

2SCALE

MODULE 11

Marketing planning of agricultural products

- **Facilitators' Guide**
- Exercises
- Reference Sheets

2SCALE consortium:



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A FEW WORDS ON MARKETING PLANNING IN VALUE CHAIN PARTNERSHIPS

The marketing of a product is a natural and spontaneous process, but it is also a thoughtful one as soon as, for a person, natural or legal, it comes to bringing a product to market, whatever the product is. *“Marketing involves finding out what product your customers want and supplying it to them at a profit”* (FAO, 2005)¹.

Contrary to what is regularly heard or read, marketing of agricultural products is not only ensuring the flow of a product from the field to a warehouse or from the warehouse to a sales' place. Marketing consists of more diverse operations and requires multiple skills.

The first of these skills is linked to the making of a marketing plan. This preparation starts with the planning of actions that need to be implemented in a precise period of time. Also, it must be made clear who is in charge of that implementation, when, and at which costs.

This module on Marketing planning (facilitators' guide, exercises, and reference sheets) is the continuity of a previous module on general marketing aspects, delivered to trainers and BSS/coaches in 2014: *Module 4, Introduction to marketing for agricultural products*. In review and capitalisation workshops, coaches expressed the need for some more precise training topics. As to marketing, three themes have been identified: Marketing planning, prospection, and promotion.

This module presents the first of these three topics: Marketing planning.

A FEW WORDS ON BSS, COACHES AND TRAINERS

Initially the 2SCALE project defined BSS as any institution/organisation/firm that include consultants, governmental and non-governmental organisations (NGOs), research departments and enterprises that support producers, processors and other affiliated enterprises. BSS generally single out an individual from within the group to oversee the activities of the cluster through coaching; this individual is called a coach. Sometimes the BSS will also be the coach and thus these two terms (BSS and Coach) may be used interchangeably. It is worth noting here, as we will see later, that the BSS is an important actor of the ABC, a group of “local” actors interacting in a given area around an agricultural product (commodity) and “servicing” a segment of the market (through a common or shared vision). Trainers will be responsible for strengthening the capacities of the BSS/coaches. Facilitators will be encouraged to take note of any lessons learnt in the capacity strengthening sessions and to give feedback so that their input can be used for further improvement of the module.

The roles and responsibilities of the BSS in CASE can be grouped into three main domains:

- Brokering services and networking; Information and advice, i.e. market analysis, strategies of competitors;
- Training and support in technical and entrepreneurial issues;
- Design and set-up of capacity strengthening and action research programmes that include the facilitation of interactive learning processes to support the formation of ABCs, value chain development and creativity and innovativeness. This is for instance strengthening of confidence, collective analysis, collective monitoring of concerted actions, etc.

The BSS require a lot of diverse and complementary competences in these fields. BSS are crucial ABC actors especially in the first years of the ABC. In most cases, the capacities of the BSS need to be strengthened so that they can fully play their roles and assume their responsibilities in the ABC.

¹ Source: “Introduction to Marketing for agricultural products”, 2SCALE / ICRA, 2014

The 2SCALE project is putting increasing emphasis on embedded coaching competences and thus on building capacity of business services among the local cluster actors. This means that business coaches increasingly originate and relate to one of the key business actors inside the cluster. In practice such coaches can be staff members or agents from lead firms or be associated to the farmer organisations of the cluster. This guide is set up for BSS/coaches and trainers and will help to strengthen the capacities of the BSS throughout the learning process and accompany/support the BSS in their fieldwork.

A FEW WORDS ON THE SERIES OF MODULES WITH FACILITATORS' GUIDES

We develop modules that address the different competences the BSS/coach should have. Each module will be a collection/package containing the following:

- 1) Facilitators' guide on how to conduct a training session/workshop
- 2) Reference sheets or what are commonly referred to as hand-outs
- 3) Excerpts from educational films and
- 4) Exercises

The facilitators' guides are meant to guide the delivery of training sessions and the organisation of workshops or any other opportunity to strengthen the competences of the BSS/coach. For most of the guides, the capacity strengthening will be in the form of a learning cycle, which is composed of three phases:

- Review and acquisition of knowledge on the theme, normally through a workshop.
- Implementation in the concrete context of providing support to ABC which will normally include field coaching by the trainer.
- Reflection and revision of lessons learned, generally through a workshop with those BSS/coaches that actually required experience in the field (and possibly adaptation of the guide).

Basically, Facilitators' guides deal with the knowledge review and acquisition workshops and occasionally with aspects of field implementation. In practice, the workshops group several BSS that are, preferably, accompanied by one or more direct actors of the ABC. Each guide is an entity; all together the guides can be assembled in a binder – comprising general themes (e.g. preparing a workshop, identifying fears and expectations) and specific themes (e.g. introduction to CASE approach, business plan development) Each guide specifies the pedagogic objectives, the steps to be taken to conduct the workshop or training, and the programme set-up with all details and adapted pedagogic material.

Apart from the binder with Facilitators' Guides, there is also one with "Reference Sheets" corresponding to the modules. The Reference Sheets to be used for the session are indicated at the end of each session. These sheets will be provided to the participants at the end of the day. The exercise(s) and/or video excerpts to be used during the sessions are also cited within the specific session.

ABBREVIATIONS AND ACRONYMS

2SCALE	Towards Sustainable Clusters in Agribusiness through Learning in Entrepreneurship
ABC	Agribusiness Cluster (sometimes represented simply as cluster)
BoP	Base of the Pyramid
BSS	Business Support Services
CSC	Capacity Strengthening Coordinator
ICRA	International Centre for development oriented Research in Agriculture
IFDC	International Fertilizer Development Centre
NGO	Non-Governmental Organisation
VC	Value Chain

Foreword

This module on marketing planning is associated to the introductory module on Marketing for agricultural products (Module 4), which introduces also other marketing-associated topics like marketing prospection, and promotion.

Whatever the purchaser's profile is (luxury, medium level, base of the pyramid), when it comes to marketing, concepts and approaches are similar. The module often refers to the base of the pyramid (BoP) market, which is of high importance within the framework of the support to inclusive business.

The module aims at making available basic knowledge on the concepts, pillars, and values of marketing planning and deals with concepts such as strategy, planning, marketing, customer/buyer, supplier, objectives/results/activities, assessment, etc. These concepts will be introduced, developed and practised through several pedagogic tool, e.g. brainstorming sessions, group exercises, and plenary sessions with debates. The core of the pedagogical approach is to work from participants' experience.

Some literature references are given to deepen the subject when needed.

Learning objectives

At the end of this training session, coaches will be able to:

- Understand the importance of planning activities to market agricultural products
- Prepare and facilitate a marketing planning session
- Facilitate the design of a marketing plan
- Develop tools for monitoring the implementation of a marketing plan

Some key messages to keep in mind about Marketing Planning:

- Planning = What? Who? When? How? How much?
- Do not forget the "hidden part of the iceberg": the preparation phase (e.g. through a SWOT analysis)
- Marketing is about supplying what customers expect and not about what the producer wants!
- Planning is not dreaming: be realistic and pragmatic!

The workshop outline

The module on marketing planning comprises 7 sessions, including introduction and synthesis/evaluation. The 7 sessions can be regrouped into three phases: i) What are the current issues that a group of stakeholder can face to market products (Session 1), ii) What are possible solutions (Session 2), and iii) How to implement the solutions (Sessions 3 to 5). Session 6 deals with the ToR for field coaching and thereby provides some inputs for the

trainer-mentor and coaches who will support cluster actors. Session 7 assesses the workshop.

Session 0: Introduction

Session 1: What is needed before planning?

Session 2: Deciding what you want to do

Session 3: Designing a marketing action plan

Session 4: Implementing a marketing action plan has a cost

Session 5: Monitoring and assessing the implementation of a marketing plan

Session 6: Preparation of the field coaching

Session 7: Workshop's assessment

Advice for the facilitator

- Keep participants aware, focused and dynamic through the use of a variety of tools, like group works, exercises, space and time to express themselves.
- Use colours and a lot of visualisation: graphs, arrows, tables, and colours (but avoid confusion).
- Be curious and not satisfied by any answer. In many cases people give “easy” answers to questions, but often these answers are often not really satisfactory because they do not cover all complex aspects of a topic. So, be curious and often ask “why?” Probe to deepen the participants’ reflections.
- As often as possible, ask participants to give concrete examples from their own experiences.
- Group work: the composition of the groups will depend on the participants’ characteristics, in terms of origin (country, region, province), sex, and of course their number. Ideally, a group should not exceed 5 persons.
- At all moments, remind the participants of the final objective of the workshop that is to use and capitalize the insights obtained through this workshop with the cluster actors; this is to be done during the follow-up coaching sessions. Participants should always have that point in mind, and can at any time discuss with the trainer-mentor on the way to use a specific tool or item during the coaching sessions.
- If necessary, come back to a concept or idea you, as a facilitator, want the participants to keep in mind. What important messages do we want the participants to keep in mind (see “key messages”, page 2)?
- Running out of time is very frequent. Be aware and be prepared for that.

Session 0: Introduction

Introduction

For this first session, time will be taken for participants to get to know each other and to develop some first reflections on the topic. It will also be the opportunity to come back and exchange on some general and basic aspects of marketing, as introduced in Module 4.

