamarca</li> <li>• Hacienda San Vicente</li> </ul>
Banks	<ul style="list-style-type: none"> <li>• Rural Bank of Cajamarca</li> <li>• Municipal Bank of Cajamarca</li> </ul>
Wood processing	<ul style="list-style-type: none"> <li>• Cajamarca Industries</li> <li>• Civil Association for Forestry Development</li> </ul>
Agro-industry	<ul style="list-style-type: none"> <li>• Molino San Marcos</li> <li>• Agro-Export Cajamarca</li> </ul>
Agricultural production	<ul style="list-style-type: none"> <li>• Atahualpa Cooperative</li> <li>• Agricultural and Ranching Cooperative Sunchubamba</li> </ul>

### **5.3 Micro-level Diagnostic**

A preliminary analysis of the competitiveness of the different products and services offered in the regions was done. The prioritized economic activities for the operating plan of the first year are artichokes.

#### **5.3.1 Identify primary economic activities of region**

##### **Artichokes**

Growing of this product is new for the region. There exist areas with good conditions in the region for cultivating artichokes. To date, several demonstration sites have been set up for spineless artichokes in Cajamarca and Huamachuco that show that artichokes are well-adapted for the region. Producers in the area are expecting yields of around 18 metric tons per Ha for the year of which 12 metric tons will be for export markets. There are 40 ha of spineless artichokes being harvested – the production of this area is sent to a processing plant in Chiclayo. The production was low due to the high genetic variability of the seed variety used.

The processing plants in Trujillo have started to process artichokes to diversify away from the majority of current production in asparagus with the expectation of high yields and low transport costs. Cajamarca will have to be competitive based on productivity and quality that is possible considering the advantages of the climate in the region that permits two harvests per year and low production costs.

#### **▪ Assess supply of each economic activity**

##### **Artichokes**

There is an actual available supply of 1,200 metric tons annually of artichokes for the 5.5 cm variety. This is processed and later frozen for export by various export companies (Procesadora S.A., Talsa, Exportadora Viru, among others). At the end, to make this process profitable they will look for processors that ask for sizes larger than 5.5 cm.

The volume of commercial production for this crop in the region is zero. The harvest seasons for the crop are between February and July and between August and December.

A processor in Chiclayo will be involved in helping with the seed variety used by producers, providing technical assistance, and buying product under a previously established contract.

#### **5.3.2 Analyze technology used for each economic activity**

##### **Artichokes**

With Artichokes it is better to use advanced technology to obtain higher yields, better quality, and better profitability to make the activity sustainable.

#### **5.3.3 Evaluate openness of potential client firms**

##### **Artichokes**

In the region we have identified several potential clients including AgroNec and CEDEPAS that work with producers interested in growing this alternative agro-export crop in Cajamarca. The clients will help in organizing supply, will bring technical assistance for producers, and will market the product. There is also interest from small banks from Libertad and Cajamarca to authorize loans for the artichoke campaign.

#### **5.3.4 Conclusion – prioritize identified economic activities**

From the above analysis, the BPO has determined that the artichoke should be the economic activity that the BPO focuses its efforts on improving.

#### **5.4 Analyze Prioritized Economic Areas**

- **Identify client firms**

In the region we have identified several potential client including AgroNec and CEDEPAS that work with producers interested in growing this alternative agro-export crop in Cajamarca. The clients will help in organizing supply, will bring technical assistance for producers, and will market the product. Additional potential client firms include Procesadora S.A. and COMAPI – both artichoke processors in Trujillo.

- **Quantify sales**

The estimated profitability of the first year with a price of US \$.40 per kilo of artichokes is a multiplier of 1.21 and will be the same the following year for lower production costs.

- **Identify market destinations**

The product is destined for processors based in Chiclayo and Trujillo, not more than 200 km. from the production centers. The price paid varies between US \$.15 to .45 per kilo depending upon the size of the artichoke.

The potential demand of the product will be greater in the future and it is important to point out that the crop is semi-perennial with three years of being established in the field and has the possibility for increasing the planting area by at least 500 ha. Markets for artichokes exist in the European Union, Brazil, Argentina, Australia, and the USA – both fresh and processed. With processed artichokes, the artichoke has to have a growth rate of 10% annually in American markets. In Spain, the crop is reducing by approximately 50% due to the fact that labor is getting more and more expensive. From the global perspective, there exist a great potential for Peru – being able to compete with Spain and Italy in this product. There exist great possibilities to create a national industry of artichokes using asparagus factories as a base. The distribution channels will be: producer to processor to exporter.

