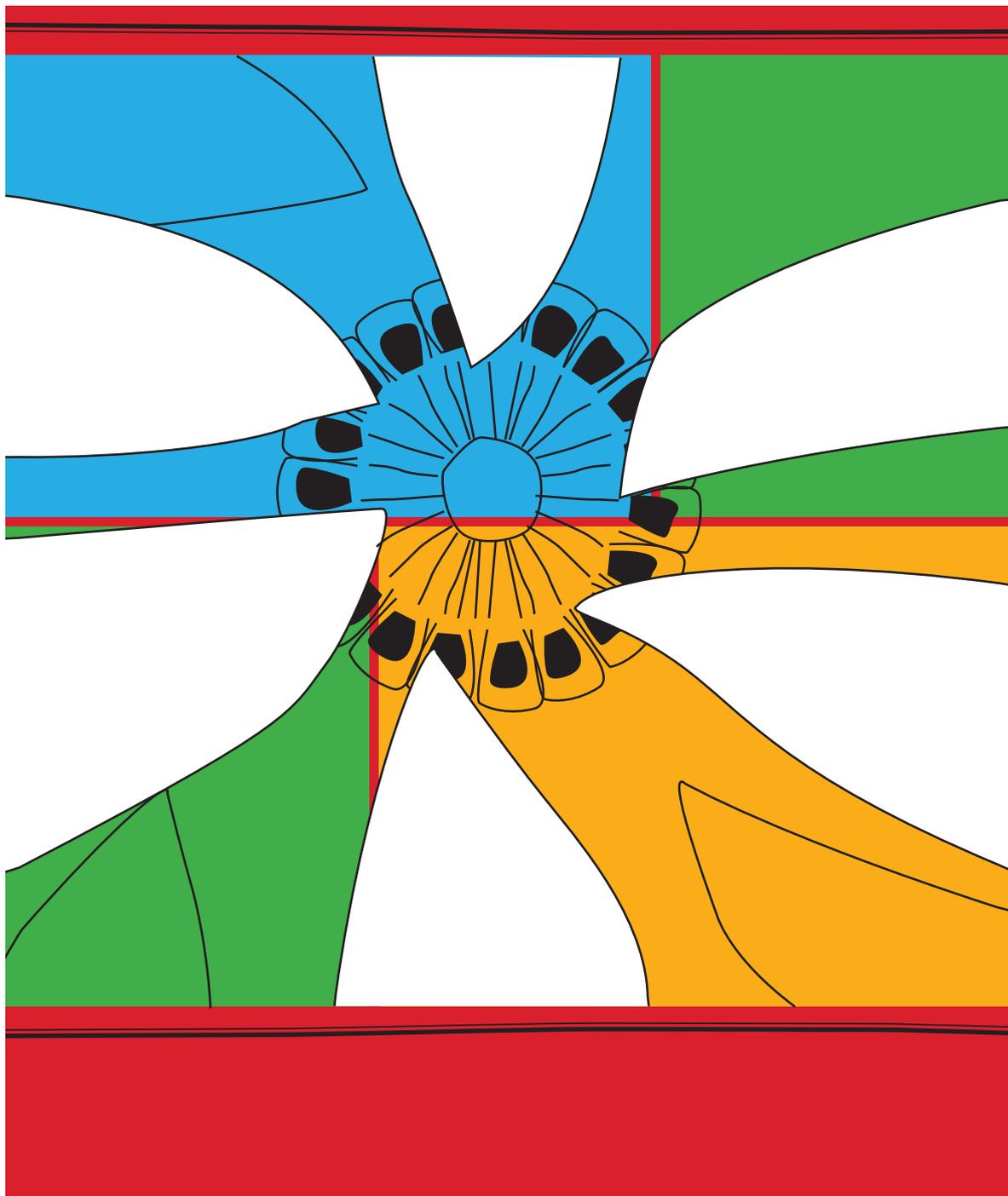


INCLUSIVE BUSINESS MODELS Toolkit

Link Methodology



Copyright

Based on (?)

LINK methodology: A participatory guide to business models that link smallholders to markets / Mark Lundy, Alexandra Amrein, Jhon Jairo Hurtado, Gertjan Becx, Nancy Zamierowski, Fernando Rodríguez, Erika Eliana Mosquera. — Cali, CO : Centro Internacional de Agricultura Tropical (CIAT), 2014.

179 p. — (CIAT Publication No. 398)

ISBN 978-958-694-114-3 (PDF)

INCLUSIVE BUSINESS*

**That which includes or is designed to include someone or something.*

A commercial relationship between a private company and a group (formal or informal) of producers whereby both the buyer and seller generate social, economic and environmental value in order to sustain long-term profitable interdependence.