Learning objectives

At the end of the session the participants will be able to:

- Apprehend each other's knowledge on marketing
- Understand the workshop objectives and purposes
- Explain the importance of planning as part of the overall marketing process

Procedure/tools

The session consists of the following steps:

➤ **Step 1: Introduction**

- Presentation: Participants will generally know each other so this can be very short. If not, participants introduce themselves, the institution they are working for (BSS, Lead firm ...), and the cluster they are supporting. The facilitator notes all information down on a flipchart on the wall (visible for all).
- Justify the workshop: the facilitator reminds the context in which the cluster actors evolve => uncertainty and difficulties of the agricultural sector, both in terms of production (climatic hazards, remote areas, poor quality inputs, old practices, etc.) and market access (many intermediaries, lack of demand, prices' volatility, competition, etc.). All these constraints call for more professionalism from the actors; this means vision, organisation, management, etc., and planning.
- Expectation: Participants write down their expectations on coloured cards. The facilitator will summarise these expectations (see below).
- Objectives and program of the workshop: The facilitator explains that this workshop on marketing planning aims to:
 - Clarify the planning concept
 - Understand when and how to develop a marketing plan
 - Be aware of the threats and issues to avoid (risks)

Then, the facilitator introduces the different sessions that will be developed during the workshop. Participants possibly amend and validate the programme.

➤ **Step 2: Refreshing memories**

Before going into the specific topic of the module, the facilitator shares with the participants the logic of the marketing process. This is done through a quick exercise (Exercise 1), first in a plenary, then in groups.

In plenary, the participants are asked to list the seven (7) steps of a marketing process that were introduced and discussed in the first ToT on Marketing (November 2013), which are:

- Marketing strategy and planning
- Market study
- Market prospection
- Negotiation and contract development
- Promotion and branding
- Sales
- Assessment

Once these topics are validated, the participants are divided into groups to work on Exercise 1, which consists of organising the 7 steps of a marketing process in a logical order.

Back in plenary, each group posts its result on the wall, hiding it with a blank paper before the presentations and debate. Each group then presents its result.

The result is as follows:



Additional reading

Reference sheet 1: Glossary

Session 1: What is needed before planning?

Introduction

“Plans are useless, but planning is essential” said General Dwight Eisenhower when talking about battles’ preparation².

For many value chain stakeholders, planning is a tool and not an objective in itself, but there are some minimum inputs needed to build a useful and efficient tool. This is what this session is about.

Learning objectives

At the end of the session the participants will realize the importance of having a good knowledge of their own situation before planning.

² Extracted from the French book on marketing, “Mercator”. M. Dwight D Eisenhower (1890-1969) was commander of the allied forces during the 2nd World War, then President of the USA.

Procedure/tools

Session 1 starts with a group exercise (Exercise 3). The participants are invited to reflect on how a product is currently marketed and how to assess the supply's situation before marketing.

Back in plenary, the groups present their reflection.

Thereafter, the facilitator introduces a plenary discussion with three questions (possible answers in *italic*):

- **Why did we do this exercise?**
To be aware of the importance of having a good knowledge of one's own situation will help the decisions and options to take when planning.
- **When we want to sell a product, what is the first element to decide?**
The market! To whom do we plan to sell the product? What type of customer do we look for? This must be very clear for the supplier, to allow him/her to organize the marketing action with most chances of success.
- **What do we have to master?**
Your own situation and capacity: technically (the offer), organisationally (the delivery), and in terms of management (costs, human skills ...). Costs' knowledge is of high importance because it is your path to profit (or loss).

Advice for the facilitator

- Often come back during the session on the importance for the supplier to have a very clear idea of the type of market he/she wants to sell his/her products to. This point is very important.
- Frequently remind participants of the importance of mastering the costs (production, marketing, delivery, etc).

Session 2: Deciding what you want to do

Introduction

In this session the participants are introduced to the basic elements of a marketing strategy and relates marketing objectives to expected results and activities.

Learning objectives

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

- Apprehend the main issues regarding a planning exercise, most of all about prioritization.
- Identify the basic elements of a marketing strategy, different marketing objective, expected result (or changes) and marketing activities.

Procedure/tools

Participants are invited to reflect on the three pillars of a marketing planning: marketing objective, results, and activities.

➤ *Step 1: Presentation and selection of relevant business situations*

First, the facilitator presents some hypothetical but realistic business situations (scenarios), out of which the participants select two, to further work on in step 2.

Table 1 presents some examples of situations (scenarios) that the facilitator can use. Each of these includes elements of a current (fictive) situation, on the basis of which a marketing objective is proposed. Participants can also add elements to the “current situation”, or propose any another objectives.

Table 1: Possible scenarios to propose to groups' works

<p style="text-align: center;">Soybean value chain</p> <p><u>Current situation:</u></p> <ul style="list-style-type: none"> • Small farmers in cooperatives; one cooperative staff is a graduate in management • Market outlet: local processors, traders, middlemen – no specific demand in terms of quality; Industries not interested in the farmers' production, because of unorganized offer, low quantities, issues with middlemen, etc.) • Weakness of cluster: poor communication between local stakeholders • Farmers do not receive any financial support <p style="text-align: center;">↓</p> <p><u>Marketing objective:</u> Develop sales to distant industries</p>	<p style="text-align: center;">Milk value chain</p> <p><u>Current situation:</u></p> <ul style="list-style-type: none"> • Farmers spread-out over a large area, with limited road connexions • Market outlet: one local industry is interested in milk supply by farmers and willing to pay a good price. But the demand is huge and difficult for to cope with requirements in terms of quality, quantities. • Limited access to animal health care services • Poor relationships between farmers and other local stakeholders: extension services, NGO, banks, etc. <p style="text-align: center;">↓</p> <p><u>Marketing objective:</u> Diversify the market: at least 15% of the production is sold to another customer</p>
<p style="text-align: center;">VC: Maize</p> <p><u>Current situation:</u></p> <ul style="list-style-type: none"> • Large quantities of maize produced by a large numbers of farmers => Not much concern about quality • Market outlet: local woman (retailers); not enough to buy all the produce (losses) • Poor relationship between farmers and local stakeholders (weak cluster) <p style="text-align: center;">↓</p> <p><u>Marketing objective:</u></p> <ul style="list-style-type: none"> • Develop sales to local / regional poultry industry 	<p style="text-align: center;">VC: Pineapple</p> <p><u>Current situation:</u></p> <ul style="list-style-type: none"> • High number of farmers, inequality in quality and practices, production/offer fragmented • Market outlet: local buyers, local rural markets • Pineapple sold in bulk • Existence of a factory in the area, but very demanding in terms of quantity and quality • Poor relationship with local extension services and/or banks <p style="text-align: center;">↓</p> <p><u>Marketing objective:</u></p> <ul style="list-style-type: none"> • Develop sales to factory and to the urban market.

➤ **Step 2: From objectives to expected results and activities**

Once the two scenarios are selected, the participants work in groups (see Exercise 4) to **amend and validate the marketing objective, identify the expected results and describe the activities** needed to achieve the results. They use the schematic format presented in Figure 1.

Marketing objective:
Expected results:
R1:
R2:
R3:

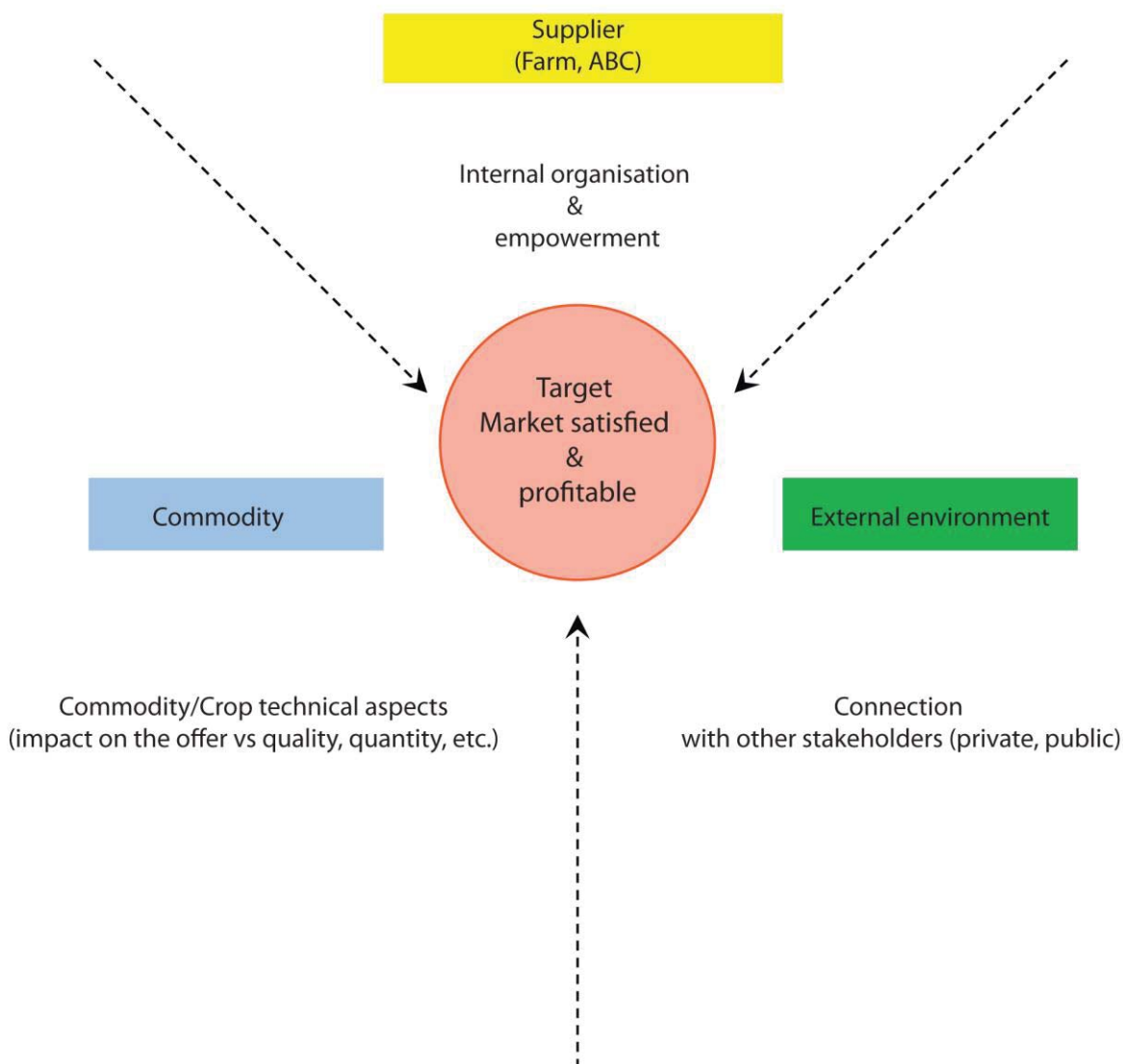


Figure 1: Form for defining marketing objective and expected results

Thereafter, each group presents its work in a plenary session. The schematic format is drawn on a flipchart and fixed to the wall. The groups explain the objective and the results proposed. Then, coloured cards representing the various activities are posted in the figure, according to the category it refers to. The categories are:

- Internal organisation (yellow cards)
- Technical aspects (blue cards)
- Coordination and interaction with external stakeholders (red cards)

The more important an activity, the closest to the centre circle the card is (*Target: Market satisfied and profitable*).

For each activity, the group decides in which of the three years it will occur, adding the number of the year (1, 2, or 3) on each card.

This enables the participants to design the basic elements of a marketing strategy, i.e. the way to achieve an objective in a medium-term period. A strategy has limitations, however, because it is not practical enough. The next session will bring participants to develop a marketing annual action plan, based on the strategy.

Advice for the facilitator

- You can think of other scenarios to propose to the participants. In case participants want to propose another scenario or objective, and if that fits within the exercise (enable a marketing planning), let them do so.
- Before the workshop, prepare three flipcharts with the figure on which the groups will post cards.
- Make things simple. The objective is for the participants to understand the logic of the exercise and not necessarily to design a full marketing strategy. The activities chosen must not be too complicated but they must follow the three marketing categories (technical aspects, internal organisation, and interaction with external stakeholders).
- During the group exercise, be sure that each group identifies at least three activities per expected result.
- Remind the participants that from the start of preparing a marketing plan, one should always think of the kind of product the customer wants, and not just focus on what you (as a supplier) want to offer => This is called in marketing literature the “product concept”.

Additional reading:

Reference sheet 2: Issues to be aware of when developing a marketing plan or strategy

Reference sheet 3: Building a marketing plan (objectives, targets, activities)

Session 3: Designing a marketing action plan

Introduction

Once we know where we are going in terms of marketing objectives, expected results, and linked activities, we can now organize the concrete implementation (operationalise) of these activities.

Learning objectives

At the end of this session, participants will be able to organize the marketing activities according to a logical time frame for practical implementation.

Procedure/tools

➤ *Step 1: From strategy to action*

The session starts with a plenary brainstorming debate on the following question: “How to organize the implementation of these activities in a short-term period (12 months)?”

The facilitator writes the answers given by the participants on a flipchart and posts it on the wall. Ideally, this debate should bring the participants to talk about the following notions and aspects:

- Prioritisation: which activities should be implemented first?
- Schedule: calendar
- Responsibilities: who is responsible for implementing the activity?
- Partnership: with which institution (private, public) can the activity be implemented?
- Cost: who will fund the activity? In case of external funder(s) it is necessary to be specific.

➤ *Step 2: Making the plan*

The second step consists of a group exercise (Exercise 5), which consists of filling out a planning table based on the objective/results/activities on which the groups worked in Exercise 4. It is important to be as concrete and operational as possible to facilitate the future implementation of the action plan. Groups working on the same scenario compare their results and work out a so-called “unified” presentation.

Back in plenary, the groups present their unified findings to the other participants, and then have a debate. During this discussion, the facilitator will introduce some important characteristics of the marketing of agricultural products that need to be taken into account when designing a marketing action plan:

- Be aware of who is the buyer and what his/her requirements are, because it will give essential information to the supplier to decide on the way to produce in terms of quantity and quality, on how to organize the supply, and on how to “offer” it to make the product attractive.

- Don't forget that in most cases the direct buyer is not the final user. According to the product and the value chain (fresh, processed, semi-finished, wholesalers, retailers, etc.) the product can have a long circuit. This is an important aspect to bear in mind, as it will influence all the actions a first supplier makes on the product (variety, harvest, storage, packaging, etc.).
- The choice of the period when to supply the market is important, and depends on several criteria: production & harvesting period, storage, competitors (national, external), etc. For some products, the production campaign may be advanced or delayed, which could give some competitive advantages.
- Take into account the product life cycle and its perishable aspects. This has impacts on production, harvest, and storage capacity.
- Be aware of the norms and regulations around the product at production, post-harvest, and marketing level.
- The price volatility can be important for some crops, especially for annual crops, being in a competitive environment.
- Be sure you have the right, skilled persons to accomplish the planned activities, from the general management to the technical tasks. If not, there are three options: i) recruit new, specialised staff, ii) train one of the staff members, and iii) leave some activities and think again of a more modest marketing strategy.

➤ **Step 3: Essentials actions/steps to be aware of**

Session 3 is a presentation from the facilitator on some actions that are compulsory to develop a strategy and action plan for the marketing of agricultural products.

Table 2: Compulsory actions needed when developing a marketing strategy and action plan

Compulsory actions	Reason why it is compulsory
Identification and selection of the buyers and knowledge of their needs	It guides all actions in terms of production (choice of varieties, quantities, etc.), and post-harvest handling (packaging and transport)
Quality and quantities of product to be marketed	To respond to the buyer's needs
Develop and maintain good relationships with buyers (current, and potential)	Good marketing is based on trust and confidence. If you lose that, marketing will become very risky
Marketing intelligence	<ul style="list-style-type: none"> • Have a good knowledge of the product value chain: prices, competition, etc. • Remain aware of regulations and other institutional environment evolutions • Be informed about potential innovations • Etc.
Organisational aspects	<ul style="list-style-type: none"> • Be sure you are capable to realise the plan and go for success • Monitoring and assessment of the implementation of the plan • Preparation of a new annual plan, based on the experience and lessons learned from the previous one.

➤ **Step 4: Risk management**

It is important to remember that planning implies anticipating. When developing a marketing plan, you think and discuss about actions that have not been made yet; this represents a risk. That is why the plan must be flexible enough and have a good monitoring mechanism to permit amending it when necessary. When it comes to marketing, the risks are divided as follows (Ansoff matrix³):

	Existing product	New products
Existing markets	MARKET PENETRATION Low Risk	PRODUCT DEVELOPMENT Higher Risk
New markets	MARKET DEVELOPMENT Medium Risk	DIVERSIFICATION Highest Risk

Figure 2: Ansoff matrix

Advice for the facilitator

- Before the workshop, prepare the flipcharts with the annual action plan's table
- Before and during the group work, remind the participants of the importance of taking time to identify and list priorities. This exercise (prioritisation) is not easy because usually all activities are of high importance. So, the groups must find a consensus on these priorities. This is very important because once it is agreed among the group, it will facilitate the implementation.
- During the debate, give particular attention to the marketing aspects of the plan.
- Advice participants to, once the plan is made and before its final validation and implementation, re-read it and check that:
 - i) Nothing has been forgotten: that all activities planned really contribute to the objective's achievement, and no more can be added.
 - ii) The plan is realistic, i.e. are we sure we can implement the activities with our human (skills), out organisational and financial means?
 - iii) The plan is shared and understood by all persons responsible for its implementation

Additional reading:

Reference sheet 4: Essential topics in building a marketing plan

Reference sheet 5: Managing the marketing risks (Ansoff matrix)

³ Ansoff matrix: strategic planning tool that provides a framework to help executives, senior managers and marketers devise strategies for future growth.

Session 4: Implementing a marketing action plan

Introduction

This session wants to stimulate the participants to think about the financial implications and consequences of a marketing strategy, and specifically of the implementation of a marketing annual action plan.

Learning objectives

At the end of the session, participants will apprehend the key element of developing a budget for the operationalization of a marketing action plan, and the ways to acquire funds for its implementation.

Procedures / Tools

➤ *Step 1: Identifying cost of implementing a plan*

In a plenary session, the facilitator asks the participants how they think the annual action plan can be implemented. It will quickly be seen that these actions are not costless. So, the discussion is about costs.

Through a brainstorming session, the participants are asked how to identify the various activity costs. The facilitator notes on separate cards the propositions and thoughts; this should be visible to all participants.