- **Identify technology used for production**

Currently, artichokes are planted and harvested manually with little to no machinery used to assist in the production process.

- **Identify bottlenecks and potential solutions**

Bottlenecks identified in production include the lack of specialized technical assistance needed initially to get the necessary yields for the product. For marketing, price fluctuations, lack of distribution centers, lack of refrigerated transport, and bad roads pose a limitation. The form to resolve these problems will be through technical assistance to increase the percentage of exportable product, facilitate access to credit, negotiate prices between producers and processors, and work with the local and national governments on improving the road system.

#### **5.5 Develop Action Plan**

Attach a timeline of actions as described in the guidelines for annual operating plans.

#### **5.6 Sell the Region**

The strategy to sell the region will be the following:

- Attract investors through the promotion of products and services identified as profitable business in the annual operating plan through participation in events such as trade shows, trade mission trips nationally and internationally. Also, we will conduct interviews with businessmen outside the region and advertise the region generally through a web page.
- Promote the advantages of the region that have production areas with climates good for exportable crops, natural resources, mining, and profitable services destined for the national and international markets. Existence of a paved highway, an airport that is getting bigger, and good telecommunications networks.

## **6 Weekly Report Example**

### **Palm Heart**

Palm Heart to Pichis Pachitea

The buying of palm heart keeps moving normally to the Processing Plant in Zungaro de ASPAPI. There is some delay in payment creating difficulties with the farmers.

We had a meeting with the President of the Association of palm farmers of Zungaro and indicated his interest to rehabilitate the abandoned plantations, and is looking for financing. Will introduce them to the Caja Rural San Martin

### **Palm heart from Aguaytía**

After the M&E meeting last week, we met with the representatives from the farmers association interested in increasing their hectares due to the purchase contract they signed with Backus. We could help them in improve their yields from 3MT to 7 MT if they buy maintenance equipment ( machetes).

### **Business , Perú – Brasil**

We are developing business opportunities with Brazil, we will meet with importers from Manaus this week.

### **Caraotas beans – 1,000 ha in river beds with Procesadora S.A.**

Harvest is coming to an end the quality has been affected by rains and productivity will be hurt. Will know result in 2 weeks. Until end of December, Procesadora has bought 180mt and needs 120mt placed in Pucallpa to be transported to Lima.

We were doing trial to make hand-made selection, by women, but the productivity was very low, so the bean will be delivered to Lima for machine classification.

### **Whole black pepper**

The Woodland Foods order was canceled because the sample contained a high level of E. Coli. We spoke with the producer to evaluate possible solutions, they are willing to collaborate.

The farmer and consolidator, Mr Javier Hasegahua, is willing to improve the post harvest by not drying the pepper near farm animals and put them in plastic mats to avoid touching the ground.

Finally the sales to Lopeza in Huancayo is being maintained at normal levels..

### **Native Handicrafts**

COMYS has prepared a small lot of seeds crafted manually for the agent of One World Projects, we will send them to Lima and wait for comments. They are looking for ornaments like necklace and bracelets made of Amazonian products.

### **Cotton**

So far Plan Ucayali keeps providing gin service and purchase to the group of farmers in this last part of the harvest. For that reason we hired 11 technicians to oversee and support the distribution of seeds and further support producers for each value chain.

**Chain 1:** ASFERA SAC ; 4 Technicians for 3,500 ha.

**Chain 2:** ECOMUSA Sr. de los Milagros 3 Technicians for 4,500 ha.

**Chain 3:** Plan Ucayali – COOPALA 1 Technician for 2,500 ha.

**Chain 4:** Jupadi – S&C Ingenieros, 2 Technicians for 2,500 ha.

**Chain 5 :** Asc. de Prod. de Pueblo Libre – S&C ingenieros; (pre client of BPO) 1 Technician for 400 ha.

**Chain 6:** Corporación algodонера. Supported directly by gin for 1,500 ha:

On Wednesday 11th we will hold a workshop for our technicians to provide them with the business model and instructions. Also Plan Ucayali will be part of the workshop that will include the level of quality they need to receive. Visiting the gin in Zungaro. BPO will provide vehicles to the group.

