



Assignment Report

1.1 Assignment information: **KE04**

- a) Name: **William M. Clapham**
- b) Host: **Mwingi Farmers Multipurpose Cooperative Society (MFMCS)**
- c) Assignment: **Strategic Business Development**
- d) Dates: **March 18 - April 8, 2014**
- e) Number of days worked: **21**

1.2.1 Objective 1: Training selected members and management on Entrepreneurship, Selection of enterprises, Business principles, Basic record keeping, and break even analysis.

- a) Progress with the objective:

Members of the County DLMC and the MFMCS were trained on how to take an entrepreneurial view of their enterprise(s). Most of the producers that we trained did not view their agricultural activities as an enterprise(s). Topics included in this discussion were a) recognition of opportunities; b) gaining market share and marketing; c) quality and improvement; d) risk.

Members of DLMC and MFMCS were trained on how to write successful proposals. This vital skill is necessary to articulate problems, their solution, track progress and promote social and/or financial benefits. Entrepreneurs and institutions need these skills to fund either through investment capital or grants their start-ups or projects.

Selection of enterprises:

Existing enterprises and new opportunities were examined for their potential for investing resources (primarily labor, livestock, time) to bring them to a higher levels of profit. Non-profitable (production costs greater than sales) activities need to be examined and modified to yield profits or dropped.

Business Principles:

Starting a business, enterprise selection, market selection, market entry, market share, marketing, pricing, maintaining inventories, distribution, quality and improvement, risk were discussed. These concepts were applied to existing enterprises and examples were provided to new enterprises or penetrating new markets.

Basic Record Keeping:



Producers were trained on the importance of basic record keeping and why these records are critical to move their production and marketing to higher levels. Culturally, producers do not keep records of production costs, livestock health or performance. Basic Record Keeping training should be a high priority for post-secondary education and for DLMC and MFMCS management to train and insist upon.

Break even analysis:

Break even analysis was included in the business principles that we taught. We emphasized the importance of the analysis and knowledge gained about the health and importance of your business.

b) Expected impacts/results: The training was received well by all producers and the MFMCS and provides the basis for the evolution of traditional production and marketing to those grounded on business practices.

c) Recommendations: CRS/USAID; trainers of the cooperative; and staffs of the District Livestock Marketing Council and County Veterinarian and Animal Scientist will need to reinforce the basic business practices outlined in this objective. Although the cooperative and producers understood the value, gaining the confidence and discipline to put these in practice for their enterprises will be an incremental process.

1.2.2 Objective 2: Develop a general description of MFMCS by addressing the following:

What is the cooperatives guiding principles?

What business is MFMCS in and how do they do it?

A brief description of the target market?

What factors will make the cooperative succeed? What are the major strengths? What are the significant challenges the company faces?

a) Progress with the Objective

1)Develop a general description of MFMCS

MFMCS was established in May, 2008 is a "cooperative" of a loose confederation of livestock and agronomic "clusters". The cooperative has the opportunity to be a significant service provider for developing cluster enterprises. Currently, the MFMCS needs to develop a strategic plan followed by tactical plans for itself. MFMCS describes itself as "multipurpose" and appears to engage in a loose set of agricultural and other enterprises-related to agriculture and some retail and wholesale snack enterprise.

The MFMCS is registered under the Ministry of Cooperative and Marketing Development Cap 490 Laws of Kenya and has a formal set of bylaws, management and supervisory committees. The Cooperative is committed to strengthening agricultural production and marketing for the Mwingi region. Due to distances between management and the clusters, general meetings of all



the clusters and membership are difficult to organize and take place. However the leadership and management board communicate through meetings with a local cluster's "chiefs".

2) What is the MFMCS cooperatives guiding principle:

To develop new products, improve production of existing products, and to gain access to new markets.

3) What business is MFMCS in and how do they do it:

Members of the MFMCS are primarily in the Livestock (cattle, goats, sheep); Poultry (chickens-exotic and domestic); Honey; Agroforestry; and wholesale and retail snacks. Production and marketing are left to the individuals. At this point in time the cooperative is primarily engaged in recruiting new members.

4) Brief description of the target market:

At the present time the target market is local - Kitui County.

5) The target markets for the MFMCS:

Target markets for MFMCS would include Nairobi, Mombasa and export market.

6) What factors will make the cooperative succeed?

- a) Identifying and cultivating leadership in the youth community.
- b) Developing strategic plans for each enterprise they get involved in, followed by the strategic plan for itself as the umbrella organization.
- c) Build the enterprise portfolio incrementally to avoid spreading MFMCS resources too thin.
- d) Develop curricula for necessary skills (business, production, breed and flock improvement, agroforestry) and form alliance (MOU) with County polytechnics.
- e) Gain and sharpen writing skills and proficiency in drafting proposals to fund new objectives; strategic plans, business plans.
- f) Network with State and County business leaders and government officials.
- g) Develop knowledge of state and county rules and regulations.
- h) Communicate, communicate, and communicate with your membership!