One concept that might arise from the discussion is the UNIT COST. In most cases, each activity or action is costly in terms of external human resource, material and/or equipment, etc. Note that, in the annual action plan, this cost does not include the human investment cost of the demanding institution (mostly a Farmers' organisation) because these costs are often considered as "own contribution".

The outcomes of the discussion are then clustered into cost types: Human development, material costs, transport, etc., specifying some of the following relevancies:

For a human involvement:

- How many days, or months?
- How much per day or month (currency)?

For equipment / material:

- Which equipment needed?
- What is the cost per equipment's unit?
- How many equipment units?

For transport:

- Which type of transport used?
- What is the unit (ticket, km, etc.)?
- What is the unit cost?
- How many units needed? Etc.

➤ **Step 2: Completing the marketing action plan**

The session continues with a group exercise to complete the annual marketing plan with a cost table (Exercise 6).

Thereafter the results are presented in a plenary followed by a discussion. It is important not to forget to exchange about the sources of funding (last column of the cost table), differentiating external and internal sources. The topic of funding is very important because in many cases this is the main reason why activities are not implemented. The exchange about funding can be interesting because, thanks to each participant's experience, one can learn from one another.

Advice for the facilitator

Do not forget that the construction of the cost table by the participants is progressive. First prepare an empty table that you will fill out step by step when the participants give correct information.

Additional reading:

Reference sheet 6: Cost table for a marketing action plan

Session 5: Monitoring and assessing the implementation of a marketing plan

Introduction

Managing a marketing plan means to develop the tools to follow up and monitor the way the plan is being implemented and the results are obtained.

Learning objectives

At the end of the session, the participants will be able to identify relevant tools (and indicators) to monitor the implementation of the marketing action plan, and to adjust them where necessary.

Procedures / Tools

➤ **Step 1: exchanging experiences**

Session 5 starts with a **plenary discussion** about the participants' experience in the implementation of any plan, whether linked to marketing or not. The introductory question is: "Have you already worked (or acted) on the basis of a pre-established plan?"

We assume that all participants have worked on a plan's basis. The facilitator asks the participants to express if such an implementation was easy or not, what the main strengths

and bottlenecks were. Answers are written on a flipchart. At this stage, he/she will not try to know whether the implementation was a success or a failure, but focus on the way it was implemented.

Thereafter, the facilitator emphasises that the reasons for success in the implementation of a plan are in most cases the opposite of the reasons for failure, and that most of the reasons are internal to the group. This leads to the following conclusions:

- Planning should only be done when it is felt as really needed by the group itself
- Implementation of a plan is a process that is (and should be) in the hands of the group, as it is a collective and concerted process.

➤ **Step 2: identifying monitoring indicators**

Coming back to the objective and results previously identified, the participants will identify some relevant indicators that will allow the management team to update information about the implementation of the plan. These indicators can be quantitative and/or qualitative (see Exercise 7).

Back in plenary, each group presents its results (indicators by objective and results). This is followed by a discussion to develop solid arguments on the choice of the indicators.

The facilitator adds some important aspects of the marketing plan monitoring and assessment, as for example:

- Decide who in the organisation will be in charge of the monitoring and decide how regular assessment of the results of that monitoring will be done by the management team or the manager. What skills are needed to monitor a marketing action plan (e.g. curiosity, proactivity, computing, and communication)?
- The monitoring results need to be regularly assessed by the organisation's management team, for two reasons:
 - The sustainability of the plan: if some activities appear to be useless or inefficient, it should be corrected.
 - The transparency within the organisation: each person involved in the development of the marketing plan must be informed of a new situation and decision and, ideally, be part of it.
- Do not forget that the main target is to optimise the sales! So, if there is one thing to analyse, it is the amount sold in terms of quantity (evolution) and quality (customer's satisfaction).
- When assessing the year's activities, a new plan will be developed. This must be organised early enough before the running year ends, to avoid a rupture in the activities.

Advice for the facilitator

Some reasons for the successful identification and implementation of a plan may be:

- Good involvement of the group
- A good leader driving the process
- Adequate skills among the groups to enable the quick implementation,
- Responsibility and commitment clearly defined and agreed
- The planning exercise was an internal decision and action
- The group received an external support with high concern as to rapid implementation
- Funds were available, etc.

Reminder**Synthesis of the main important issues to address in Marketing Planning**

- We are all committed to it!
- Planning = What? Who? When? How? How much?
- Do not forget the “hidden part of the iceberg”: the preparation phase (SWOT analysis)
- Marketing is about supplying what customers expect and not what the producer wants!
- Planning is not dreaming, let’s be realistic and pragmatic!
- Planning must be frequently assessed and reviewed.

Session 6: Preparation of the field coaching**Introduction**

This session is aimed at supporting coaches in the best way so that they are able to use the new competences they obtained through this workshop when working with clusters on marketing planning.

Learning objectives

At the end of the session, the participants will have a better understanding of how to coach and support cluster members in marketing planning.

Procedures / Tools

The session starts with a **plenary**. The facilitator guides the participants in reviewing the 4 sessions, asking the following questions:

- Did you understand well what has been done so far? What needs more clarification?

If needed, come back on some aspects of the module.

- What do you think are the most important parts of the guide that should be used in coaching sessions with the cluster actors?
- How do you think you can develop the topics during your coaching with cluster actors?
- Are some tools / information / methodology missing? If so, what are they? Discuss.

Thereafter, the group of participants is split into **subgroups** of 3 persons maximum. Each subgroup proposes a scenario on how to coach cluster actors on marketing planning, using some of the relevant content of the sessions.

Advice for the facilitator

This exercise should give the facilitator/trainer an idea of the level of understanding of the participants towards the end of the workshop.

It is a big challenge for the coaches to reduce a 2-day course into a 2 to 3 hours coaching event with the cluster actors. It requires a very good overview of the topic, and synthesizing skills.

The plenary is very important because all participants (coaches) share the reflection on how to coach stakeholders. That is why the work in groups is very important: it generates ideas on how to act in the field, once he/she faces the cluster.

Session 7: Workshop assessment

Introduction

Did this training session fit the participants' needs and has it satisfied their expectations? Do they now feel able to train cluster actors in the basic knowledge of marketing planning? These are some of the questions this session would like to have answers to.

Objective

With this assessment, the facilitator can find out whether the workshop was appreciated by participants, and will be able to adjust follow-up workshops, if necessary.

Procedures / Tools

There are several ways and tools to assess a workshop, from the beginning to its end, and during the sessions.

- **Before starting** the workshop: each participant writes down his/her expectation (see Session 0). The facilitator prepares a summary of these expectations during the workshop that will be dealt with on the last day (see below).
- **During** the workshop: at the end of each day (even for a 2-day session), give participants a short questionnaire on their appreciation of what was done during the day. Each participant gives his/her appreciation, justifies it, and proposes improvements to the content. This questionnaire is returned to the facilitator at the start of the next session.

- **At the end** of the workshop:
 - In plenary, participants express their opinion on how the workshop went along, or (and preferably so)
 - Participants give individually and confidentially their opinion, on a “blind” paper (flipchart) put somewhere in the room, in a way that other participants cannot see what is others are writing. This paper could contain the following table (learning assignment) to be filled by each participant:

Table 3: Appreciation of the workshop

Session/topics	Good appreciation	Average appreciation	Bad appreciation
S0: Introduction			
S1: What is needed before planning?			
S2: Deciding what you want to do			
S3: Making a marketing plan			
S4: Monitoring and assessing the implementation of a marketing plan			
S5: Preparation of the field coaching			
Your opinion on the facilitation			
General comments			

Note: Each participant, one after the other, puts a cross to give his/her appreciation of the sessions and facilitation work, and adds a general comment.

Advice for the facilitator

An often occurring issue in a workshop, especially in a short one like this one on marketing planning, is that time is too short to go through all planned activities. This often affects the time taken for assessment. This final part is very important, however. So, do not forget to assess at the beginning, during, and at the end of the workshop. This will give you very useful information.

Before starting this session, prepare the synthesis on the participants' expectations.

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MODULE 11

Marketing planning of agricultural products

- Facilitators' Guide
- **Exercises**
- Reference Sheets

2SCALE consortium:



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Instruction on group work and exercises

Before starting each exercise and the group work, please verify whether all group members have well understood the exercise or the assignment on hand.

To the facilitator:

- Make sure participants are distributed into groups of interest, based on gender, or at random, whatever is needed.
- Make sure each group receives adequate tools and materials such as flip sheets, markers, etc.
- Assign an appropriate place/location to each group and sufficient chairs and tables so that they can work comfortably.
- Make sure the participants have good understanding of the task at hand before they split into their groups so that they do not spend unnecessary time in trying to understand the assignment.

To the participants:

Discuss and exchange within the group about your individual understanding of the expected outputs of the exercise and make sure to come to a common understanding on:

- The objective of the exercise (what is expected and why?)
- How to proceed to answer the question as a group
- How to 'visualise' your findings (using poster paper or pin board and coloured cards or the computer)
- Who to appoint to lead/moderate the discussion
- How and who to present results during the plenary session
- Who will be in charge of the final electronic write up?

Exercise 1: Refreshing memories

The group of participants is split up into 4 groups.

