

2SCALE

Module 12

Prospecting the market

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

2SCALE consortium:



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A FEW WORDS ABOUT PROSPECTING THE MARKET FOR AGRICULTURAL PRODUCTS

Marketing a product is a natural, spontaneous process, but also and even more often, carefully thought out and directed from the moment a person or an organization is involved in the actual selling of the product on any specific market. “Marketing involves finding out what your customers want and supplying it to them at a profit” (FAO, 2005)¹

Marketing of agricultural products is more than ensuring the flow of a product from the field to the warehouse, or from a warehouse to a selling place. Marketing consists of several, diverse operations and requires multiple skills.

A very important skill is linked to the knowledge of the consumers and costumers’ needs. In most situations, except in the case of rural areas, the farmer is not in direct contact with the final consumer. The direct buyer is a commercial intermediary, for example a broker, a wholesaler, a processor (all traders). The objective of these buyers is to satisfy their customers, which can be very heterogeneous, depending on their social status, purchasing capacity, location, age, sex, etc. That is why it is important for a supplier, whether a farmer, a processor, or a trader to have a clear idea of the type of “market”, or consumer, his product will be delivered to.

These are the aspects this Facilitator’s Guide is about.

This module on *Market prospecting* (facilitators’ guide, exercises, and reference sheets) is the continuity of two previous modules on marketing aspects, Module 4, *Introduction to marketing for agricultural products* and Module 11, *Marketing planning of agricultural products*. A module on *Marketing promotion* is being developed (Module 13).

A FEW WORDS ON BSS, COACHES AND TRAINERS

Initially the 2SCALE project defined BSS as any institution/organization/firm that include consultants, governmental and non-governmental organizations (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.

¹ Source: Module 4, *Introduction to Marketing for agricultural products*, 2SCALE / ICRA, 2014

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.

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 organizations 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 organization 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" and one with "Exercises" 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 Organization
ToT	Training of Trainers
SWOT	Strength, Weakness, Opportunity, Threat
VC	Value Chain

Foreword

This module on prospecting of agricultural products is associated with the introductory module on marketing of agricultural products (Module 4), which introduces also other marketing-associated topics like marketing planning and marketing promotion, and with *Module 11 (Marketing planning of agricultural products)*.

Whatever the purchaser's profile is (luxury, medium level, or base of the pyramid), when it comes to marketing, concepts and approaches are similar. When necessary, this module 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 market prospecting and deals with concepts such as offer, supply, product, market study, confidence, assessment, etc. These concepts will be introduced, developed and practised through several pedagogic tools, e.g. brain storming, role plays, groups' exercises, interviews, and debates in plenary sessions. The core of the pedagogical approach is to work from participants' experiences.

Some literature references are given to deepen the understanding of the subject.

Learning objectives

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

- Apprehend the importance of understanding customers' needs
- Know how to consider a buyer as a partner and not as a competitor in a value chain (VC)
- Organize a prospecting action
- Analyze customers' commercial needs
- Prepare suppliers to prospect a market
- Be aware of the risks of prospecting

The workshop outline

The workshop comprises 8 sessions, including the introduction (session 0) and the synthesis and evaluation (session 7). Session 1 aims at identifying the participants' initial understanding and perception of the topic. In session 2 the need for prospecting is highlighted and session 3 deals with the need to specify the product or service that is to be marketed. Session 4 relates to understanding the market, whereas session 5 clarifies the ways to satisfy market demands. In session 6 the participants prepare their ToR for field coaching.

Session 0: Introduction

Session 1: What do we know about prospecting the market?

Session 2: The need for prospecting

Session 3: What do we have to offer?

Session 4: Understanding the market

Session 5: On the way to satisfy the market/Prospecting follow-up activities

Session 6: Preparation of the field coaching

Session 7: Workshop assessment

Session 0: Introduction

Introduction

In this introductory session, participants will get to know each other and will develop some first reflections on the topic. It will also be the opportunity to come back and exchange on global aspects and some basic topics of marketing.

Note that if this training on market prospecting is part of a workshop where other marketing topics (e.g. marketing planning, or product promotion) are dealt with as well, some elements of this introductory session can be skipped.

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 prospecting within the whole marketing process

Procedure/tools

The session consists of three steps:

➤ **Step 1: Introduction**

- **Presentation:** Participants will generally know each other so this can be very short. If not, participants will introduce themselves, the institution they are working for (BSS, Lead firm, etc.), and the agribusiness cluster they are supporting. The facilitator notes all information down on a flipchart on the wall (visible to all).
- **Justification of the workshop:** The facilitator reminds of 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, organization, management, and planning.
- **Expectation:** Participants write down their expectations on coloured cards. The facilitator will summarize these expectations at the end of step 2 (see below).
- **Objectives and programme of the workshop:** The facilitator explains that this workshop on marketing planning aims to:
 - Clarify the concept
 - Understand when and how to prospect
 - 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 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 prospecting
- 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 organizing 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:



After the discussion, this figure (previously prepared by the facilitator) is posted on the wall and will stay there during the entire workshop; the facilitator may come back to it from time to time. He/she explains that this sequence is not rigid and appears mostly in the case of a formal trade. As most of the trade businesses, especially in Africa, are informal, some steps are not being systematically developed (e.g. contracting, branding).

➤ **Step 3: Assessing the participant's basic knowledge**

A questionnaire on marketing prospecting is handed to the participants, to assess their basic knowledge on the topic (see Exercise 2). Participants are given 10 minutes to fill it out.

While participants do this, the facilitator sums up the expectations (dealt with in step 1) and gives a quick overview to participants before the next session.

Additional reading

Reference sheet 1: Glossary

Session 1: What do we know about prospecting the market?

Introduction

This session aims to assess what the participants knowledge of and experiences with market prospecting. The assessment is done in the form of testimonies.

Learning objectives

Participants will be introduced to some aspects of the prospecting process and will get a general idea of what market prospecting is and why it is needed.

Procedure/tools

➤ *Step 1: Exploring each other's knowledge*

First, individually and during 10 minutes, each participant writes on one coloured card what he/she thinks prospecting is about. The cards are then exposed on the wall, while being read out loud by one of the participants. The facilitator does not make any particular comment but come back on this in session 3 of this workshop. The cards will stay on the wall all along the workshop.