"Inclusive Business models include the poor on the demand side as clients and customers, and on the supply side as employees, producers and business owners at various points in the value chain." (UNDP, 2008)

"Engage the poor as employees, suppliers, distributors, or consumers and expand their economic opportunities in a wide variety of ways." (BIF, 2011)

"A profitable core business activity that also tangibly expands opportunities for the poor and disadvantaged in developing countries." (BIF, 2011)

"An economically profitable, environmental-ly and socially responsible entrepreneurial initiative." (WBCSD, SNV, 2011)

PERFORMANCE vs. INCLUSIVITY

When it is time to implement the prototype cycle, you need to synthesize the results of the previous exercises, especially the problems and opportunities that emerged from each exercise.

When examining the diagnoses, you should be able to identify two dimensions:

- Those problems and opportunities which require interventions aimed at improving the **inclusivity** of a business relationship, which is the main thrust of LINK Methodology.
- Those problems and opportunities identified during the previous exercises, with solutions that result in improving the **overall performance** of an organisation.

Why is this distinction important?

Generally, it is assumed that inclusivity and overall performance are mutually strengthened through positive feedback loops. This means that greater inclusivity contributes to better overall performance, and better performance, in general, contributes to greater inclusivity.

This mutual strengthening is the result of a bilateral phenomena: for the actor who wishes to be included, a strong overall performance is more commercially attractive, which in turn increases the possibility of him being included in a business relationship. Conversely, for the actor who implements inclusion, strong performance results in greater ability to include.

However, in order to develop an action plan, determine respective roles, responsibilities and financing for an innovation, it is important to be aware of the distinction between the two terms. Given that inclusion is a bilateral action which involves both parties assuming responsibilities, interventions to improve inclusivity automatically involve both actors in the trading relationship. In contrast, interventions to improve the overall performance of an organisation can usually be carried out more independently of the client/provider (although they may well involve indirect partners and stakeholders such as NGOs, consultants, state actors).

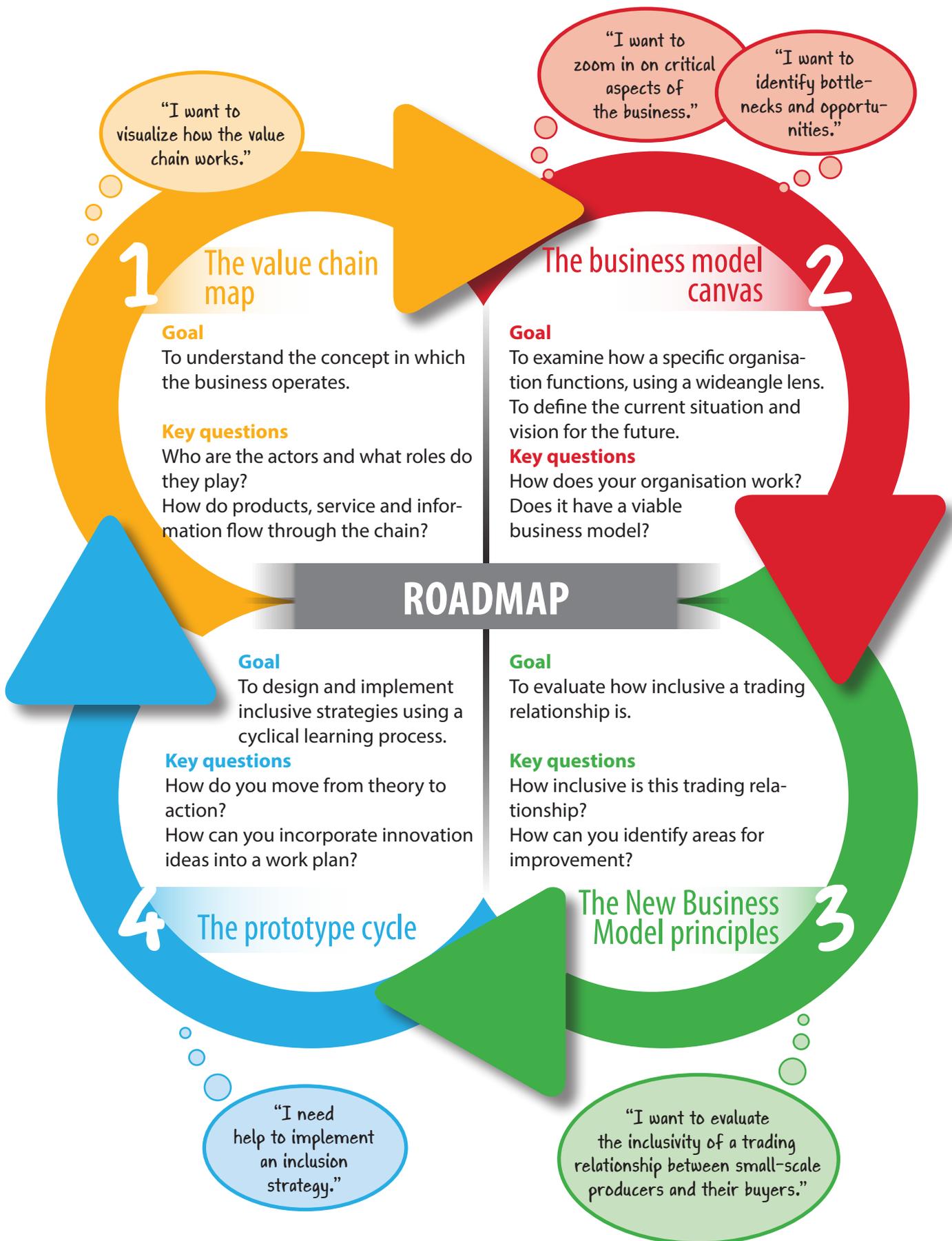
What does LINK offer?