Each group receives 7 coloured cards. On each card one main marketing step is written:

- Negotiation and contract
- Sales, assessment
- Market study
- Market prospection
- Marketing planning
- Promotion and branding

The groups have to organize the cards in a logical order, regarding what they think the marketing process is, starting by ... and ending with....

Exercise 2: Basic Knowledge (Pre-test)

The participants are asked to individual fill out a brief questionnaire to evaluate their initial knowledge on marketing planning. The same questionnaire will be given to participants at the end of the workshop, to be able to appreciate the level of knowledge developed during the training.

Pre-test of knowledge about Marketing planning

Carefully read the following questions and check the appropriate responses. Per question, choose one answer which you think is the most appropriate.

Length: 5 minutes

Date:

Name:

1. Marketing of agricultural products is about:

- Buying products in a market
- Producing and selling product on the local market
- Knowing about buyers' needs, and satisfy them at a profit for the supplier

2. Planning is important for the following reason:

- Negotiating with a potential buyer
- Organising activities in order to offer and sell a product expected by the market
- Calculating the production costs

3. A planning must well indicate responsibilities within a group

- Yes
- No

Justify your answer:

4. A strategy is a medium or long-term vision (3 to 5 years). A marketing action plan is for:

- 3 months
- 6 months
- 12 months

5. A good marketing plan is based on:

- A good knowledge of one’s own situation (production, targeted market, internal skills, ...)
- Knowing who will be responsible for elaborating it
- The wish expressed by buyers

6. A marketing plan is efficient when:

- It satisfies the buyer
- It satisfies your organisation’s members
- It is profitable for everyone in your organization (costs’ mastering)

7. SWOT means:

- See Who are the Other Traders
- Strengths, Weaknesses, Opportunities, Threats
- Showroom, Wealth, Opportunity, Tendency

8. What is a SWOT exercise useful for:

.....
.....

Exercise 3: What is needed before planning

The group of participants is split up into 4 groups. Each group identifies an agricultural product and describes the way it is currently marketed, taking into account 3 aspects:

1. The market: type (rural, urban, rich, poor, ...), buyers (wholesale, retail, ...), location, periods, frequency, etc.
2. The product itself: fresh, processed, packaged, bulk, etc.
3. The internal organisation to satisfy the market

For each of these 3 aspects, the group describes:

- What is done
- The strengths and weaknesses that the actors are currently facing
- The external factors that could be considered as blocking or be beneficial

Exercise 4: Deciding on what you want to do

The participants have selected the two scenarios before starting Exercise 4. They split up into four groups, and two groups will work on the same scenario.

The group work is organized in three steps as follows:

1. First reflection

During 40 minutes, each of the four groups follows the following instructions:

- **Amend and validate the marketing objective** as proposed in the scenarios.
- **Identify the expected results** (main steps) to reach the marketing objective. These results are quantitative and qualitative => *Propose at least three results.*

Example: if the marketing objective is to reach the export market, the expected results could be: i) The export market needs are known; ii) The supply is organized, iii) The cooperative's product is branded.

- **Describe the activities** needed to achieve the results, and divide them into three categories:
 - Technical interventions related to the product (impact on quantity and quality);
 - Internal organization and empowerment (impact on delivery, management, reliability, etc.);
 - Interaction with external private and public stakeholders (impact on competitiveness, credibility ...).

The activities are written on cards, with a different colour for each category. For instance: the activities linked to technical intervention on blue cards, activities related to Internal organization on yellow cards, and activities regarding the external interaction on red cards.

Propose at least 3 activities per expected result.

2. Sharing reflection

The groups who worked on the same marketing objective, join and share their work on the marketing objective, results and activities. After 30 minutes and when a consensus has been found, the groups move to step 3.

3. Preparing the plenary

Both groups fill out Figure 1 on the next page with the information they came up with. This figure has been produced by the facilitator on a flipchart before the workshop, and given to the participants at the beginning of this group work¹.

The groups' members write the marketing objective and the expected results directly in the

¹ If the facilitator needs to revise the figure, take the original Word version on Reference sheet no.3 and scan and paste it.

figure. The activities are not written directly in the figure, but on coloured cards, as explained above (under 1. First reflection). This will facilitate the discussion in the plenary.

When, during the plenary, the groups will place the “activities” cards inside, try to respect the following principle: “The more important one activity, the closest to the centre circle the card should be placed” (“Target: Market satisfied and profitable”).

For each activity, the group decides in which of the three year period it will occur, adding the year’s number (1, 2, or 3) on each card.

Marketing objective:
Expected results:
R1:
R2:
R3:

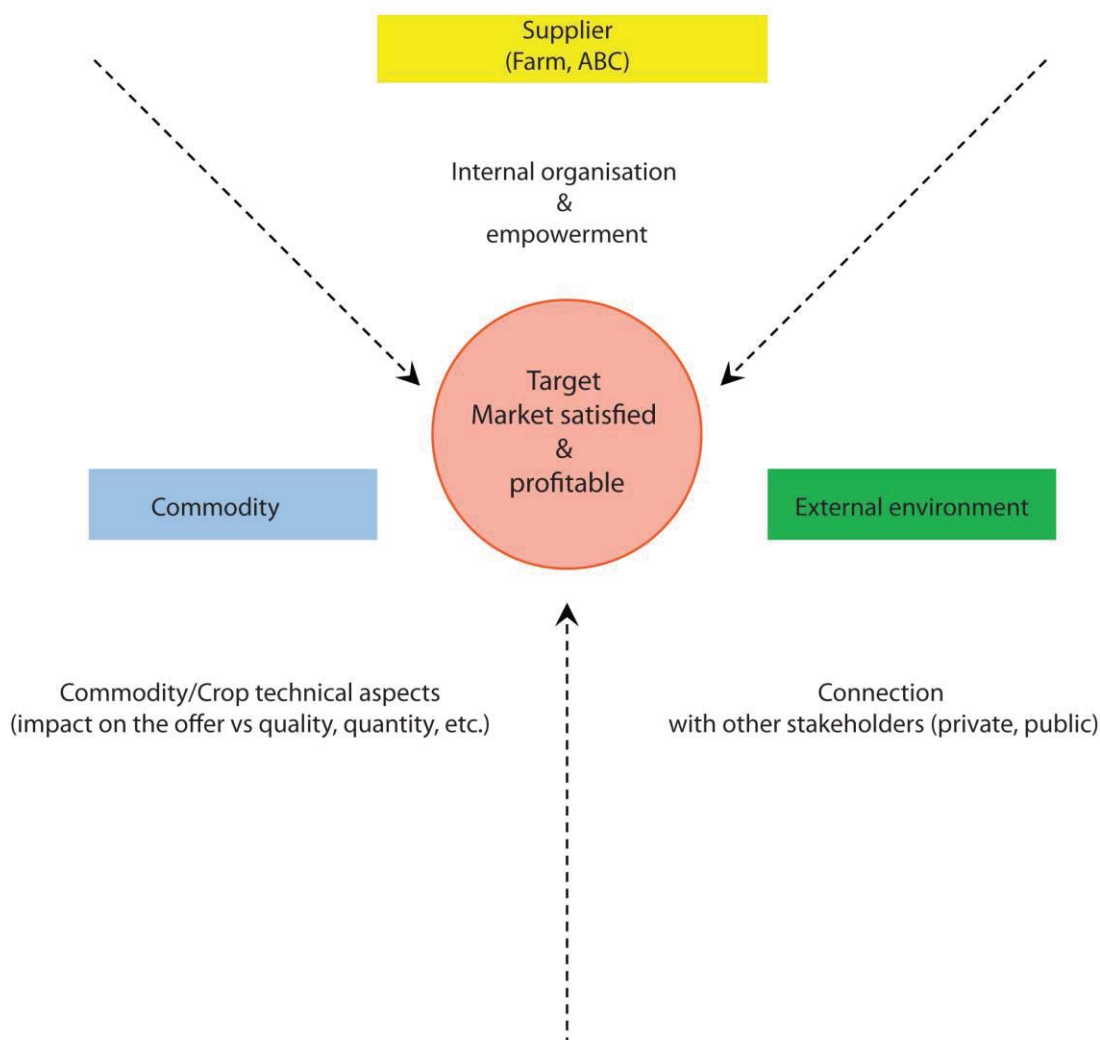


Figure 1: Form for defining marketing objective and expected results

Exercise 5: Designing a marketing action plan

The participants split up again into four groups and perform the following three steps:

➤ *Step 1: Designing the plan*

Starting from the planning table introduced in the plenary, each of the four groups fills out the table below with the information from Exercise 4 (session 2). So, two groups work on the same value chain (VC) scenario.

The objective, results and activities the groups worked on in Exercise 4 are reported in the table. As you need to be concrete and operational here, in many cases the activities can be subdivided in actions that, one after the other, contribute to the activity.

The table must be as precise as possible to facilitate the future implementation of the action plan.

Objective/Expected Results/Activities	Implementation		Implementation schedule (months)					
	Responsible	Partner	1	2	3	4	...	12
Objective :								
Expected result 1:								
Activity 1.1: .								
Activity 1.2: .								
Activity 1.3: .								
Expected result 2:								
Activity 2.1: .								
Activity 2.2: ..								
Activity 2.3: .								
Expected result 3:								
Activity 3.1: .								
Activity 3.2: .								
Activity 3.3: .								