➤ *Step 2: Practising the supplier's and the buyer's role*

The participants are then invited to express what they know and how they think about and experience marketing prospecting through a role play (see Exercise 3). The objective of this simple role play is to appreciate the participants' feelings about marketing a product and identify the need for knowing the market and its key characteristics if you want to sell a product in an efficient way.

In the debate that follows the group exercise, the facilitator will not judge participants' opinions and feedback; he/she just notes down on a flipchart, seen by all, the key elements that emerge. This flipchart is kept visible for the rest of the workshop. The facilitator will come back on it in session 3.

Advice for the facilitator

- This session may be cancelled if the role play of session 4 is done.
- Frequently remind participants of the importance of mastering the costs (production, marketing, delivery, etc.).
- Preparation is needed to choose the names of the products the groups will exchange about.
- This exercise should drive the participants to talk about the elements that constitute prospecting in terms of quality, quantity, delivery, price, human relationships, previous knowledge of the product, etc.
- Talking about a non-agricultural product they might not know well should prove to the participants that without a minimum knowledge of the product you intend to market, one cannot interest a purchaser (unless you are a very good marketer).

Session 2: The need for prospecting

Introduction

This session aims to emphasize the fact that prospecting is not compulsory, depending on to the situation and context in which the supplier is. It must be done when it is really needed.

Learning objectives

At the end of this session the participants will be able to understand the importance of setting up a prospecting system, at which moment in time, and why.

Procedure/tools

➤ *Step 1: Identifying needs to prospect*

In groups, the participants reflect on situations that require market prospecting and on any preparatory action needed (see Exercise 4), based on their own experiences. Back in plenary, the groups present their findings by pasting the coloured cards on the wall.

➤ *Step 2: Market prospecting as a process*

The facilitator engages in an interactive exchange with the participants on their opinions regarding the main elements that constitute the prospecting process. This is done through the use of some specific questions.

Question	Market Prospecting
<i>What does the term prospecting mean to you?</i>	Identify possible buyer(s) of a certain product in a given market, and ways to promote the product
<i>Which challenges does it relate to?</i>	Who can be interested in the product? At which conditions?
<i>How to operationalize prospecting (action)?</i>	Cluster representatives (with communication and commercial skills) meet potential buyers. Two important preconditions: <ul style="list-style-type: none"> • Have a good knowledge of the product • Get samples ready and relevant information of the (quality of) product, e.g. in the form of a flyer
<i>Which output can be expected?</i>	<ul style="list-style-type: none"> • Buyer(s) interested by the supplier's offer is/are identified, • Precise needs known (quantity, quality, delivery's conditions, etc.)
<i>When is the best moment for prospecting in the marketing process? (see Session 0)</i>	Ideally after a first market study that brings info on the market and a general overview of the economic and commercial conditions and environment. A market study is not always necessary or possible. If we consider a cluster in a "day to day" situation (no project support), we can assume that in most cases a market study is not likely to happen, due to: i) lack of financial and/or human means, ii) lack of time, iii) the market is local and its main aspects are well known (purchasers, type of products, periods, competitors, formal and informal barriers, prices, ...), etc.
<i>What are the possible bottlenecks to actually do market prospecting?</i>	<ul style="list-style-type: none"> • Inadequate preparation: limited knowledge of the supply's potential, of buyers' demand, weak market study, etc. • Financing issue • Wrong choice of the cluster representatives who deals and negotiates with a potential buyer

Note: The previous table is extracted from Session 3 “The tool box” of Module 4, *Introduction to marketing of agricultural products* (2014).

➤ **Step 3: The need to better understand the demand**

The facilitator then draws the attention to the two positions in a selling/buying situation. The starting point is the buyer.

A customer, when wanting to purchase a product, expects a specific quality at a fair price (not necessarily the lowest price, but a price he/she is ready to pay).

There is the same logic for a supplier who needs to sell a product that satisfies the buyer (in terms of quality and price essentially).

You noticed the terms employed to describe the customer and the supplier’s position. The former “wants to buy”, and the latter “needs to sell”. This semantical difference reveals what can be resumed by “the demand drives the offer”.

It emphasizes the fact that, on one end, the customer/buyer generally has various choices to purchase a certain product in terms of origins and market places (this choice is proportionate to the purchasing power), and that, on the other end, the supplier is limited in terms of products to market, number of buyers (especially in the case of a small-scale farmer), and competition.



This explains the interest of a supplier for developing a strategy or a method to understand what a specific market requires (the “why?”).

Prospecting is really necessary once a supplier decides to offer a **new** product or more variety or a different quality of product or wants to sell to **new** buyers as in shown in the Ansoff matrix below.

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

In the case of selling to a new buyer, this could result from the decision to avoid an intermediary agent. This kind of decision is risky. It needs a strong knowledge of the supply chain and certain skills to replace the intermediary tasks. The knowledge is normally provided by the market study that should be done prior to the prospecting.

High precaution must be taken when engaging in prospecting. Are we sure that the costs are covered? Isn't it too risky? The supplier group must have a deep reflection on that and, if decides to "go for it", it should have the full agreement of all group members to avoid possible tensions.

Another very important matter is: Which person(s) will execute the prospecting exercise? This task needs specific knowledge and skills such as:

- Good knowledge of the product to be sold, characteristics and potential
- Human relationship qualities

Advice for the facilitator

This session deepens the aspects of the "Tool Box" session (session 3) of Module 4, Introduction of marketing of agricultural products (2014). Please point out to the participants they can get more background information on the subject in that session.

Session 3: What do we have to offer?

Introduction

This session is about the "key point" of market prospecting: its preparation. Farmers and small-scale actors often think that the market is nearby and ready to buy any new product. But that is often not the case, especially not in a high competitive environment.

Learning objectives

At the end of this session, participants will be able to recognize the importance of being very well prepared before meeting new, potential business partners.

Procedure/tools

➤ Step 1: Characterizing the offer of products and services

The facilitator first comes back to the result of Session 1 with the cards containing comments on the role play between a "supplier" and a "buyer" pasted on the flipchart. He/she asks participants to point out elements that refer to the product that is to be supplied/offered. These elements are then written on a separate sheet and pinned to the wall.

Thereafter, participants are asked to identify any other elements that are missing and should be added to better convince the (potential) buyer to accept to deal with them.

