MARKET SYSTEMS DEVELOPMENT – FACILITATION TACTICS LEARNING SERIES

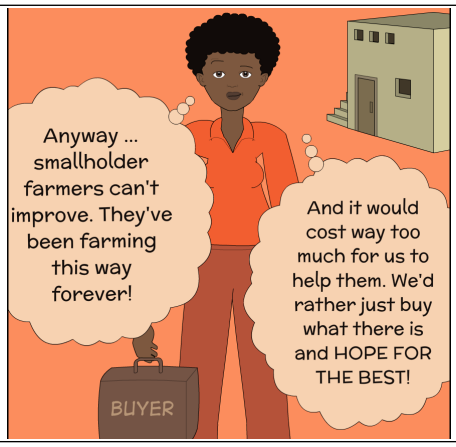
Farmers as Suppliers' Performance Club Series:

PERFORMANCE CLUBS

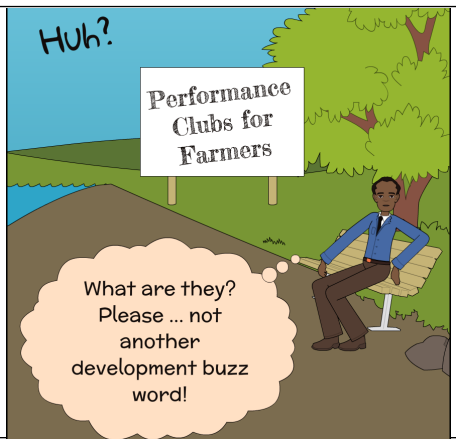
to improve Farmers' performance through investments by Buyers

Designed by EcoVentures International 2016

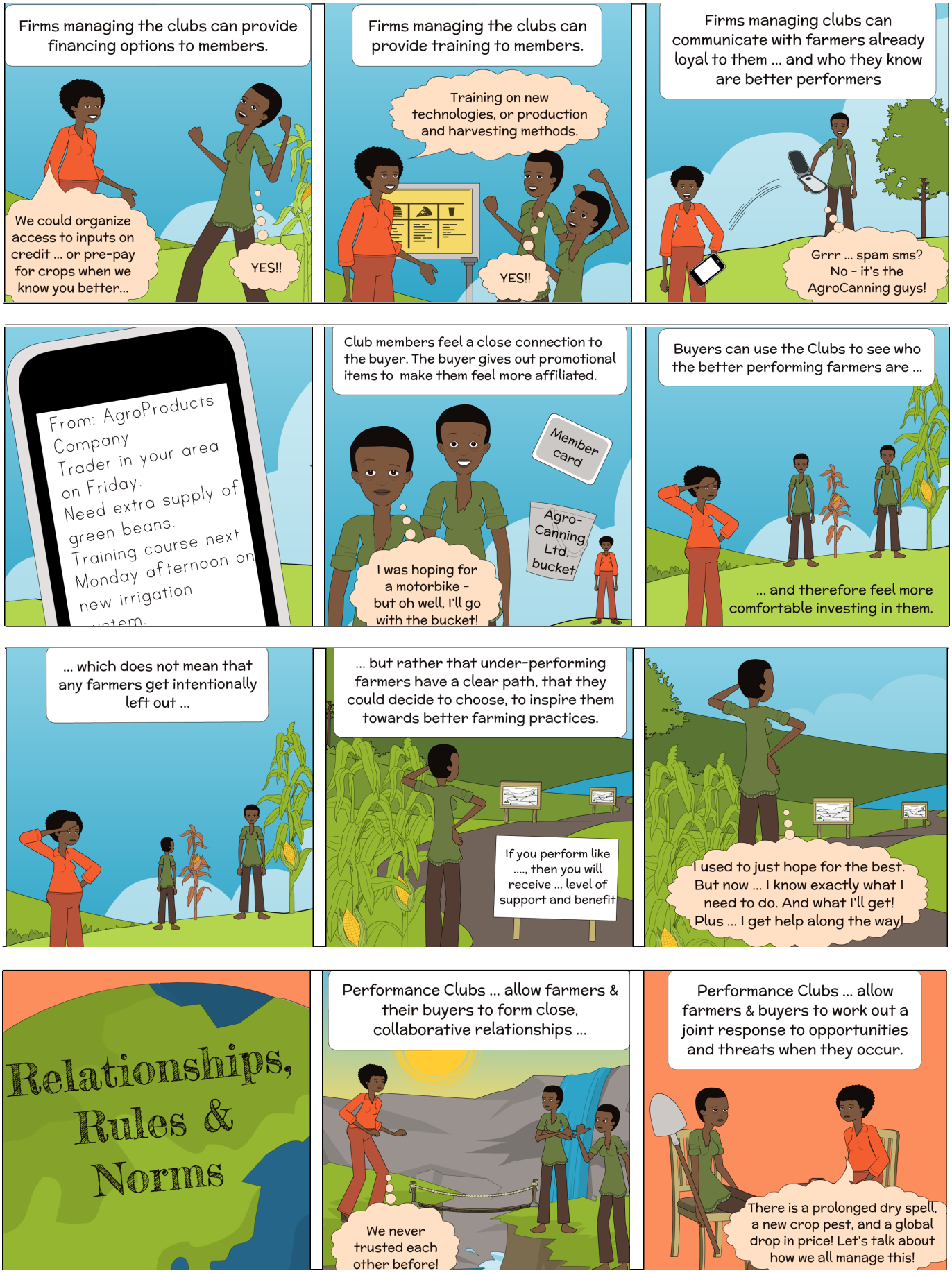
The tendency is for Buyers not to invest much in rural smallholder farmers who they buy crops from.