Important elements to have in mind while developing the marketing plan:

- The choice of the period when to supply the market depends of several criteria: production & harvesting period, storage capacities, competitors (national, importations), etc. For some products, the production campaign can be advanced or delayed to have some competitive advantages.
- Take into account the product life cycle and the perishable aspects of the product => impacts on production, harvest, storage capacity. Storing is part of a marketing strategy.
- Take time to identify and decide on priorities. This is very important because once it is agreed among the group it will facilitate the implementation.
- Organize the plan in order to satisfy the buyers' needs in a profitable way for the supplier (marketing definition).
- Do not forget that in most cases the direct buyer is not the final user. According to the product and the value chain (fresh, processed, semi-finished, wholesalers, retailers ...) the product can have a long circuit. This is an important aspect to have in mind, as it will influence all the actions made on the product, producer and "initial" supplier (variety, harvest, storage, packaging ...).

➤ **Step 2: Sharing the action plan**

The (2) groups working on the same marketing scenario (same VC) join and during 30 minutes share their reflection and results on the annual marketing action plan.

➤ **Step 3: Preparing the plenary**

Both "unified groups" make a flipchart with a table representing the action plan.

Exercise 6: Calculating the cost of the annual action plan

The participants are split up into two groups and work out the costs elements, based on the annual action plan that was developed in Exercise 5.

Objective/Expected Results/activities	Cost				Source of funding
	Unit	No. of units	Cost/unit	Total cost	
Objective :					
Expected result x:					
Activity x.1:					
·					
·					
Activity x.2:					
·					
·					
Activity x.3:					
·					
·					

To facilitate your work, you may use a computer and an Excel sheet.

The groups should also reflect on the possible source of funding and propose solutions for this in the last column. This source may be different from one action to another, and even within one action, because some funders/projects may be reluctant to finance a specific expense (e.g. salaries, or per diem).

Exercise 7: Monitoring and assessing the marketing plan

The group of participants is split into 4 groups.

Coming back to the objective and results previously identified, give indicators that will enable the management team to update information on the plan's implementation.

These indicators will be both quantitative and qualitative.

Think also about the way to collect information on these indicators, which sources to use and exploit. These sources can be reports, statistics, interviews, studies, etc.

	Indicators	Source of information
Objective:		
Results expected:		
R1: ...		
R2: ...		
R3: ...		

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List of reference sheets

Reference sheet 1: Glossary

Reference sheet 2: Issues to be aware of when developing a marketing plan or strategy

Reference sheet 3: Building a marketing plan (objectives, targets, activities)

Reference sheet 4: Essential topics in building a marketing plan

Reference sheet 5: Managing the marketing risks (Ansoff matrix)

Reference sheet 6: Cost table for a marketing action plan

Reference sheet 1: Glossary

This glossary aims to provide actors within the 2SCALE project definitions of key terms in agricultural marketing.

The glossary is meant to be interactive, i.e. each reader can propose modifications. This requires centralisation and coordination. For any suggested change, please send your remark to ICRA's marketing specialist, Sylvain Dardel, at: sylvain.dardel@icra-edu.org

Action plan	Detailed plan outlining, for a short period (few months to one year) the steps to be taken or actions needed to execute a specific strategy. An action plan specifies activities, partners, has a calendar and a budget.
Agribusiness cluster	Group of actors (direct and indirect ones) involved in the economic and commercial promotion of the same commodity or product, organised together for the interest of each other.
Benchmarking	Comparing an actor's business to the best practices of other industries.
Brand	Maker's name or trademark. The brand name gives a unique identity to a product and gives it a strong visibility, and allows making the creator company known. Brand development needs several essential steps, e.g. a proven capacity to produce regularly in terms of quantity and quality, and a good logistic capacity should have been developed to enable the supplier to deliver the product in good shape and timely.
Business Intelligence	Refers to the capacity of an actor, individual or collective, association or firm, to manage both performance monitoring (management, costs master) and market intelligence.
Comparative advantage	The ability of an individual or group to carry out a particular economic activity more efficiently than another individual or group. This definition goes for a country, as well. This approach asks for specialisation, which has advantages (best practices, good reputation, etc.) and inconveniences (risks in case of failure of the specialised field due to internal or external causes). To decide whether to develop a new market or not, it is important to know ones comparative advantages.
Competitiveness	The ability and performance to sell and supply goods and services in a given market, in relation to the ability and performance of other actors in the same market. This regards both individuals and clusters, at various levels, from local to international markets. Competitiveness is expressed by various means: cost/price, quality, management (profits), packaging, technology, capacity to innovate, origin (label), etc.
Consumer (intermediate, final)	An individual or enterprise that changes or ends the state of a product. A factory that processes a commodity is known as an intermediate consumer because the (finished) product obtained from the commodity stays in the value chain; the final consumer ends the cycle life by cooking and/or eating the product.

Consumer survey	Market research, consisting in interviewing current or potential consumers of a specific product (fresh or processed) to find out their expectations in terms of quality (taste, form, colour, etc.), prices, period of supply, etc. According to the means available, this survey can be done by interviewing people in a market place, in the street, or by organising consumers' tests (often done by professional organisations).
Distribution	Supplying goods to retailers. In the agricultural sector, this includes packaging, transport, storage, and delivery of goods. These actions could in principle refer to any position on the supply chain (from farmer to processor for instance) but the term distribution is here only meant to indicate supply to large-scale retail firms (hyper- or supermarkets).
Distribution network ("circuit")	Description of the various steps for a commodity to go from the farmer to the consumer. Each step figures a different actor in charge of the product. This network can be reduced to a small area and very actors ("short distribution network") or cover a long distance and then be treated by many actors or providers ("long distribution network").
Dumping	Commercial practice that consists in selling a product at a price either below the price charged in its home market or below its production cost. It is mainly practised in export markets.
Finished and semi-finished product	At the processor level, a factory can supply 2 types of products : i) for direct consumption or Finished product (Juice); ii) to be processed again by another factory in order to obtain the finished product (cotton, wood for paper). These terms don't appear in dictionaries, but can be used in agriculture sectors.
Globalisation	<p>"The process by which businesses or other organizations develop international influence or start operating on an international scale" (Murphy 2010). Sophia Murphy delineates three aspects of globalization:</p> <ol style="list-style-type: none"> 1. Global supply chains, based on information and communications technology that enable tightly coordinated trade; 2. Liberalisation of trade policies, driven by a view of trade and capital investment that sees a single world market as the most efficient outcome to ensure economic development and public welfare; 3. The globalisation of expectations, a cultural shift in which people aspire to a global standard of middleclass consumption. These three aspects interact and reinforce one another, and all raise challenges for developing countries and their small producers".
Incoterms	Incoterms are International Commercial Terms, a series of pre-defined commercial terms published by the International Chamber of Commerce (ICC). They are widely used in international commercial transactions or procurement processes and intended primarily to clearly communicate the tasks, costs, and risks associated with the transportation and delivery of goods, and . to reduce or remove uncertainties arising from different interpretation of the rules in different countries. As such they are regularly incorporated into sales contracts worldwide.

Incoterms (contin'd)	Some Incoterms are: FOB (Fee on Board) and CIF (Cost, Insurance, Freight). The Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide for the interpretation of most commonly used terms in international trade.
Market	General term to denote the fact that a supply meets a demand. This can be physical (a market place in rural and urban areas), or virtual (stock exchange). The term is also used in the case of a large space or area where there are business opportunities (European market for oils, rubber, etc.).
Market Information System, MIS	Mechanism by which the information is taken from various markets places (rural and urban) at the same time, and dispatched to the public in a short time. Its concerns "primary information", by the fact they are collected from the source. It is designed to support marketing decision making. In the 2000's, the second generation of MIS has emerged, called MIS2G. Its main innovations are the use of new ICT, the appearance of private MIS (run by farmers' organizations, stock exchanges, NGO, etc.), and the development of inter-countries MIS (RESIMOA, etc.)
Market prospection	Action aiming at identifying the potential market to a given product or group of products. It is generally realised through a "prospection trip" to a certain area (in the country or abroad) to meet potential purchasers with the double objective of i) hearing their expectation in terms of quality, quantity, period and way of payment, etc. and ii) promote its product(s) (through samples) and the supplier (communication and negotiation skills).
Market segmentation	This is a process that involves dividing a broad target market into subsets of consumers who have common needs and priorities and then designing and implementing strategies to target them.
Market study	Description and analysis of the ways a given agricultural product, raw or processed, is commercialised in a given area. Such a work is necessary when one actor (individual or group) knows what to promote and where, but is missing information in the targeted area about the size of the market, the competitors, the demand (quality, quantity), the regulations, etc. Within a development project process, a market study is often followed by a prospection trip and/or the participation to a trade fair.
Marketing	"Marketing involves finding out what your customers want and supplying it to them at a profit" (FAO, 2005). Marketing is focused on the consumer's needs. That is to say that marketing efforts are efficient when one knows which product to promote /sell, where and to which type of consumer.