This work aims to alert participants to the importance of having a very good knowledge of their offer before thinking of developing a new market.

A supplier's offer is divided into two aspects, the product and the services.

Product refers to all technical aspects and features that contribute to the availability of a given commodity and lead to offer both *quality* and *quantity*, which are two out to the three pillars of a commercial deal or trade.

Services is related to the organizational and logistical aspects of the product's delivery. The first aspect is the *period of delivery*, which constitutes the third essential pillar of trade. Regularity of delivery is very important when it comes to continuity of the commercial partnership. Other aspects of services are transport, area of delivery, mode of payment, ways of communication, etc.



➤ **Step 2: Knowing your product**

In plenary, the facilitator shows a 10-minute video on Soya Goussi in Benin, after informing the participants that they will be asked to reflect on the marketing content of it afterwards. This is important to make sure the participants focus on the specific marketing aspects of the video.

The participants are then split up in groups => see Exercise 5.

Back in plenary, each group presents its findings by pasting the coloured cards on the wall; the possible answers are in the grey zone of the following table.

Product	Information	<i>Variety, quantity, harvest period, use of inputs, process (if transformed), nutritional and health value, price, duration (conservation), etc.</i>
	Physical items	<i>Sample, packaging, label / sticker</i>
Services	Information	<i>Date and place of delivery, mode of payment</i>
	Physical items	<i>Visit cards, pictures, leaflet, personal behaviour</i>

So, any prospecting must be based on a very good knowledge of both the product one expects to sell and the way to deliver it (services).

➤ **Step 3: Preparing the prospecting contact**

Of course, the type of product and service that you, as a supplier, will deliver, is linked to the kind of buyer/market you are targeting. That is why another important element to consider during the prospecting preparation is to identify the kind of buyer you will get in touch with. Regarding the (agricultural) product, it may be a wholesaler, a processor (small-scale or industrial), a retailer, a restaurant, etc. Identification is possible in two ways: i) through a (formal or informal) market survey, or ii) through the 'implicit' knowledge you have of the market, e.g. through your network.

There are many ways to get in touch with the potential buyer and organize an appointment; e.g. through a letter via mailing post, a telephone call, internet search, or an unexpected, exploratory visit. There is no 'ideal' way of doing and it all depends on the kind of relationship you already have with the potential buyer. Most efficient is making a phone call, or physically meeting the person.

So, at cluster level, you must have a clear common understanding and agreement on what is your target. Think well about the elements to put in place while defending and promoting your product/service.

➤ **Step 4: The people behind the product and services**

In addition to good knowledge of the product and of its (associated) services, there is another aspect that is of great importance when preparing prospecting: who will meet the potential buyer?

In plenary, through brainstorming, the facilitator asks participants what should be the profile of that person (seller). The cards are read out loud and ranked, as much as possible, into the following “domains”:

- Knowledge of the characteristics/qualifications of the products and its services
- Knowledge of the product costs (and the factors determining its selling price)
- Knowledge of the sector, its competitors
- Knowledge of the activities and preferences of the potential buyer(s)
- Human qualities/attitude/behaviour:
 - Interested in human interaction and relationships
 - Open minded, good listener, good communication skills, capacity of not getting angry if the buyer tries to tease, etc.
 - Showing loyalty to the company one represents

The facilitator then concludes by drawing a table of the do’s and don’ts for a seller

Do’s	Don’ts
Arrive on time at an appointment Keep calm Have a positive attitude Don’t talk too much Be loyal to the supply group Give the buyer the feeling your product is unique and made just for him/her Etc.	Arrive late at an appointment Be aggressive or show irritation Dominate the discussion Criticize the suppliers Talk about price (unless the buyer requests so) Show disinterest in the product you promote Etc.

In other words, in a prospecting meeting, the supplier should **CREATE CONFIDENCE!**

Actually, the buyer will need to know the partner behind the product, his/her professionalism in terms of commercial relationships and loyalty, etc. As for any starting business, both partners don’t know each other, and each wants to reduce the risks, so the impression given at the first contact is very important, and proofs of professionalism must be given. A professional purchaser is used to recognize good and bad suppliers at the first contact, so be prepared for that.

Caution: as it might have been noticed, we have not put emphasize on the price. This is because the price should not come in first place. It should be the result of other arguments (quality, quantity, delivery, etc.), and for a supplier it is better to wait for the buyer to ask for the price.

Cost estimates at product and services level need to be made to enable the supplier to establish a profitable price.

In the case of a cluster (or a farmer group), the development of an offer must be done collectively. Members must meet for one day at least to consensually develop their offer, in terms of product, supply, and to decide who will represent the group in the following phase which consists of meeting the potential buyers. A SWOT exercise is a good tool to do this, as it identifies the strengths and weaknesses linked to the product and the market they plan to reach.

As a supplier, be aware that the buyer has more information than you about the market regarding prices, competition, or consumers' needs. Even his/her production's knowledge may be better than yours on marketing and trade. Buyers may produce as well, and he/she usually knows how to judge a product quality in terms of variety, maturity, etc.

Advice for the facilitator

If you have time for one session only in your training, use this one, because it gives the main theoretical elements on how to organize prospecting activities.

It is important not to forget to remind the participants that they must focus on the marketing aspects while watching the video on Soya Goussi.

Additional reading:

Reference sheet 2: Knowing your product (articles)

Session 4: Understanding the market**Introduction**

This session gets into the core business of prospecting the market.

Learning objectives

At the end of the session, the participants should be able to understand how, in practice, to interact with a potential buyer during a market prospecting regarding to content (arguments), behaviour, etc.

Procedures / Tools

Ideally, this session should include a meeting with a local trader or firm. If time and resources allow to organize such a meeting, the participants will prepare the interview and review its outcomes, emphasizing the main lessons' learned (option 1). If this is not possible, a role play will be organized between a "supplier" group and a "buyer" group (option 2).

Option 1: Physical contact with the market

This can be organized in two ways:

- By visiting the stakeholder in his/her own working place;
- By inviting the stakeholder at the workshop venue.

The best option is the first one although it has the risk that people are easily “distracted” by business issues. A solution could be to first invite him/her at the workshop venue, and for a second meeting go out and visit the stakeholder at the work station.

