



**S P E E D**

Support for Private Enterprise Expansion & Development

**BUSINESS DEVELOPMENT PROGRAM  
FOR SELECTED SECTORS**

Submitted by:

Martin Weber  
J.E. Austin Associates  
&  
Chemonics International Inc

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# **BUSINESS DEVELOPMENT PROGRAM FOR SELECTED SECTORS**

*This document presents the recommended business development program for the four industries selected for special focus.*

*All proposed services, with possible exception of certain initial studies (such as the Pricing Study for the Hides and Skins industry) should be conducted on a cost-shared basis with business proponents.*

*The Consultant's interview notes, presented separately, include many specific ideas for SPEED interventions in these four industries and in the additional industries that were the topic of discussion.*

## **Packaging**

### ***Recommended Approach***

- Emphasis on assisting the packaging industry to introduce new products, higher quality, and better services. Improve the working linkage between packaging companies and customers. Where possible, help to introduce processes that will reduce costs and increase local packaging production.
- Target services where appropriate to specific industries and products, to increase specific impact and strengthen collaborative relationships.
- Seek opportunities to act as a catalyst for decision making and investment in new types of packaging and improved quality of packaging

### ***Types of Services Needed***

- Market analysis – include import substitution, regional exports, indirect exports  
  
Identify potential customers, customer requirements and decision factors, market sizes, competing products and other information. Examine evolving needs of exporters, and identify opportunities for providing higher quality products.
- Feasibility analysis.  
  
Assist businesses with feasibility analyses for introduction of new products, entry onto new markets, investment in new equipment and processes.
- Help investors obtain information about new products  
  
Assist investors to understand market opportunities for new products, identify new products.
- New product introduction  
  
Assist businesses to develop new products and work with customers to determine applications.
- New equipment purchase and installation

Assist businesses to identify new equipment, negotiate purchase, install, develop related processes and systems, and train personnel in maintenance and operation.

- Quality assurance

Assist businesses to assess, monitor and improve quality of products. In particular assist packaging businesses to develop improved products and services for clients, particularly for export.

- Possible additional actions such as website use and development, assistance to the association, linkages with the printing industry, trade fairs (especially in the regional market), policy dialogue.

As needed, provide additional types of assistance consistent with supporting exports, value added of exports, and import substitution.

- Training

As needed, provide training and skills development consistent with supporting exports, value added of exports, and import substitution.

## **Fish Farming**

### ***Recommended Approach***

- This sector offers very good opportunities as a focus industry. Pilot enterprise models should be implemented with good proponent; these can include individual commercial models and an outgrower-type arrangement. As success is demonstrated, the model should be replicated.
- SPEED should take an active role in helping the investors/producers to recognize and take advantage of opportunities in the industry.

### ***Types of Services Needed***

- Market study – size, tastes, buyers

Identify potential markets and buyers. Identify market requirements for taste, cut, presentation, packaging, etc. Identify buyer requirements for delivery, quality control and other factors. Identify the market chain, and identify the needs of key participants. The market study should determine the need and requirements for a related technical study. The level of detail required will depend on the market analysis already available through the processors. Processors and producers may decide to collaborate in the market and technical studies.

The study (or a separate study) should identify the opportunity for outgrower arrangements, and requirements of stakeholders in such arrangements.

SPEED has already had discussions with a producer (Sunfish Farms) and a processor (Greenfields), and there is likelihood that these proponents will wish to proceed with a market study.

The studies are important for development of the appropriate commercial models as well as for discussion of finance with banks.

- Technical study – to define production requirements, methods and standards, quality standards and requirements, quality control measures and other factors.

The technical study provides basic information for construction, operation and quality standards.

- Feasibility studies

On the basis of the findings of the market and technical studies, assist individual investors to carry out feasibility analyses. SPEED may also carry out “typical” feasibility studies as the basis for developing replicable business models.

- On basis of the results, assist stakeholders to develop pilot commercial models and arrangements with processors:
  - Develop pilot schemes and business plan
    - Outgrower package
    - Commercial fish farming package

These should be replicable business plans that can be implemented adapted and by investors.

- Assist in defining linkages with processors

Assist the processors and fish farmers to reach agreement on the nature and details of their collaboration. This should include product, cost, investment, quality control and other matters. Quality and hygiene control and testing are of particular importance.

- Assist in developing market linkages (e.g. RSA)

Where linkages can be developed directly with additional markets, assist the producers to identify and reach agreement with buyers. There has been interest expressed by at least one South African buyer.

- Provide technical assisting in technical areas. Examples discussed include monosexing and hatchery development, but other areas will also be considered as appropriate.
- Assist stakeholders to participate in appropriate trade fairs.
- Assist in defining joint investments between individual fish farmers (e.g. pelletizer). These may present opportunity for individual commercial activity.
- Develop ability of commercial service providers to build new ponds and related installations.

