



**BRIEFING
NOTE 24
ON:**

**Learning Agenda for Technical
Support to MACs**

Introduction

Our experience indicates that small, isolated, rural, Market Access Companies (MAC) need support from many different service providers at the national level to establish and run profitable businesses.

MACs are small commercial enterprises that operate in rural areas roughly the size of a district. They are owned by the operators themselves and offer their clients services to:

- a) get better access to local, national and international markets;
- b) access locally relevant market information and intelligence;
- c) access suitable financial sources for R&D and for loans, and
- d) collaborate with all key players along the market chain for more efficient marketing.



An emerging MAC in Babati, Tanzania

The challenge for service providers operating at the national level is to arrange for all these different demands of the MACs to be met in a commercial way. Over the next two years we will be exploring how to organize and run support services through 'Private National Companies' (PNC) to MACs on a commercial basis in Kenya, Uganda and Tanzania. The pioneers have developed the following learning agenda to guide the development of national technical support to MACs.

Accessing market intelligence

MAC's require daily information on commodity prices at the main national markets in Kenya, Uganda and Tanzania. MAC's will update their 'info-boards' with this information every day rather than use the current sms price information which is one week old. They will offer same day prices. Cost to the PNC for supplying this information could be offset by selling the information. Currently Mobile phone companies use the free, but out of date, public data for their sms services. Another alternative would be for the PNC to operate this system on behalf on the mobile phone company.

Identifying and developing income streams

MAC's require back up from a PNC to help them identify first income streams to get their businesses going. MACs need help in learning how to identify the 'headaches' of their clients and develop appropriate services or 'asprins' to cure them. Saving money for their clients is one quick way to first income streams. Key players all along a marketing chain will gladly pay a commission for being relieved of their headaches. Later, MACs could also get commissions for ensuring quality of produce as well as certification of produce for their clients. The PNC could stimulate the thinking among the emerging MAC's in the various districts, through sharing specific examples in pilot districts for others to learn from.

Deal making with big national traders / processors

MAC's require back up from a PNC for making deals with large traders and processors who operate at the national level. The PNC would approach big traders (eg. Dodoma Transport or Mohammed Enterprises) to negotiate large volume orders on behalf of MACs. PNC would then organize the MACs to handle the bulking and transport of produce as well as payments to farmers. This relieves the big trader of the headache of working with many MAC's and the MAC's of the headache of negotiating with big traders. MAC's could certify small traders/transporters to bring produce from the farm to pick up points, check quality and make payments to farmers. Sharing the costs of negotiating and organizing across MAC's will improve the efficiency of marketing as well as make the MAC's better known to large clients.

Starting new ventures

MAC's require support from a PNC on new crops which farmers could be growing or new ways for their clients to add value to their products. New venture ideas go beyond new crops to new quality standards, new forms of produce, new flows of information, new channels of financing for market chain development. The PNC would conduct R&D on such new ventures for the MACs. R&D could go beyond identifying new income opportunities to cover new operational procedures for MAC's to operate more efficiently or new ways to handle cash flows and finances.

Setting up a commercial enterprise

MAC's require back up from a PNC to help them register their company with the Ministry of Industry Trade and Marketing. MAC's also need guidance in the difficult task of determining the ownership of their company. PNC could also arrange for MACs to register as members of national chambers of commerce like the TCCIA in Tanzania.

Learning and R&D using the LLLservice

MAC's require back up from a PNC to get full value from using the LLL platform learning teams on 'Demand Driven Services' and 'Firstmile'. These teams are the platforms on which MAC's share their experiences and ideas and thereby spread R&D costs for identifying innovations across all MAC's. This is particularly true for retrieving information from the rapidly expanding knowledge pool and engaging in online discussions. The PNC would also assist the MAC's to maintain and update their contact details of mobile phone numbers and email addresses.

Getting appropriate ICT connectivity

MAC's require technical back up from a PNC to ensure effective and efficient ICT connectivity. PNCs must help MACs with regard to getting hold of required equipment and for ensuring reliable equipment maintenance and servicing. If possible PNCs should arrange for rental packages of ICT equipment to MACs that include maintenance and servicing, either directly or through a third party. There is a large array of ICT connectivity options for MAC's to choose from. MAC's will need support by the PNC to decide on the appropriate ICT connectivity option for them. MACs may also find useful partnerships with local ICT 'technicians' working in their district, who can then be the technical contact person for the rental service.

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