Marketing intelligence	Mechanism/set of tools to gather strategic information relevant to a company's market, to anticipate and organise the trade of an agricultural product. It requires 2 minimum inputs: i) Networking, ii) Financial resources to maintain sustainability. It can be developed by private actors with important financial resources and/or with a large social network (human bodies). Market intelligence has a price, however, and in developing countries and in agriculture, people who can afford these facilities are very few. Usually such intelligence is homed at an official (governmental) institution or at a project (mainly). Market intelligence can be very useful but is not very widespread in agriculture in developing countries because of: i) its cost, and ii) its complexity. Sustainability is a big issue in this as well.
Monopoly	The exclusive possession or control of the supply of or trade in a commodity or service.
Monopsony	A market situation in which there is only one buyer.
Niche market	A specialised but profitable segment of the market. For example the luxury market, the ethnic market, etc.
Observatory	Mechanism or institution with the mission to treat and analyse information to provide decision-making tools to private and public deciders. Information originates from various sources, from local to international, to get the highest quality and the best updated analysis. It mainly works with "secondary information" coming from other institutions as MIS, Ministries, other observatories, intelligence services, private actors, etc. An observatory is also a guarantee for transparency. In rural development and trade, observatories are not developed.
Packaging	The technology of enclosing or protecting products for distribution, storage, sale, and use. Packaging also refers to the process of design, evaluation, and production of packages. Packaging can be described as a coordinated system of preparing goods for transport, warehousing, logistics, sale, and end use. Packaging contains, protects, preserves, transports, informs, and sells. (source: http://en.wikipedia.org/wiki/Packaging_and_labeling)
Partner	Individual or (mainly) institution that will bring an added value to an activity, or technically or financially.
Productivity	"The value of the output produced by a unit of labour or capital" (M. Porter) ¹ . In agriculture, productivity is understood as the capacity for a farmer to grow crops by innovative techniques, by sowing improved varieties, by adding fertilisers to the soil, etc.
Professionalism	The competence or skill expected of a professional. It refers to the capacity of an actor or institution to master duties and functions related to his/her job, in a sustainable way.

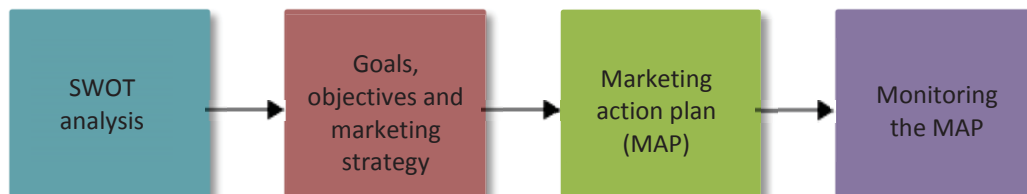
¹ Competitive advantage of nations, M. Porter, 1990

Promotion	A series of operations designed to publicise a product, to give it visibility to a specific audience. Promotion can be done through advertising in the media and through displays, development of a trade mark (and logo), participation in trade events, etc.
Prospect	Potential customer or client that a producer is targeting through a prospection and through a promotion action.
Segment	A category of consumers whose needs match a specific and homogeneous lifestyle. With segmentation a commercial operator can target potential buyers of its products, and may apply suitable marketing methods. The segments may be based on purchasing power (luxury market, base of the pyramid, etc.), demographic factors (youth, seniors), social situation (family, single, urban, rural), etc. The concept of segment is linked to "niche market".
Standards	For agricultural products, there are rules on how to produce and sell a certain product. Standards vary with the wealth of a country to satisfy the various consumers. Exporters must be very well aware of standards in the targeted country.
Strategy	A strategy includes all main steps that need to be taken to achieve a global objective or final purpose, and to operationalise a vision. It generally gives a multi-annual perspective in main lines. The concretisation of the strategy is included in an operational plan, usually renewed every year.
Supply chain	The sequence of processes involved in the production and distribution of a commodity. A supply chain consists of different stages and actors that transform a raw material into a finished product for delivery to the ultimate consumer. It describes the ways actors ensure a product's delivery up to the final consumer, and includes process, transport, management, information, etc.
Trade	The action of buying and selling goods and services.
Vertical integration	This term describes the situation in which an economic actor brings together different functions (e.g. production, processing and trade). In the agricultural sector, the most common case is that of exporting firms that, in addition to their core business trade, develop investment for "integrating" functions of production, and sometimes even processing.
Vertical links	Describe relationships between economic actors, from producer to consumer.
Vision	The ability to think about or plan the future. This remains quite theoretical, and should be followed by a strategy to become realistic.

Reference sheet 2: Issues to be aware of when developing a marketing plan or strategy

Four steps to developing a marketing plan

Source: Mercator 2013, *Théories et nouvelles pratiques du marketing*



We start by analysing the context of the brand or product (environment, market, competition) to identify opportunities/threats and strengths/weaknesses of the marketing policy currently or previously developed (SWOT analysis).

Then, we define the general objectives that indicate the direction that has been decided on. These are completed with quantified **objectives** and a mid-term or long-term **strategy plan** that is based on clear choices in terms of market segmentation and targets, positioning, brand, marketing mix, etc.

The strategy, usually set out for a period of three years, is translated into a short-term action program (usually one year). This is usually called a **sales action plan**. It defines the actions, a time schedule, the budget and the responsibilities for the implementation.

Finally, the marketing plan specifies the monitoring modalities (indicators) that will help identify the differences/gaps between the estimated and realised goals. Adjustments and corrective actions are made when necessary.

Common errors when defining a marketing strategy

Five errors commonly made when defining a marketing strategy are:

1. Forgetting about the main goals (global objective)

The SWOT analysis defines the key challenges, from which the main goals can be identified. The goals specify the overall long-term ambition and are not always well defined, unlike the targets, that are aimed at/for the short and at mid-term, and that may take several shapes, e.g. become leader on the market, increasing the contribution (profitability), block the route for a competitor, diversify ones activities, etc.

2. Not or badly quantifying objectives (or results, in francophone countries)

Objectives are concrete steps at short and mid-term to achieve the main goal. They are often not quantified (and therefore remain very vague) or only short-term, i.e. linked to the first year bit not to the next two years. Ambition and realistic targets need to be well defined. Also, objectives are often defined in terms of sales figures, from the marketing point of view, and not in terms of cost efficiency and profitability.

3. Not defining the targets well

Targets are often a weak link in a strategy. The marketing strategies and plans often do not distinguish between the direct buyer (sell in), i.e. a middleman or a supermarket, and the final buyer (sell out), i.e. the processor or the consumer.

4. A too complex strategy

“What is simple is wrong, and what is complicated cannot be understood” according to Paul Valérie (French poet, 1871-1945). A strategy must be simple and relevant and to the point. What is difficult to explain, to understand and to implement, is likely to fail.

5. A strategy without a provisional profit and loss account

The strategy must always be accompanied by a provisional profit and loss account (or by several if there are several scenarios). This gives a realistic basis to the strategy. We must ensure that the risk is compensated by a profit.

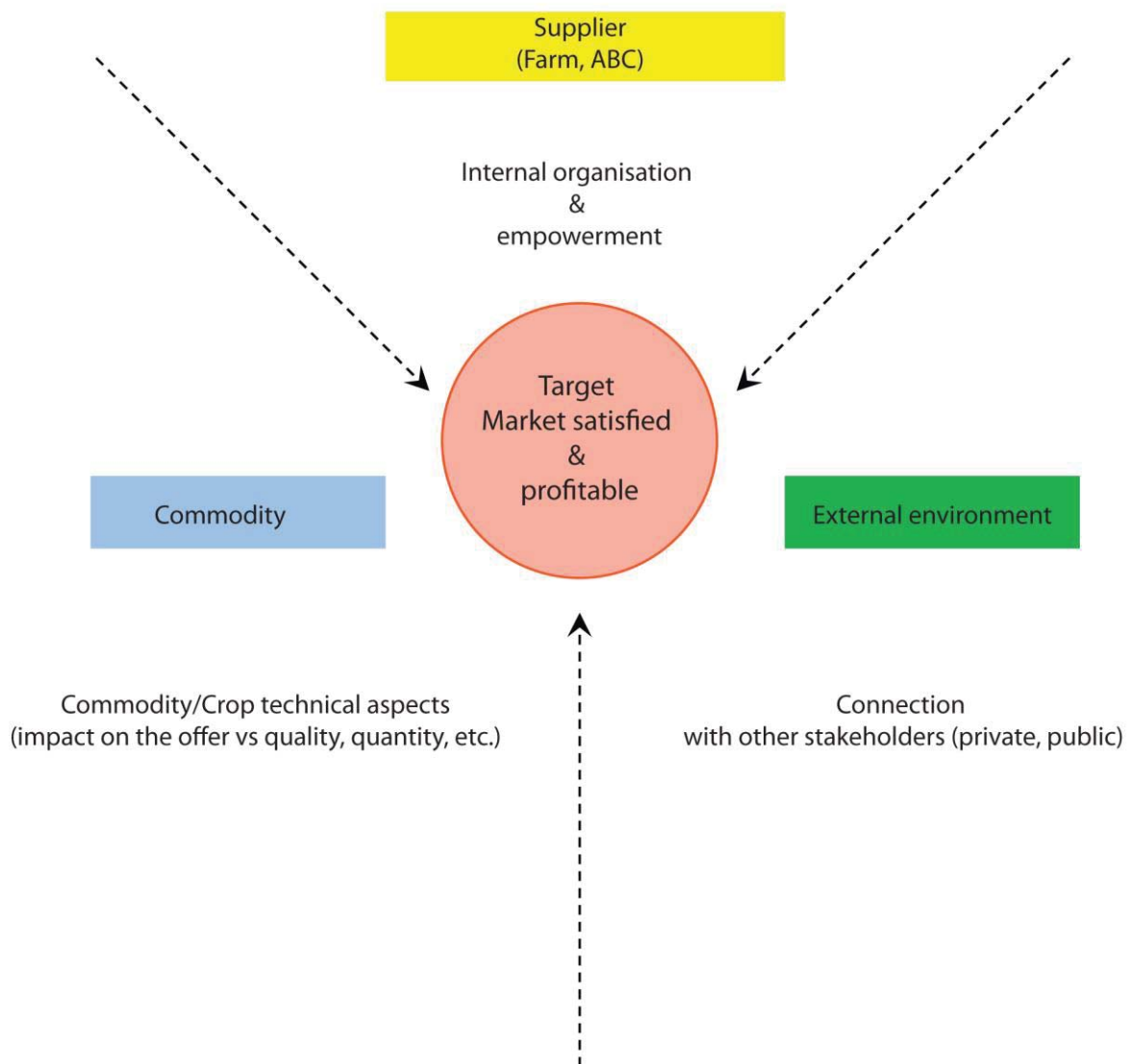
Common mistakes made when making a marketing plan