7) What are the major competitive strengths?

- a) MFMCS is the only cooperative in this area.
- b) Potential to provide significant service to membership in marketing, problem solving and ag-vet bulk purchases.
- c) Potential to penetrate new markets by pooling livestock.
- d) Potential to shorten value chains to increase profits to members.

8) What are the significant challenges the company faces?



a) Lack of, or weak strategic vision and tactical plans to meet goals

b) Communication and transportation

c) Business skill development and confidence

b) Expected impacts/results

Membership in the MFMCS will continue to grow. With the business training that the producers were given the cooperative will be able to organize producers at the enterprise level. This will facilitate more efficient production as well as potential to penetrate new markets.

c) Recommendations

CRS should continue to guide MFMCS to help them focus to provide discipline and quantitative measures to evaluate the state of each enterprise. A function of the cooperative needs to include integration of production and marketing data

1.2.3 OBJECTIVE III - Three-Year Strategic Business Plan The CRS F2F volunteer, (in close cooperation with the management of MFMCS, will work on draft business plan and developing the outline and action plan to develop a comprehensive strategic business plan for a three-year period with key components of a business plan, i.e. mission and vision statements, cooperatives analysis and identification of key profitable enterprises, long-term (strategic objectives, management structure, operations, financial strategies and financial projections)

a) Progress with the objective

This objective is a work-in-progress and could not be completed in the limited time that we were in Mwingi. To produce a strategic business plan with any measure of fidelity will require significant training, mentoring and focused thinking and discussion by MFMCS to arrive at a satisfactory plan. Many of the goals that were discussed are not based on simple business decisions but will require overcoming traditional views of wealth and livestock to promote livestock business and entrepreneurs.

The cooperative suffered setbacks and trust issues due to the business activities of previous management. At this time, the cooperative has structure but needs to rebuild and organize itself to be effective. A strategic business plan one of the most important documents that they need to produce. Randy Dickey and I trained the supervisory and management committees on building business and strategic plans and left them with a set of questions to think about, discuss and then commit to which would provide 95% of a plan. We felt it important that they learn and develop the skill to do this. We also felt that it was important for them to produce a strategic, business and tactical plans for each of the enterprises that they would be active in. By focusing on enterprises one by one, they would gain confidence and develop the skill to address the plan for the entire cooperative. In our meetings we tried to separate the individual enterprise issues from compounding them with the organizational and operational issues of the cooperative.



MFMCs - Mission and vision statement: To develop new products, improve the production of existing products, and gain access to new markets.

b) Expected impacts/results

By developing a strategic plan for each enterprise (starting with the easiest - Honey), MFMCs will gain skill and confidence to develop plans for each. Once this is completed, MFMCs can tackle the strategic plan for itself serving as an umbrella organization that serves each enterprise (the enterprises are the target markets for MFMCs services).

c) Recommendations

MFMCs should continue to organize enterprises and its relationships with enterprises; develop system for evaluating and recording the progress of the enterprises it serves.

1.2.4 OBJECTIVE IV - First Year Action Plan

a) Progress with the objective

Through meetings with MFMCs officers and management team, a series of actions over the 1st year were discussed.

First Year Action Plan:

- a) Complete the business plan template by answering the questions provided.
- b) Prioritize the relative importance of the set of enterprises.
- c) Develop business plans for each enterprise (start with the least complex-Honey)
- d) Keep current with market data (buy and sell prices) and relate to seasonal variation and variation due to seasonal extremes (eg drought)
- e) Become advocate for preventing or reducing livestock disease in collaboration with County Veterinarian.
- f) Work with polytechnics, relief groups to teach and develop skills in record keeping. Cooperative needs to lead the charge for recording and keeping accurate, timely and consistent production cost, sales and inventory records.

b) Expected impacts/results

MFMCs will become much more focused on their role with their enterprises. Networks will be developed among the Cooperative, County and State officers, officials and organizations. The cooperative will collect, compile and distribute market data to their producers. MFMCs in collaboration with the County Veterinarian can serve as an advocate for vaccination and tactical methods for disease reduction. Generate grant proposals to pursue funding for identified high-priority projects.



c) Recommendations

MFMCs need to maintain clear lines of communication among staff and with producers. MFMCs need to develop an agenda for each meeting held, identify high priority goals, and develop tactical plans and milestones to reach goals and a commitment to time lines for assignments and goals to be reached.

1.3 Number of people Assisted

a) Through formal training: 318.

c) Out of these above, number of host staffs: 14 (8 Males, 6 Females)

Topic/field	Total	Males	Females
<ul style="list-style-type: none"> Business management Marketing Risk identification & management 	318	89	229
Total	318	89	229

1.6 Value of volunteer contribution in \$

a. Hours volunteer spent preparing for assignment **12**

b. Estimated value of all material contributions volunteer contributed to host during assignment
\$ 50

1.7 Value of hosts' contribution in \$ (Please consult the host as well)

a) Meals \$ 50

b) Transportation \$ 120