



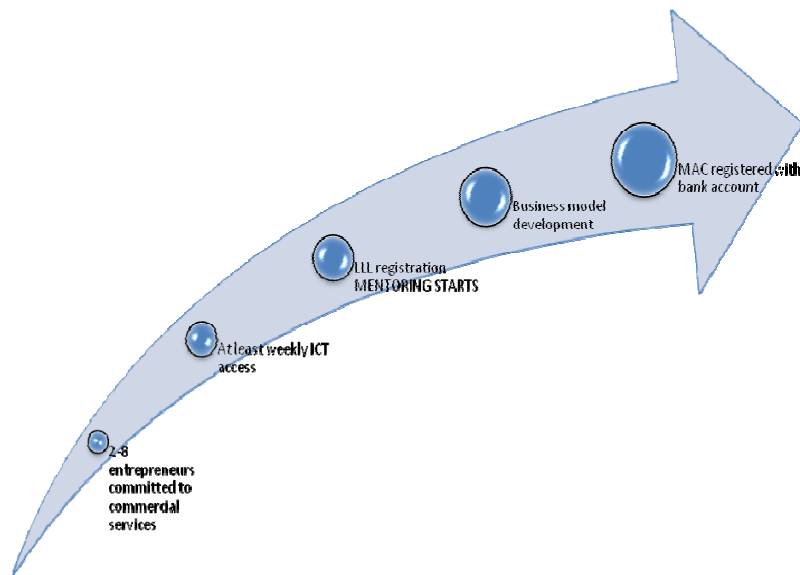
**BRIEFING  
NOTE 26  
ON:**

**Milestones in the Emergence of a Market Access Company**

**Introduction**

Too often public investments in the emergence of commercial services to help small farmers access markets fail. When the project ends the civil servants return to their regular duties and the NGO staff move on to another project. Farmers are just left to their own devices. This behaviour severely undermines the trust small farmers have in NGOs', government and the donors that support them. Clearly, private business and the commercial banks that loan to SME's are unwilling to take the risks of setting up commercial services for small farmers. Public funding is therefore vital to the emergence of these commercial services. Our experience suggests that public funds are more likely to be effective when a clear set of milestones for commercial services are followed. Below we describe the milestones in the development of Market Access Companies (MAC) that we have found helpful.

**Milestones for Getting Started**



Milestone 1: The Entrepreneurs. Like any other commercial enterprise the seed is one or more entrepreneurs. Not civil servants and NGO staff as we so often see running so called 'market access or linkage' projects. What's required are

entrepreneurs that see the business opportunity and commit their time and money to seize it. Such entrepreneurs must have a reasonable client base among the farming community and trading businesses.

Milestone 2: ICT access. The entrepreneurs will have raised sufficient capital to get themselves a computer or daily access to one and a mobile modem or other solution for internet access on a weekly basis. They will have an email address and be able to commit sufficient time to read and write emails and browse the internet.

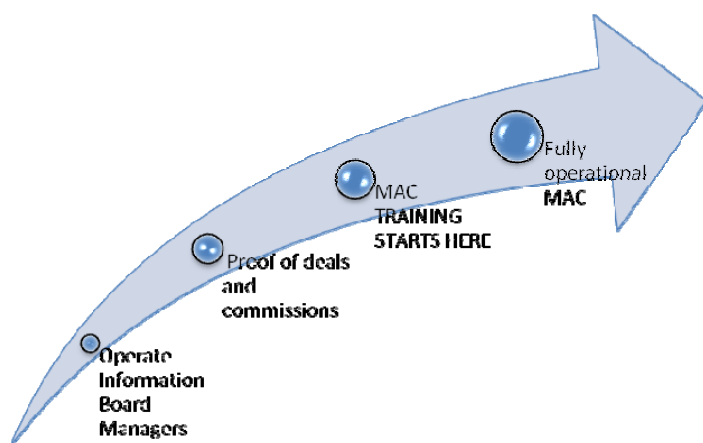
Milestone 3: Register on LLL Learning Service. The entrepreneurs have been trained by a local business counsellor in how to use the LLL online learning platform. They are also registered on the LLL platform. They have announced their intention to set up a Market Access Company on the LLL platform. Once able to use the LLL platform the entrepreneurs will receive both online and face-to-face support from the business counsellor.

Milestone 4: Develop Business Model. The entrepreneurs have developed a simple business model for their MAC. Entrepreneurs get online mentoring and business to business (B2B)

learning from other MACs on how to develop their business model. They also share their business model with other MACs on the LLL platform. Building the model will require the entrepreneurs to understand the headaches of their clients, particularly farmer associations and small traders.

Milestone 5: Register a commercial company. The entrepreneurs have registered themselves as a private commercial company with the district council (and/or national register if necessary) and opened a bank account. Ideally, companies are registered with their local Chamber of Commerce as this body can help them get started. Entrepreneurs also have built relationships with key people in the district council such as the agriculture and livestock development officers, the commercial officer, and the community development officer. They have announced their new company on the LLL service to all the other MACs.

### **Milestones for Getting Operational**



Milestone 6: Start the business of Information Board Managers. Companies have found three to six local entrepreneurs willing and able to run the business of Information Board Manager (IBM) at strategic locations throughout their area of operation. The MAC has registered the IBM's email addresses on the LLL platform. They have trained them in market intelligence sources, info board management and income streams from advertising fees. A licensing agreement between MAC and IBM has been signed. Info board is up and running with market intelligence info from MACs. IBMs get online mentoring and B2B learning from other IBMs on how to operate. They also share their experiences with other IBMs on the LLL platform.

Milestone 7: Proof of Deals. MACs and IBMs share their early successes and failures at making deals on the LLL platform. They record their transactions and commissions on the LLL platform. They receive online mentoring and visits from their business counsellor to verify proof of deals made and assess the commercial viability of their MAC.

Milestone 8: Training Starts. Once assessed as commercially viable MACs qualify to receive further training. Viable MACs will receive training on: market access business strategy; how to be a good commercial service provider; and on good financial management.

Milestone 9: Operational MAC. The MAC has three to six IBMs running and is collecting commissions from clients on local deals. They are breaking even on their operational costs. They are regularly sharing experiences about their deals on the LLL platform and are ready to participate in the LLL national trade fairs.

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