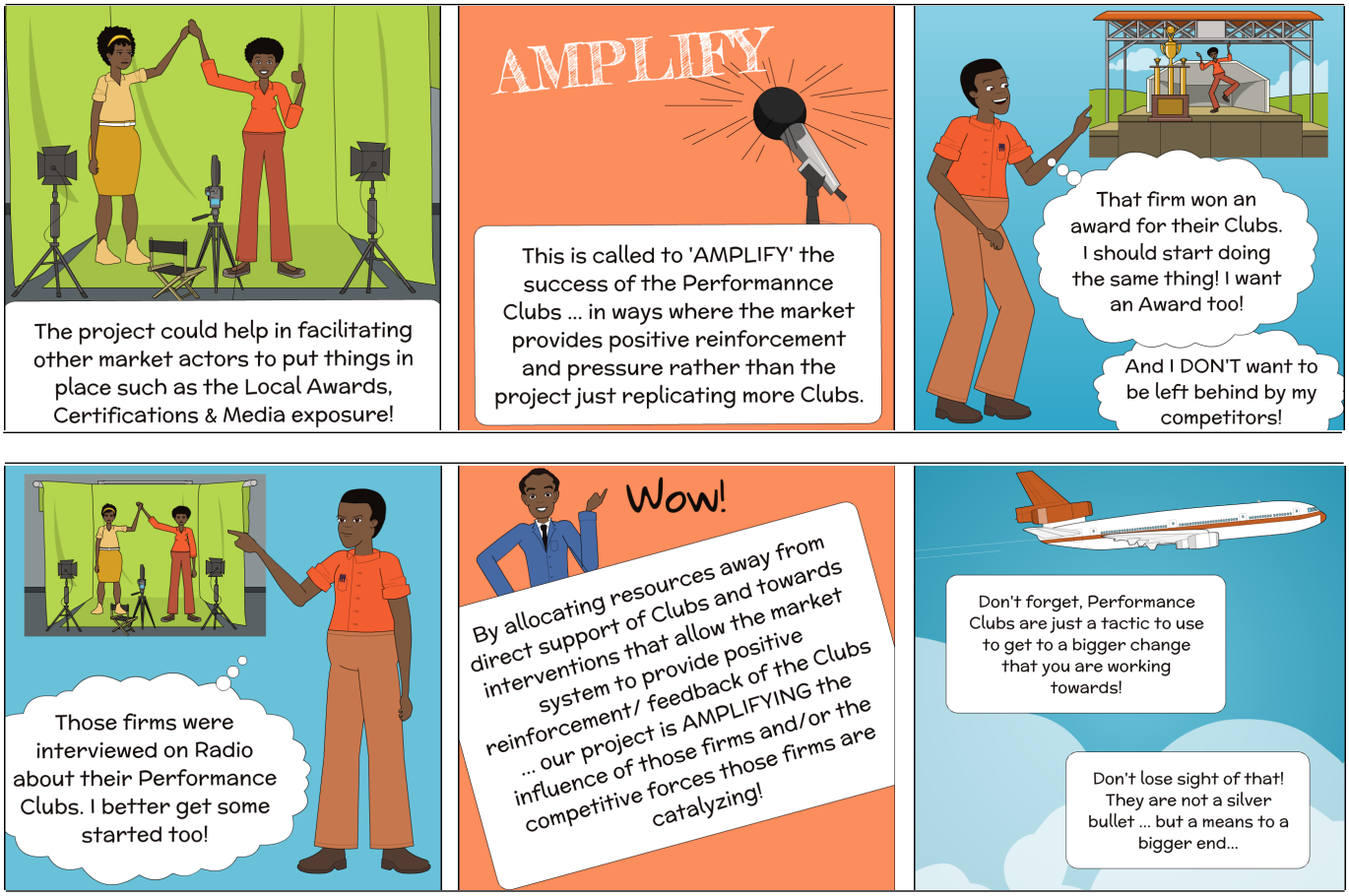
Challenges for farmers:
Farmers tend to receive little or no technical support or market information from buyers.