Eight common mistakes of a marketing plan are:

1. The SWOT analysis is too complex with too much information, and one forgets it has one single aim: to help make the best decisions.
2. One moves directly from the SWOT analysis to the action plan. The strategic part is missing and so is a clear vision on who is responsible for the choices made and for the programming of actions and budgets.
3. The plan lacks coherence: there is no link between the SWOT and the strategic lines, between the strategic lines and the actions to be carried out, among the actions, etc.
4. There is not enough attention for competition in the field. Competitors are perhaps mentioned but not analysed in depth and thus there is no way once can anticipate their actions.
5. The marketing plan is without direction: it is complete, but too descriptive, it lacks a clear outline and therefore loses its target and objectives.
6. The action plan is not very realistic (“we have to.., we need to..”). The objectives are overambitious, there are too many activities and the organisational and budgetary constraints are underestimated, etc.
7. The plan is too academic; it does not contain a thoroughly worked out provisional budget.
8. The plan focuses too much on short-term results.

Reference sheet 3: Building a marketing plan (objectives, targets, activities)

Marketing objective: Expected results: R1: R2: R3:
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Reference sheet 4: Essential topics in making a marketing plan

Some main characteristics of agricultural products to take into account when making a marketing action plan:

- Be aware of who the buyer is and what his/her requirements are, as this will give the supplier essential information to decide on how to produce in terms of quantity and quality, how to organize the supply, and how to “offer” the produce to make the product attractive.
- Do not forget that in most cases the direct buyer is not the final user. According to the product and the value chain (fresh, processed, semi-finished, wholesalers, retailers, etc.) the product can have a long circuit. This is an important aspect to have in mind, because it will influence the product development for a first supplier (variety, harvest, storage, packaging, etc.).
- Timing of supply to the market is very important, and depends of several criteria: production and harvesting period, storage, competitors (national, importations), etc. For some products, the production campaign can be advanced or delayed to get some competitive advantages.
- Take into account the product life cycle and its perishable aspects. This will have impacts on production, harvest, and storage capacity.
- Be aware of the product norms and regulations at all the levels: at production, post-harvest, and marketing level.
- The price volatility of some crops may be important, especially of annual crops, as they are in a competitive environment.
- Be sure you have the rightly skilled persons to achieve the planned activities, from the general management to the technical tasks. If you do not have them, there are three options: i) recruit new, specialised staff, ii) train one of the available staff members, and iii) skip some activities and think of a more modest marketing strategy.
- A marketing plan includes a budget. This is compulsory, to be able to manage it efficiency.

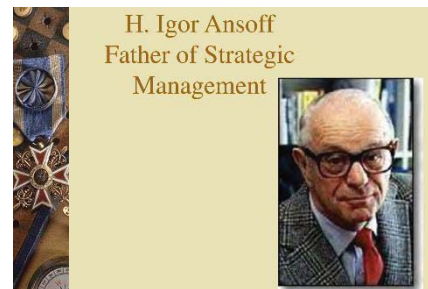
Reference sheet 5: Managing the marketing risks (Ansoff matrix)

Source: <http://ansoffmatrix.com>

What is the Ansoff matrix?

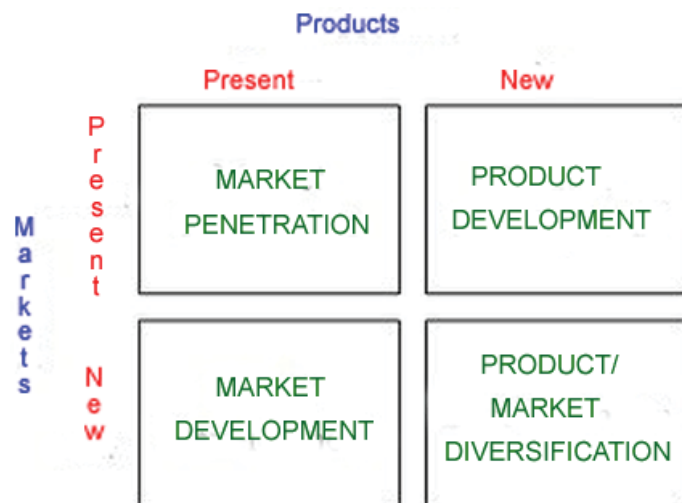
The Ansoff matrix, also known as the Ansoff product and market growth matrix, is a marketing planning tool that provides a framework to help executives, senior managers, and marketers devise strategies for product and market growth. This is usually done by focusing on whether the products are new or existing, and whether the market is new or existing.

The model was made in 1957 by H. Igor Ansoff, a mathematician with an expert insight into business management. It is believed that the concept of strategic management is widely attributed to him.



The Ansoff matrix describes four growth alternatives as marketing strategies:

- Market penetration
- Product development
- Market development
- Diversification



Market penetration

Market penetration usually covers existent products in an existing market. In this strategy, there can be further exploitation of the products without necessarily changing the product or the outlook of the product. This will be possible through promotional methods, using various pricing policies that may attract more clients, or one can make the distribution more extensive.

In market penetration, the risk involved in its marketing strategies is usually the least since the products are already familiar to the consumers and so is the established market. Market penetration can also be increased by coming up with various initiatives that will encourage increased usage of the product.

Product development

In the Product development growth strategy, new products are introduced into existing markets. Product development can differ from the introduction of a new product in an existing market or it can involve modification of an existing product. By modifying the product, one would probably change its outlook or presentation, increase the products performance or quality. By doing so, it may appeal more to the already existing market. A good example is car manufacturers who offer a range of car parts to target the car owners in purchasing a replica of the models.

Market development

The third marketing strategy is Market development, also known as Market extension. In this strategy, the business sells its existing products to new markets. This can be made possible through further market segmentation to aid in identifying a new clientele base. The strategy assumes that the existing markets have been fully exploited and there is thus a need to venture into new markets. There are various approaches to this strategy, which include: new geographical markets, new distribution channels, new product dimensions or packaging, and different pricing policies. In new geographical markets, the business can expand by exporting its products to new countries. It would also mean setting up branches of the business in other areas that had not been ventured yet. Various businesses have adopted the franchise method as a way of setting up other branches in new markets. A good example is Guinness. This beer had originally been made to be sold in countries that have a colder climate, but now it is also being sold in African countries.

New distribution channels would entail selling the products online via e-commerce or mail order. Selling through e-commerce will capture a larger clientele base since we are in a digital era in which many people access the internet often.

A new product packaging strategy means repacking the product in another way or size. In this way it may attract a different customer base.

In different pricing policies, the business could change its prices to attract a different customer base or to create a new market segment.

Market development is a much more risky strategy than Market penetration.

Diversification

The last marketing growth strategy is diversification. This implies that an organisation embarks on marketing or selling new products to new markets at the same time. It is the most risky strategy among the four as it involves two unknowns: 1. New products are being created while the business does not know which development problems that may occur in the process; 2. A new market is being targeted, which will bring about many uncertainties. A business seeking diversification, needs to have its facts right regarding what it expects to gain from the strategy and what risks are involved.

There are two types of diversification: related and unrelated diversification. In related diversification, the business remains in industry it is familiar with. For example, a cake manufacturer diversifies into a fresh juice manufacturer. This diversification is in the same

industry, the food industry. In unrelated diversification, there are usually no previous industry relations or market experiences. For instance, one can diversify from a food industry to a mechanical industry.

Though diversification may be risky, the strategy can be highly rewarding with an equal balance between risk and reward. An advantage of diversification is that in case one business suffers from adverse circumstances, the other line of business may not be affected.

Reference sheet 6: Cost table for a marketing action plan

Once the implementation action plan is made, its budget needs to be added. The finalised marketing annual action plan should look like the table below.

A 12-months complete action plan for marketing ... (agricultural product)

Objective/Expected Results/activities	Implementation		Implementation schedule (months)						Cost	
	Responsible	Partner	1	2	3	4	...	12	Amount	Funder
Objective :										
Expected result 1:										
Activity 1.1: . .										
Activity 1.2: . .										
Activity 1.3: . .										
Expected result 2:										
Activity 2.1: . .										
Activity 2.2: . .										
Activity 2.3: . .										
Expected result 3:										
Activity 3.1: . .										
Activity 3.2: . .										
Activity 3.3: . .										