What type of “buyer” to choose for this exercise? As we are in the rural sector and working in production at cluster level, it would be best to identify a buyer who is specialized in agricultural products, either a wholesaler (preferably) or a retailer. It may be an individual or a representative from a group or firm. In any case the person should be in charge of purchases who is in contact with the suppliers (farmers, processors, wholesalers, etc.). The identification and contact will have to be done by the facilitator prior to the start of the workshop starts.

The content of the exchange with the “buyer” will be prepared before meeting him/her. It is useful to know which kind of product this person is specialized in, for example vegetables, fruits, cereals, roots, or dairy.

The participants are split up into groups to prepare a checklist of issues to be discussed with the professional trader (Exercise 6).

Back in plenary, each group presents the checklist and all participants agree collectively on a questionnaire. Here are some examples of issues:

- Expectation of the product in terms of quality: variety, shape, colour, size, etc. What is most important?
- Quantities/volumes and regularity of supply
- Price: is it the most important aspect of a discussion at this prospecting phase (very first contact)?
- At what moment of the discussion do you accept to discuss the price?
- When meeting a potential supplier for the first time, what do you expect from him/her?
- Once you made a first deal with a supplier, what could convince you to make more deals?
- Is the behaviour of the supplier important and why?
- Are you usually interested in new suppliers, or do you prefer to stay with your usual ones? Why?
- Do you think that human relationships in doing business are important?
- Etc.

A common checklist is developed and the group decides who will lead the discussion and who will deal with which issue on the checklist. After this the discussion takes place, which should not take more than 1 hour.

Then, in plenary, the facilitator animates a debate, asking participants what they retain from the meeting with the professional trader/buyer about the main aspects of market prospecting. Most of the elements listed in the previous session should be highlighted (see steps 2 and 4).

Option 2: The role play

Following a short plenary introduction, explaining the procedure of option 2, the group is split up into subgroups to prepare the role play with suppliers, buyers and observers (Exercise 7).

Back in plenary, the groups (supplier, customer) play during 20 minutes. Instructions are given in the exercise. The role play has been organized in two steps: First a phone call to make an appointment and then a meeting between supplier and buyer.

After the role play, the observers take 10 minutes to gather their analysis, after which they present their observations and analysis to all participants.

The facilitator then opens the debate about the important elements of a prospecting action, the preparatory work needed, the proper attitude, the skills needed, etc.

The facilitator comes back to the first step, the phone call, asking the suppliers' group how they decided on the person to represent the buyer: what were their criteria to choose the person?

The following issues need to be explained by the facilitator:

Have a physical meeting: Any prospecting step is made through a physical meeting with a potential buyer. It is not professional to imagine one can win a market at distance, just through the telephone or internet. This may be possible only in the case of big firms that have a long-standing, solid reputation.

Keep in mind that prospecting alone does not yet mean winning a market. Even if the meeting with a buyer went very well or seemed to have been very positive, the deal is generally not closed at a first contact.

Attitude: How to behave in front of a potential buyer? At this step, a person's "social skills" are of high importance. The way in which the supplier introduces him/herself to the buyer is crucial. It opens the door to the important topics to develop, i.e. the product's offer and the services (Session 3).

Some important practical tools must be ready before going for a prospecting visit or meeting like samples of the products (the best samples, obviously) and marketing tools such as visit cards and leaflets. And never leave the potential customer without any contact references (telephone number, address, email address, etc.)!

Advice for the facilitator

- Prepare the meeting with the "potential buyer" by contacting some professional actors in the area of the workshop, and find one interested by participating to this exercise.
- Role play: for the observers' group the preparatory work is important. Indicate the importance of body language of the participants, especially of the suppliers' group.
- The last paragraph above "issues to be explained ..." is very important; do not forget. Two words could sum up the main objective of a prospecting exercise: BUILDING TRUST!

Additional reading:

Reference sheet 6: Cost table for a marketing action plan

Session 5: Prospecting follow-up activities

Introduction

In this session, we go beyond actual prospecting of the market. Participants think about what may happen next.

Learning objectives

At the end of the session, the participants will be able to plan for the action they will take after meeting potential buyer(s).

Procedures / Tools

This session starts with a short group work (Exercise 8). Based on the outcomes of Session 4, the groups reflect on the follow up of a prospecting phase. Back in plenary the groups present their findings.

There are various things that can happen after a prospecting phase:

- No news from the (potential) customer. This does not necessarily mean s/he is not interested.
- The potential buyer is definitely not interested in your offer.
- The customer accepts to carry on and deal with you.

The facilitator animates the debate between participants for these options, and notes down the most relevant opinions.

Be aware that any new activity that may arise from the customer needs may require new skills and create new constraints and issues, for example regarding equipment, human knowledge, and qualification. So, a good entrepreneurial organization that succeeds in prospecting the market must be able to anticipate the potential situations and look for solutions as quickly as possible, even before the issues arise.

Session 6: About coaching ABCs

Introduction

This session is aimed at supporting coaches in the best way in using the new competences they gained through this workshop when working with agribusiness clusters on market prospecting.

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 5 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?
- Using some of the relevant content of the sessions.

Is/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 market prospecting.

Advice for the facilitator

- Session 6 may appear long, but it is an important session as it focuses on enabling the BSS/coaches to facilitate coaching sessions to the cluster members. It is necessary to give them time to express their feelings about the way they think these coaching sessions can be handled.
- Some sessions are more important and less theoretical than others. Priority can be given to session 2 (The need for prospecting) and session 3 (What do we have to offer?)

Some messages related to market prospecting to be kept in mind by participants and that could be brought to them through a quick brainstorming exchange:

- Good preparation is the key
- Demand guides production, but ... we (supplier) can attract demand
- Before all, we must know very well our product and supply (our strengths and weaknesses)
- Let's look for an "easy market", where we are sure to get a quick profit
- One prospecting exercise must lead to at least five successful commercial campaigns
- Do not just think about the price
- Don't forget that successful trade = confidence = good human relationship and communication
- Anticipate buyers' needs
- We are not the only ones to prospect (competition)
- The buyer knows more about the supplier's job than the supplier knows about the buyer's job
- Make participants (ABC members) reflect on their own situation
- If there is only time for one exercise/discussion during this coaching session, the facilitator should ask ABC's members to reflect and talk about few points only: i) which buyer/customer to look for, ii) what is the ABC's potential in terms of quality, quantity, delivery means, human professional skills, etc., iii) what are the ABC's strengths and weaknesses to sustainably supply a market, iv) what does the ABC need to prospect a certain market (potential buyer or customer)?
- It is a big challenge for the coach to reduce a 2-day course to a 5-hour one. It needs a very good overview of the topic and excellent synthesizing skills.
- The plenary reflection phase in this ToT workshop is very important to make sure that all participants (coaches) share the reflection on how to transfer knowledge to ABC members. The group work is essential as it provides ideas and time to reflect on how to perform when training an ABC.