Firms call them by many different names ...
SUPPLY CHAIN CLUBS
PREFERRED SUPPLIER CLUBS
Performance Networks
So ... How would this work in a rural agricultural setting?
Challenges to Buyers:
Buyers of farmers' crops need a specific volume and quality of crops.
Phew! Bad!
Too few!
Grrrrr!
I cannot rely on the general 'open' market to get the volume and quality I need! It's just not reliable enough!
I need another option!
AgroCanning Company Farmers' Club
Performance Clubs can be run by a firm that buys farmers' crops or processing firms. Their most efficient farmer suppliers can become members.
The Buyer defines good performance standards and supports the farmers to achieve them. The farmers that excel join the Performance Club!
I feel important! I'm finally a member!
I want to do better and better!
Ah ha!
Buyers need to manage their supply chain in some way - to get more consistent volumes and quality!
That's their incentive to see the rationale for setting up Performance Clubs!
hmmm?
How can Buyers use Performance Clubs effectively?
Performance levels?
Technical support?
Financing options?
Farmer training?
Promotional items?
Sms information?
Etc, etc, etc
Clubs could distinguish different farmer membership levels ... and offer attractive performance incentives at each level.
Silver performers
Gold performers
Bronze performers
... which inspires farmer members to do increasingly better!
I want to perform better to get gold level support!
Silver performers
Gold performers
Bronze performers
Firms managing the clubs can provide extra technical support to farmer members.
AGRO CANNING
They're helping me plough my land!


Firms managing the clubs can provide financing options to members.
We could organize access to inputs on credit ... or pre-pay for crops when we know you better...
YES!!
Firms managing the clubs can provide training to members.
Training on new technologies, or production and harvesting methods.
YES!!
Firms managing clubs can communicate with farmers already loyal to them ... and who they know are better performers
Grrr ... spam sms? No - it's the AgroCanning guys!
From: AgroProducts Company
Trader in your area on Friday.
Need extra supply of green beans.
Training course next Monday afternoon on new irrigation
Club members feel a close connection to the buyer. The buyer gives out promotional items to make them feel more affiliated.
Member card
Agro-Canning Ltd. bucket
I was hoping for a motorbike - but oh well, I'll go with the bucket!
Buyers can use the Clubs to see who the better performing farmers are ...
... and therefore feel more comfortable investing in them.
... which does not mean that any farmers get intentionally left out ...
... but rather that under-performing farmers have a clear path, that they could decide to choose, to inspire them towards better farming practices.
If you perform like ...., then you will receive ... level of support and benefit
I used to just hope for the best. But now ... I know exactly what I need to do. And what I'll get! Plus ... I get help along the way!
Relationships, Rules & Norms
Performance Clubs ... allow farmers & their buyers to form close, collaborative relationships ...
We never trusted each other before!
Performance Clubs ... allow farmers & buyers to work out a joint response to opportunities and threats when they occur.
There is a prolonged dry spell, a new crop pest, and a global drop in price! Let's talk about how we all manage this!

Performance Clubs .... allow farmers & buyers to have multiple, repeat interactions that continue to be valuable to both.
The more we interact the more we learn and adapt to each others' interests, needs, and perspectives ... as well as build trust.
Performance Clubs ... help buyers to manage the performance of the farmers that supply to them
... to align with Global Gap or other certification or trade requirements
Wow! We can actually help influence and build farmer suppliers!
Performance Clubs ... create a network based on merit (good performance)
We only allow farmers who perform well to be members ...
Performance Clubs ... stimulate healthy COMPETITIVE relationships between farmers
Oh yeah!
We love competing to see who can do better and get to a higher level in the club!
It encourages us all to perform better!
Performance Clubs ... encourage farmers & buyers to be constantly investing in improvements (upgrading)
Wow!
This is an amazing rate of adoption & adaptation of better practices
Performance Clubs .... create the environment for committed farmers to grow over time
The better you do, the higher Club level you move to and the more rewards you get.
So ... What's Next?
Clubs
How long should we continue pushing for more and more Performance Clubs?
Or do we just stop there?
Club
Successful Club
The roles a project plays might change ... from pushing Performance Clubs .... to rather doing things that highlight the firms using Clubs successfully !
Firms implementing successful Performance Clubs could be showcased through Local Awards, Public Relations, Certifications, Media!
Good Business Awards!
Ping!
I get it now!
These type of ongoing messages in the market (to showcase the successful firms) can motivate other firms to start copying and adapting the model themselves without the project being needed!


The project could help in facilitating other market actors to put things in place such as the Local Awards, Certifications & Media exposure!
AMPLIFY
This is called to 'AMPLIFY' the success of the Performannce Clubs ... in ways where the market provides positive reinforcement and pressure rather than the project just replicating more Clubs.
That firm won an award for their Clubs. I should start doing the same thing! I want an Award too!
And I DON'T want to be left behind by my competitors!
Those firms were interviewed on Radio about their Performance Clubs. I better get some started too!
Wow!
By allocating resources away from direct support of Clubs and towards interventions that allow the market system to provide positive reinforcement/ feedback of the Clubs ... our project is AMPLIFYING the influence of those firms and/or the competitive forces those firms are catalyzing!
Don't forget, Performance Clubs are just a tactic to use to get to a bigger change that you are working towards!
Don't lose sight of that! They are not a silver bullet ... but a means to a bigger end...