### **Black-eyed pea**

No news form last report

### **Hard Yellow corn**

The most recent sample includes new hybrid varieties supported by BPO and Syngenta. Master y Colorado will compare new varieties to the traditional varieties. Marginal 28 is ready to finish, the crop is in the filling period of the grain.

### **Other activities:**

Last week we had the visit of Mr Michael Glover from USAID who visited several clients to evaluate the growth potential of the cotton business and the beans in the river beds.

## 7 Comprehensive Indicator List with Baseline Questions

### Instructions

At the level of BPO interventions, these questions are meant to assist the Business Advisors and the M&E specialist determine the baseline and subsequent increase attributable to Markets interventions. This group represents the second group of indicators outside of Markets' contract deliverables, but contained within Markets' Performance Monitoring Plan. After a Business Plan between a client firm and a BPO business advisor is approved, the M&E specialist will assess the proposed intervention areas and select the additional indicators which the individual interventions could conceivably contribute to. The M&E specialist will then meet with the Business Advisor to review these indicators in addition to how data to fill the indicators will be collected on an on-going basis. Once the indicators are selected for the intervention, the appropriate baseline questions will be moved to the "Other Baseline Data", section C of the Baseline form developed for the specific client firm and business plan in question. The indicators will be inserted, using the same methodology, into the monthly report for each client firm.

The assumption made is that because the indicators will be selected according to each intervention, the vast majority of data collected should be information that the Business Advisor knows easily due to her/his proximity to the intervention and knowledge of what is occurring at the ground level. Should this not be the case, the indicator should be reviewed by the Business Advisor and the M&E specialist on an as needed basis. As mentioned in the PMP, the purpose of this is to ensure that Business Advisors and other project staff are not overburdened with data collection responsibilities as well as to ensure that Business Advisors are spending as much time as possible with client firms and managing Markets' interventions to ensure program impact.

No.	Indicator	Baseline Question
4	Number of rural households benefiting directly from MARKETS	How many farmers do you source from?
5	Number of vulnerable households benefiting directly from MARKETS	Are farmers who you currently source from located in a vulnerable area according to current USAID? (has to be done by M&E specialist according to map received from USAID)
8	Area under sustainable management	What is the current estimated area where one sustainable production practice is being used?
9	Number of technologies made available for transfer	Baseline is always 0
10	Number of smallholders who have adopted new technologies	Baseline is always 0
11	Amount of input sold by the private sector	(Derive from increased volume – average inputs needed for additional production) – seed, pesticide, feed
12	Number of sustainable producer groups assisted by MARKETS	How many producer groups do you buy from and are they sustainable? – from BA
13	Membership in producer groups assisted by MARKETS	What is approximate membership of producer groups that client buys from? – from BA
14	Amount of training received by MARKETS-assisted producers	Baseline is always 0
16	Volume of value-added commodities and products	What is current output volume?
17	Value of value-added commodities and products	What is current market value of output volume?
18	Number of agricultural enterprises assisted by MARKETS	Baseline is always 0

MARKETS – BUSINESS PROMOTION OFFICE START-UP WORKSHOP

No.	Indicator	Baseline Question
19	Number of producers meeting buyer-required quality and standard	How many producers currently meet buyer-required quality and standard?
20	Number of individuals with enhanced management skills	Baseline is always 0
21	Amount of training received by MARKETS-assisted enterprises	Baseline is always 0
23	Proportion of production sold	Estimate from producer groups/associations.
24	Number of business deals facilitated by MARKETS	Baseline is always 0
25	Number of private-public partnerships	Baseline is always 0
26	Commodity sales by MARKETS-assisted producer groups	Establish level of sales from producer groups to client firm.
27	Number of outgrowers working with assisted enterprises	Current number of outgrowers at intervention.
28	Number of producers trained in the use of market information	Baseline is always 0
29	Number of ICT market information products implemented	Baseline is always 0
30	Amount of resources leveraged by MARKETS	Baseline is always 0
31	Number of people trained on agriculture related training	Baseline is always 0
32	Number of farmers receiving extension services	Current number receiving extension services.
33	Number of sustainable producer associations	Current number of sustainable producer associations

## 8 Draft Baseline Template for Markets Firms

**BPO :** .....

**Date:**.....

**Business Advisor :** .....

### A. GENERAL INFORMATION

1. Name of Business:.....
2. Name of Primary Business Contact:.....
3. Position of Primary Business Contact:.....
4. Address of Business :.....
5. Year Established:.....
6. Sector:.....
7. Product sold and unit of  
measure:.....  
.....  
.....