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 prospecting the market? 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 he/she will be able to adjust follow-up workshops, if necessary.

Procedures / Tools

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

- **Before starting the workshop:** each participant writes down his/her expectation (see Session 0). The facilitator prepares a summary of these expectations and they will be dealt with on the last day of the workshop (see below).
- **During the workshop:** at the end of each day (even for a 2-day session), participants fill out a short questionnaire on their appreciation of what was dealt with during the day. Each participant justifies his/her appreciation, and proposes improvements to the workshop content. This questionnaire is returned to the facilitator at the start of the next session.
- **At the end of the workshop** participants either:
 - In plenary, express their opinion on how the workshop went along, or (preferably so)
 - Give individually and confidentially their opinion on the workshop, on a "blind" paper (flipchart) put somewhere in the room, in such a way that other participants cannot see what others are writing. This paper could contain the following table (learning assignment) that is to be filled by each participant:

Table 1: Appreciation of the workshop

Session/topics	Good	Average	Bad
S0: Introduction			
S1: What do we know about market prospecting?			
S2: The need for prospecting			
S3: What do we have to offer?			
S4: Understanding the market			
S5: Prospecting follow-up activities			
S6: About coaching ABCs			
Your opinion on the facilitation			
General comments			

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

Advice for the facilitator

An recurring issue in a workshop, especially in a short one like this one on market prospecting, 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, as this will give you very useful information.

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

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Module 12

Prospecting the market

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

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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 understood the exercise or the assignment well.

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

- The objective of the exercise (what is expected and why?)
- How to proceed to answer the question as a group?
- How to “visualize” your discussion (using poster paper or pin board and coloured cards)
- How and who to chair the session?
- How and who to present the results during the plenary session?
- Who is in charge of the final electronic write-up (if any)?

Exercise 1: Refreshing memories

Note: This exercise may not be needed when one of the modules on marketing planning and/or promotion of agricultural products has been used.

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 individually fill out a brief questionnaire to assess their initial knowledge on prospecting the market. If there is time at the end of the training, the same questionnaire will be given to the participants, to be able to assess the knowledge acquired during the training.

Pre-test of knowledge about prospecting the market

Carefully read the following questions and tick the boxes corresponding to your answer. Select one answer per question. Choose the answer which you think is the most appropriate.

Length: 5 minutes

Date:

Name:

1. For you, prospecting is:

- Verifying/checking the work done by a collaborator
- Searching for mineral resources (gold, iron, oil ...)
- Looking for information with the aim to develop activities

2. When prospecting a market, you must:

- Find out who are the consumers and others buyers potentially interested in a product
- Sell products, hoping you will earn money from the sale
- Understand the precise needs of identified potential buyers

3. When you supply a product on a market you should think:

- My product is good enough to be of interest to any buyer
- I won't earn money from the sale, competition is too high
- I must take some time (and money) to understand what the buyers want

4. What is the best way to prospect a market:

- Talk on the phone to potential buyers
- Find information on internet
- Go and discuss face to face (F2F) with a potential buyer

5. The preparation of a market prospection consists of:

- Harvesting the product
- Being aware of your potential as a supplier, in terms of quantity, quality, human skills, ...
- Deciding on the fixed price at which you will sell your product

6. What are the skills needed for someone doing a market prospection?

.....

7. When is there a need for prospecting the market?

- After each agricultural campaign
- When we want to reach a new market or have a new product to offer
- When we hear that a product fetches a good price

8. When is the best moment for prospecting the market:

- As soon as the crop is sown or planted
- When prices are at good level
- After a market study, once we have a minimum of information on the types of possible buyers

9. What is the difference between product and service?

- Product is:
- Service is:

10. Should a prospecting exercise be concluded by a contract with a buyer?

- Yes
- No

Answers to the above questions are:

- 1 Looking for ...
- 2 Understand the precise needs ...
- 3 I must take some ...
- 4 Go and discuss ...
- 5 Be aware of your potential ...
- 6 Human relationship, develop confidence
- 7 When we want to reach ...
- 8 After a market study ...
- 9 Product is a physical item / Service refers to ways of delivery
- 10 No

Exercise 3: What do we know about prospecting?

The participants are split into pairs. One of the pair members represents the “supplier” and the other the “buyer”. The facilitator gives each group the name of a product that the “supplier” will defend/promote in a face to face (F2F) with the “buyer”, to encourage the latter to acquire the product. The product is different for each of the pairs and may be an agricultural or a non-agricultural product.

First phase (10 minutes)	The facilitator provides each pair with the name of a product (agricultural, non-agricultural) that they will discuss during 10 minutes maximum; discussion between the “supplier” and the “buyer”.
Second phase (5 minutes)	For 5 minutes each participant writes his/her feeling about this exercise on a paper (to memorize).
Third phase (10 minutes)	Same pairs, but roles inversed: the earlier supplier is now the buyer and the earlier buyer is now the supplier. The facilitator provides the name of another product; 10 minutes discussion between the “supplier” and the “buyer”.
Fourth phase (5 minutes)	For 5 minutes each participant writes his/her feeling about this second exercise on a paper (to memorize).

Exercise 4: The need for building a prospecting plan

Participants are split into 4 groups and reflect/exchange on the following issues:

- Is it always necessary for a supplier (either an individual or a group) to prospect the market?
- Under what conditions it is necessary?
- When is it possible to implement a prospecting exercise? Are there any preparatory actions to be taken? If yes, what are they?
- What other actions must be taken to succeed in prospecting?

Finally, two groups share their views, discuss the same questions again, and write down their answers on coloured cards.

Exercise 5: What do we have to offer?