The design and construction of fish ponds, if there is sufficient demand, may present an opportunity for a new form of commercial activity. If institutionalized, replicability will be enhanced.

- Possible additional actions such as website use and development, assistance to the association, linkages with related industries, trade fairs (especially in the regional market), policy dialogue.

As needed, provide additional types of assistance consistent with supporting exports, value added of exports, and import substitution.

- Training

As needed, provide training and skills development consistent with supporting exports, value added of exports, and import substitution.

## Textiles and Garments

### *Recommended Approach*

The textile and garment sector is not at this time recommended as a sector for systematic, deep focus. Nonetheless, it is possible that the textile and garment sector could become a growth sector if the AGOA facility is used effectively and if there is sufficient investor interest.

SPEED should monitor the sector closely, and assist on an opportunistic basis. It is hoped that there will be interest in the garment and textile industry on the part of investors, and SPEED should be responsive for opportunities both to serve potentially viable enterprises and to provide some industry-wide assistance if appropriate.

### *Types of Services Needed*

- Market analysis – Overseas, regional, import substitution (possibly jointly with more than one company)

The Ugandan market presents some opportunity for replacement of imports (t-shirts, and white shorts for schools, and other uniforms, have already been identified as possible garment products for the domestic markets. Blankets, sheets and fabrics also have a substantial local market. Such products are also likely to have a regional market.

The regional market could also include exports of fabric to Kenya for onward processing.

SPEED has met with Southern Range Nyanza, which has expressed interest in a market study. SPEED and Southern Range have discussed the rationale for and content of the study in some detail, and will jointly development a Scope of Work.

SPEED should investigate possible interest on the part of enterprises to co-share the cost and results of this analysis.

- Comparative cost and productivity analysis. Assist businesses with costing and costing strategies

Ugandan producers appear to have need for more detailed understanding of their costing and their cost comparisons with producers in other countries. Phenix and Southern Range both need such information. SPEED can assist in this costing process. Strategies also need to be developed for costing of products.

- Support UIA in identifying additional investors

UIA can play a primary role in promoting Uganda as a location for investors in the textile and garment industry. SPEED, UIA and the industry may be able to collaborate in these efforts.

- Trade fairs, linkage with buyers

SPEED can assist producers to participate in trade fairs, identify and contact buyers.

- Finance samples

SPEED can assist producers to develop production samples for consideration by potential buyers.

- Equipment procurement and engineering, process improvement

SPEED can assist investors to consider and evaluate expansions, new equipment needs, procurement of equipment, process and systems improvements. Related to this, SPEED can assist with the installation of new equipment and processes, and related engineering and related training.

- Possible additional actions such as website use and development, assistance to the association, policy dialogue and linkages with related industries industry.

As needed, provide additional types of assistance consistent with supporting exports, value added of exports, and import substitution.

- Training

As needed, provide training and skills development consistent with supporting exports, value added of exports, and import substitution.

## Hides and Skins

### *Recommended Approach*

- The industry may offer opportunity for a focused approach, with a series of actions.
- The potential for success will largely depend on the implementation of pricing mechanisms that provide incentives throughout the system for better quality hides and skins. If this cannot be achieved, then there will be little point in making this a focus sector.
- Linked actions could be taken in the production of leather and related production of leather products.
- If not a focus sector, attempts should still be made to provide individual services to the industry.

### *Types of Services Needed*

- Carry out a pricing study to demonstrate the benefits of improved quality.

Introduction of pricing arrangements within the industry that provide incentives for quality variation is a basic requirement for increasing the value of Ugandan hides and skins exports. The pricing study will identify the increased price that can sustainably be obtained in the international market for achievable higher quality.

The study should also identify the increased prices and returns that might be sustainably received by businesses at different points in the value chain (producers, slaughterers, traders, tanneries, exporters) if quality is improved and prices are able to vary by cost.

- Discuss with exporters

On the basis of the information obtained from the pricing study, discussions will need to be held with the exporters to determine their willingness to implement quality-based pricing.

- Assist in defining and implementing incentive pricing and mechanisms

Assist stakeholders in the value chain to develop a pricing system that provides incentive for improved quality throughout the chain. Assist in defining and implementing quality grades.

- Assist in implementing improved methods  
Assist stakeholders to develop and implement the methods for improved raising, slaughtering, flaying, preservation, processing and transport that will deliver the desired quality improvements.

Assist in developing supportive training and extension programs.

- Define and promote local enterprise packages – e.g. slabs, preservation

Where there is opportunity for sustainable business development that will support the objective of improved quality, SPEED can assist in developing models for the businesses, and in implementing pilot businesses.

- Possible additional actions such as website use and development, assistance to the association, policy dialogue and linkages with related industries industry.

As needed, provide additional types of assistance consistent with supporting exports, value added of exports, and import substitution.

- Training

As needed, provide training and skills development consistent with supporting exports, value added of exports, and import substitution.