### B. PRIMARY BASELINE DATA

1. Sales and Production in the last 12 months:

Month	Year	Sales (Naira)	Volume of processed commodity	Amount of raw material purchased
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
<b>Total</b>				

2. Employment:
  - a) Total Number of Male Employees.....
  - b) Total Number of Female Employees.....
  - c) Total Number of Youth Employees (under 25 years old).....

- d) Total Number of Employees.....
- 3. How many farmers/producers do you work with and/or source from? .....
- 4. What is the average productivity level of the farmers/producers you work with? ..... .....
- 5. How much fertilizer has business purchased within the past year from the private sector? ..... .....
- 6. Has the business received any credit from financial institutions within the last year and if so how much?.....

**C. OTHER BASELINE DATA**

**\*\*\*\*The M&E specialist determines the other indicators that the specific intervention can contribute to. Then uses the table of indicators and baseline questions to determine the appropriate questions to include in this section to set the baseline for each relevant indicator.\*\*\*\*\***

**9 Draft Monthly Report Template for Markets Client Firms**

**BPO :** .....

**Date:**.....

**Business Advisor :** .....

**D. GENERAL INFORMATION**

- 1. Name of Business:.....
- 2. Name of Primary Business Contact:.....
- 3. Position of Primary Business Contact:.....
- 4. Address of Business :.....
- 5. Year Established:.....
- 6. Sector:.....
- 7. Product sold and unit of measure:.....  
.....  
.....

**E. PRIMARY DATA**

- 1. Year.....
- 2. Month.....
- 3. Monthly Sales.....
- 4. Volume of processed commodity.....

5. Amount of raw material purchased.....
6. Employment:
  - e) Total Number of Male Employees.....
  - f) Total Number of Female Employees.....
  - g) Total Number of Youth Employees (under 25 years old).....
  - h) Total Number of Employees.....
7. Number of farmers/producers worked with and/or sourced from .....
8. Productivity level of the farmers/producers worked with.....
9. Amount of fertilizer purchased from the private sector.....
10. Amount of credit received from financial institutions.....

#### F. OTHER INDICATORS

**\*\*\*The M&E specialist inserts in this section the other indicators that Markets will be collecting data for consistent with the indicators selected for the baseline following the approval of the Business Plan between the client firm and the BPO Business Advisor.\*\*\***

## 10 Question Bank for Business Advisors

### Introduction - How to Use this Question Bank

The below contains a “bank” of illustrative information that business advisors should collect within the context of conversations with client firms. This question bank is not designed to be used as a checklist, but to give business advisors some ideas about useful information to collect when speaking with client firms. As the conversations with client firms proceed, business advisors should collect the information provided below in a manner tailored to the individual needs and circumstances of the client firm so that business advisors may better determine the key bottlenecks that the client firm is facing and identify specific interventions by Markets to resolve these bottlenecks.

### Product and Process Information

- What are the primary products sent to market?
- How do they get there and who is the final buyer?
- Source of raw materials: (i) own farm (ii) out –source (iii) out –growers
- Source of finance: Personal, bank, partnership, family
- Processing capacity
- Where does client fit into the value chain?
- Areas of consideration:
  - Raw material(s):
    - Sourcing
    - Quality
    - Quantity
    - Pricing
    - Storage facilities

- Seasonality
- Marketing:
  - Logistics – distributors, wholesalers, retailers; overall distribution system
  - Package size – primary unit of distribution
  - Branding
  - Competitors – changes in the market
  - Shelf life
- Processing:
  - Processing technology
  - Processing equipment
  - Skilled manpower
  - Power supply
- Processing Equipment:
  - spare parts
  - Frequent breakdown
- Necessary Certifications
  - NAFDC certification
  - Other certifications
- Level of Process Automation

## **Strategic Assessment**

- What are the key constraints/bottlenecks for the business that if addressed will positively improve your sales and profit margin?
- If Markets could help solve these bottlenecks what would be the approximate cost?
- Is the cost of resolving the bottlenecks worth the benefits received in terms of increased sales in the short term?