Group work

The participants imagine what must be organized to prepare a meeting with a potential buyer, in terms of product and services.

Two groups are formed: one focuses on the product, the other one on the services. Each of these topics can be divided into two aspects, information and materials, knowing that:

Information = what will you tell / explain to convince your potential buyer?

Material = what will you show / present / give to the potential buyer?

Each group is given cards in two colours, one colour for the “information” answers, and the other colour for the “materials” answers.

Then, from the video just shown on Soya Goussi and the participants’ own experiences and knowledge the groups are asked to fill in the following table.

Group 1 Product	Information	
	Materials	
Group 2 Service	Information	
	Materials	

Exercise 6: Understanding the market (part 1)

This exercise is related to the meeting with a market professional (Session 4, option 1, Physical contact with the market).

The participants are split into 2 groups. Each group reflects on the questions and issues that could be discussed with the professional visitor.

The questions on which the group will work relate to the following situation:

You are about to meet a market professional. You want to know what his/her specific requirements regarding a certain product are. His/her demand may concern the product itself, the service offered, or other aspects.

Make a checklist of issues to discuss.

Exercise 7: Understanding the market (part 2)

The group of participants is split into 3 groups: i) suppliers, ii) customers/potential buyers and iii) observers. The latter group should not be more than 3 persons.

Before splitting into groups to prepare the role play, the facilitator explains that, to try to create a kind of reality, the suppliers (farmers) and the buyers will stick to their own scenario without knowing the other scenario. Only the observers' group will receive both scenarios.

The exercise consists of preparing the role play in groups for 40 minutes and then acting/playing it all together for 30 minutes. Below is the scenario for each group and the way each group will be acting.

Supplier group

Scenario:

You are a farmer organization producing soybeans for the last 15 years.

Your organization can offer 2.000 Metric Tons (MT) of soybean annually, in 3 varieties:

- Variety *Bella*, which you started to produce and sell three years ago. This is the most popular variety (both the fresh and processed product) but more difficult to market due to its fragility and a relatively low production (400 MT per growing season). Its market price is 400 FCFA/kg
- Variety *Larga*, quite resistant to climatic variation, with a good production: 1.000 MT per growing season. The market price is 350 FCFA/kg
- Variety *Boppy*, which has high yields but small grains that are not very rich in oil: 600 MT per growing season and a market price of 200 FCFA/kg.

Your group does not face major marketing issues, you have regular customers that are the local wholesalers and retailers. All sales are done from your location.

You are facing a critical moment of your existence, however. You are receiving more and more requests from farmers to produce soybean, and your traditional buyers can't purchase more than what they currently take from you. So you will need to find new customers.

Thanks to a marketing study trip organized by ICRA, you heard about a processing firm that recently settled about 30 km from your place, and that is planning to process soybean into oil and goussi. You have the direct phone number of the firm's owner.

How to play:

You prepare this play that is organized in two steps: a phone call and a meeting:

1. *The phone call*

This call must convince the potential buyer to accept to meet you.

Choose one person in your group that will be responsible of this call. Prepare together some arguments to be discussed. Don't forget that this call must be as quick and clear as possible.

2. *The prospecting meeting*

The group is facing the potential buyer. You prepare and organize your arguments that aim at convincing him/her of the importance of purchasing your product, at least for a test phase. These arguments will be based on the scenario above and on the information given in Session 3 of the Facilitators' guide. Be creative when bringing in your arguments, for example regarding packaging and places of delivery! While preparing your arguments, try to imagine (anticipate) what the arguments and words of the buyer could be. Don't forget that the produced volume mentioned in the scenario above is distributed among all your customers. Prepare some (fake) documents on your organization and activities, samples of your product, and close the meeting with some engagement from the buyer. (S)he should at least come back to you on a very short term, give an immediate answer (buying or not?) or make a first purchase (if interested).

Potential buyer group

Scenario:

You are a processing unit, specialized in oil production. Among raw material, you are used in treating soybeans to produce oil and goussi. In your area, there are three varieties of soybean:

- Variety *Bella*, which is the most popular one (both fresh and processed). Your need is around 500 MT per campaign. The market price is 400 FCFA/kg.
- Variety *Larga*, not of higher quality but still appreciated by the market and with a good production. Your need is around 600 MT per campaign. The market price is 350 FCFA/kg.
- Variety *Boppy*, which is quite productive but has small grains that are not very rich in oil. You are not interested in this variety. The market price is 200 FCFA/kg.

A few weeks ago, you received a visit from ICRA and heard about a farmer group producing soybean that is located 30 km from your unit. At that moment, you expressed your interest in meeting them, because it is part of your job to find new suppliers. But you do not have any specific preference for this new group. For example three days ago you met another soybean supplier who offered you 400 MT of the *Larga* variety for 370 FCFA/kg. You haven't decided yet to accept this proposition.

How to play:

You prepare this play that is organized in two steps: a phone call and a meeting.

1. *The phone call*

You will receive a phone call from someone representing the farmer group indicated by ICRA. You accept their proposal to meet. As you don't want to lose time in meaningless vain talks, you try to get a minimum of information about what they want to talk about and about their proposition beforehand. The phone call should convince you to accept the meeting.

2. *The prospecting meeting*

Your group is facing the potential supplier group. You need to be convinced by their proposition before accepting any deal and business partnership. You show two kinds of reaction during this meeting: i) First reluctance to their proposition; it is part of your role as a buyer not to “jump” on the propositions, even if they are very good; ii) You express some interest and start discussing concrete aspects of the deal: price, quantity, means of delivery, etc.

Ask for samples of the product. At the end of the meeting, don’t say: “yes, we will buy from you!” but just promise to get back to them soonest with an answer. Ask for some documents on the farmer group, visit card or leaflet, etc.

Observer group

You will have to note down every word, every move and attitude of both groups that you find relevant to that exercise, especially the farmer one because it represents 2SCALE beneficiaries.

First, while the groups are preparing the role play, return to the content of Session 3 and make sure to know and understand very well which main aspects are needed for prospecting. You will need to assess whether they have been taken into account by the group during the play. The facilitator can assist you in this preparatory work.

You will receive both scenarios (of the supplier and the buyers groups) to better understand their background and “strategy”.

Among your observer group, distribute the tasks according the important aspects to look at during the play, which are: i) the words used, ii) the attitude of the person who acts, iii) the attitude of the other members of the group (are they involved?), etc.

Then, watching the play:

During the phone call: Be aware that this is a very important moment because it is the very first opportunity for the supplier to promote the product, and it needs to be successful to obtain an appointment (*for the play, this appointment will take place anyway*).

Note what you consider as strong and weak aspects of this call and summarize them as follows (put a cross in the columns that is selected):

The way the supplier managed the call	Good	Could be better	Bad
Brevity of the call (go to the point)			
Clarity of the request (having an appointment)			
Courtesy			
Quality of listening and giving space to the other person			
Convincing			

The list in the table is not exhaustive; you can add whatever element you think relevant.

Explain the following to the participants: if you would be the buyer and received this call, would you be persuaded to meet the supplier?

During the prospecting meeting: Your task is to observe the play, and not interfere at all in the talks. Listen and observe the play, you will present your observations/analysis after the play. The main aspects you will look at are the following:

- Are the farmers convincing enough in promoting their product?
- Are the farmers showing sufficient knowledge of their product?
- Were samples shown (even fake one) to the buyer?
- Was the way the farmers talked to the buyer appropriate, i.e. not aggressive?
- How did the farmers manage to guarantee a follow-up of this meeting in the short term: another contact with the buyer, hopefully followed by a sale?
- How was the suppliers' behaviour/attitude during this meeting? Has it contributed to convincing the buyer?

Exercise 7: Following-up after the prospection

The participants are divided into 3 groups and each group is given the same questions:

- What can happen next after prospecting the market?
- What should you, as a supplier, do?

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List of reference sheets

Reference sheet 1: Glossary

Reference sheet 2: Knowing your product

Reference sheet 3: The three rules of prospecting

Reference sheet 1: Glossary

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

The glossary is meant to be interactive, i.e. each reader can propose modifications. This requires centralization 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, organized 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 specialization, which has advantages (best practices, good reputation, etc.) and inconveniences (risks in case of failure of the specialized 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 organizing consumers' tests (often done by professional organizations).
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 two 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.
Globalization	<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. Liberalization 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 globalization 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	International Commercial Terms, a series of predefined 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 prospecting	Action aiming at identifying the potential market to a given product or group of products. It is generally realised through a "prospecting 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 commercialized 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 prospecting 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 organize 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 specialized 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 fertilizers 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 publicize 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 market prospecting 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 operationalize a vision. It generally gives a multi-annual perspective in main lines. The concretization 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: Knowing your product

This reference sheet has three articles on the importance of having a good knowledge of a product and its capacities, in order to get a product to market.

The importance of product knowledge: How well do you know your products?

By [Adele Halsall](#)², 30/04/2014

We all know that customers aren't just influenced by products and services when choosing who to give their business to – it is the customer experience that comes with buying them that has a bigger effect. The necessity and quality of your products is indeed important, but every market has its players; every company has at least one competitor, and as a result, customers can nearly always choose to have their needs met elsewhere.

This is why product knowledge is so important within any company. Demonstrating strong knowledge and expertise of your products is crucial for creating a positive customer experience and instilling faith and trust within the customer. Without accurate or available product knowledge, your products may as well be worthless. Yet many companies fail to do this well.

Covering the basics

Building a dependable product knowledge base within your employees all starts from the bottom, when you are developing your product and [establishing your brand value](#). Your company needs to be able to answer the basics about your product in order to clearly convey where it fits in with the rest of society. Consider the following:

- What is the purpose of your product or service for the customer?
- How can it be described? (size, shape, colour, function, benefits)
- How can customers access it; how is it delivered to them?
- How much does it cost and what are the conditions for its use?

There are other questions and aspects of your product that you are recommended to consider for your own benefit. These include:

- Why your brand is the best avenue through which to obtain the product
- Availability of the product, and how economical or sustainable it is to produce
- The wider implications of using your product, environmentally or socially
- Whether your product is likely to be around for a long time (longevity), or whether it is time-sensitive or dependent on certain conditions (like environment or location).

All of this information must be relayed as readily as possible, both in verbal and written practice. It is one thing to provide the back story of your product, along with its uses and benefits, on the pages of your website or within your product literature or brochures. But your staff and salespeople need to be able to deliver it too, by retaining all of this information and being able to explain it in a simplified, customer-centric way.

² Adele Halsall is a writer and researcher for Customer Service Guru. She is passionate about retail and consumer trends, and how this is shaped and governed by advertising and social marketing. She is particularly experienced in marketing and customer engagement, and enjoys contributing to ongoing debates related to best business practices, start-up culture, and the culture of customer relations

Technical jargon across all of your customer touch points is not recommended – this can turn customers away and fail to tell them what they really need to know, which is, “How can this product help *me*?”

A tailored customer experience

Customers like it when they are treated like people, so a customer service rep that pays close attention to their needs is much more likely to gain a sale.

This is an area where product knowledge is crucial, as it means understanding your product so thoroughly that your reps are able to make it work for *any* customer. A wider knowledge that is more in-depth is the best way of ensuring your staff will be able to help that particular customer and offer a unique, personalized service that is sure to impress.

...

Either way, it is this ability to recommend the best option to the customer based on their needs, desires or circumstances that shows you have *their* best interests at heart. This in turn builds trust between business and customer and leaves the customer feeling assured and positive about their purchase.

Benefits over features

While listing your product’s features enables the customer to make an informed decision on their own, it can also leave them feeling a little overwhelmed with information and at worst, unable to see what value the product will have in their own lives.

You must therefore be able to explain exactly how the product could make a difference to the customer – whether it will make them look better; feel better, or their life easier; happier; healthier or more productive. This again is where your knowledgeable and perceptive customer service reps come in.

And what’s the best way to get to know any product? By using it, of course. It is recommended that all employees go through the process of purchasing your product and have a go at using it themselves. This will enable them to see the unique benefits it could potentially bring from a first-hand perspective. They will be essentially stepping into the shoes of your customers and see the product’s functions and features in whole new light.

Looking from the outside in

And last of all, don’t forget customer feedback – that vital thing that gives you precious insight into what your customers *really* think, and enables employees to expand their knowledge.

The growth of any new product or business is a journey that the whole team should embark on together. Above all, remember that every setback is just another opportunity to learn.

The Importance of Knowing Your Products and Services

By Ivan Misner³, 18/11/2010

When your referral marketing plan is working well, prospective customers buy from you the first time because they have been referred by your sources. They may continue to buy from you because they trust you and develop a good relationship with you. But whatever the reasons they come and whatever the reasons they stay, they are your customers primarily because they need your products and services.

A clear idea of your range of products and services is something your sources need to communicate to prospects. For each product or service you plan to market during your referral marketing campaign, you must be able to articulate for your sources the answers to the following questions:

- What is the purpose of your product or service?—What needs does it satisfy?
- How would you describe it?—What are its shape, size, functions, key features, principal activities, benefits?
- How is your product or service delivered to the customer?
- How much does it cost and under what conditions?

There are other questions concerning your products or services that you should answer for your own strategic purposes. Is your product becoming obsolete? Is there a newer or better way to provide the same service? What are the social and environmental effects of your product or service? Will economic or regulatory trends force you to change your products or services or the conditions under which you provide them? In the long term, will you be satisfied to continue to offer these products or services?

Knowing the answers to the questions above will help you clearly communicate your products and/or services to your referral sources. This is extremely important because only when you're able to do this will your referral sources be able to effectively refer business to you.

³ Dr Ivan Misner is the Founder of BNI, the world's largest business networking organization. He is from the University of Southern California. He is a New York Times Bestselling author. He is a columnist for Entrepreneur.com and Fox Business News and has taught business management at several universities throughout the USA. In addition, he is the Senior Partner for the Referral Institute – a referral training company with trainers around the world. Dr Misner is considered to be one of the world's leading experts on business networking

The Importance of Knowing and Understanding your Product

By Roger Bryan⁴, 08/04/2014

How Important is Knowing your Product?

... Out of all of the posts we've made in the past year, one thing we haven't talked about is product development and knowing your product. You might think this has nothing to do with marketing, but when you really stop to think about it: How can you successfully market something if you don't know what it is, don't have a defined plan for it, or haven't gotten to know it entirely? Whatever kind of business you might have, a product is an absolute must. Why? Because otherwise you don't have a business.

... All businesses have a product of some kind. The problem we've noticed, though, is how often people don't understand their product, haven't defined their product or, in some cases when a person is just starting a company, they don't even know what their product is or is going to be. This can't happen, your product is the single most important thing about your business and you need to know what it is and know everything about it.

Getting to Know and Defining your Product

If you already have a business and a product, you want to focus on getting to know and defining your product. The best way to do this is to ask yourself a few questions that will help you start this process.

1. What is your product? 2. What does it do? 3. What solution/benefit does it provide to an individual who buys it? 4. Why is there a need for this product? 5. Why is your product superior to those similar to it? 6. What benefits do you offer that other companies with the same or a similar product do not? 7. Who is your target buyer? What is their age, gender, education, income, occupation, and why do they need this product? 8. What problem are you solving for people with this product?

Without having a proper understanding of your product you can't do effective marketing. You need to understand exactly what you're marketing, why people need it, and who you're marketing to in order for a strategy to be effective.

Figuring out what your Product is

If you're just starting a business, but don't know what your product is yet you need to find out before you do anything else. Not only is marketing impossible without a defined product, but a business itself is almost non-existent when you don't know what it is you're selling. So, how do you figure out what your product is? Luckily, there's a set of questions to get you started on this as well.

1. What problems do you want to solve for people? 2. What kinds of products do you wish were around for you to purchase? 3. What do you imagine your target audience will be? 4. What do you want the focus of your business to be?

This is a way to start brainstorming about what you want your product to be. The real thing you need to think about is simply: What do you want to sell to people? What can you provide to them that will

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help them and make you money at the same time? Once you've figured out what your product is going to be, you can go back to the previous section of this post to work on defining your product.

A defined product means a defined business, marketing strategy, and plan of attack. Before anything else; before marketing, business plans, or anything else can happen you have to know what your product is. Your product is what your business and your marketing will be centred around.

Reference sheet 3: The three rules of prospecting

The article below was written by Simon Chan, a trainer, speaker and writer who helps distributors find better prospects.

3 Rules to Connecting with Strangers (Cold Market Prospecting)

[Simon Chan](#)

Here are 3 rules you can use to connect with prospects better.

Rule 1: Long Lost Friend

Most people don't do well with cold market because they start with the wrong mental approach. They see the other person as an intimidating stranger that has no interest to what they have to offer. If you have this attitude, you are bound to fail and not build a connection. It will make you nervous and the conversation will be awkward. The best approach is to think of the other person as a "long lost friend" that you have not seen for years.

One technique I love to use is to imagine the stranger as someone I had gone to high school with and it's the first time we've spoken in years.

When I imagine my stranger as the "long lost friend" I immediately look forward to learning about him. Which brings up the next rule...

Rule 2: Listen More and Talk Less

If you want people to like you, you must let them talk. Everyone loves to talk about themselves so the more you let them talk, the more they will like you. On the flip side, the more you talk, the more you bore them and they will not like you. You need to be sincerely genuinely interested in the other person and if you are, it should be natural for you to let them talk. It goes back to the "long lost friend" that you haven't seen for years. Ask him questions and let him talk and share what he's been up to. The more he talks, the more you will get to apply the third rule to connecting with cold market strangers...

Rule 3: Find Things in Common

We naturally like people who have things in common with. Think back to the last time you bumped into someone that went to the same high school as you did. Instantly you felt closer to him and felt a stronger bond. Even if they went to the school at different years, you still felt a connection. The same connection is felt for people who grew in the same hometown and especially people who like the same sports teams. You can be in a bar with strangers and immediately build a strong connection with people if you are rooting for the same team. When you can establish some commonality, people will be more interested to build a relationship with you. The key to finding a common point is to listen and let the person talk. Once you uncover commonality, then go share how you are similar.

Cold Market Recruiting Secrets

The next time you meet someone you don't know, remember to follow the 3 rules

- 1) They are your "long lost friend"
- 2) Be interested in them and let them talk more
- 3) Find things in common with them

If you apply these 3 rules, you will never run out of prospects to talk to.

Not only will you be able to connect with cold market, but you will get them to know you, like you and trust you.