LINK can help your business facilitate a systematic learning process between actors from a selected value chain, and discover new opportunities for innovation, based on the application of a participatory toolkit, with four main tools:

- 1 The value chain map** Used to understand the macro context of markets and the businesses which link rural producers with buyers.
- 2 The business model canvas** Used to understand in more detail each business which links rural producers with buyers.
- 3 The New Business Model principles** Used to determine whether each business which links rural producers with buyers is truly inclusive.
- 4 The prototype cycle** Used to continuously improve the inclusivity of every business which links rural producers with buyers.

By the end of the process you will have understood the relationship between specific business models (buyer and seller) and the overall value chain; identified critical areas for improvement; designed, implemented, evaluated and improved on the innovation prototype for the business model you selected; and evaluated the effects of these changes on small-holder farmers and on the business itself.





Key tool 1 The value chain map

▶ Goals

- Define relationships and interconnections between the value chain actors.
- Understand the flow of products, services, information and payment.
- Enhance communication between different actors.
- Identify entry points or key leverage points to improve the value chain.

▶ Key questions

- What are the core processes in the value chain?
- How is the chain organized?
- Who are the key actors?
- How do products, payments, services and information flow through the chain?
- Who are key partners?
- What are the external influences that affect the performance of the chain?

▶ What does the value chain map enable us to visualise?

- those actors directly involved in the chain, their interconnections, roles and functions;
- indirect actors and how they support the functioning of the chain;
- links, breaches or blockages between the actors;
- product flow;
- information flow;
- price formation;
- distribution of benefits;
- external influences on the value chain.

Phase 1

Mapping the actors and their relationships

1. The direct actors and their roles

Who are the actors involved in each link?

Where are they (geographically) located?

What do they do within the chain?

What are their characteristics (eg, gender, age, education)?

Which actors are missing?

2. The indirect actors

Who supports each link in the chain?

What support services and what operational services are necessary for the activities in the chain?

Who provides the production inputs?

What services do they provide?

What services are lacking?

Who could provide the missing services?

What motivates the indirect actors?

How is power distributed amongst the partners, and how is it being used?
What kind of relationship is there with key partners? Is it good, bad or indifferent?

3. Product flow and information flow

You can use different types of lines to illustrate the connections between actors. You also need to think about connections that are not sequential, for example, from producer to retailer.

Who does each actor sell his/her product to?

What type of information flows between the actors?

Who provides whom with information?

How do the different actors communicate? What modes of communication do they use?

4. Relationships between key actors

How would you describe the relationships between direct actors? Good, bad, or regular? Why?

How would you describe the relationships between indirect actors? Good, bad, or regular? Why?

5. Product characteristics

Describe the characteristics of the product (size, colour, appearance, texture, presentation, etc.).

At the end of each phase, summarise the main conclusions reached during the work session, using the corresponding map as support. This is a useful way of ensuring that the map as it stands is indeed a faithful representation of the group's opinion, and that no information is missing. It will also help you to verify whether all participants are up to speed. Do remember the importance of ensuring that these conclusions and final discussions are documented.

Phase 2

Mapping commercial figures

Draw up a separate chain for the direct actors. This will ensure that participants do not get bogged down with the amount of information, and will help them to visualise the commercial figures. Having done this, the facilitator should lead a discussion with the group, based on the questions below. Finally, the group should write up the main results of the discussion on card and paste them on the relevant links in the chain map.

1. Prices and payments

What is the sale price at each link in the chain?

At which points or seasons in the year does the price increase or fall?

How do the buyers of the product pay (cash, cheque, electronic transfer etc.)?

How often do the buyers pay (e.g. up front, weekly, monthly, etc.)?

2. Volume

What volume of the product (e.g. kilos, tonnes, units) is sold to each buyer?

How frequently is the product sold to each buyer (daily, monthly, per harvest, etc.)?

During which period(s) is the product more scarce and/or more abundant?

3. Returns

How much does it cost to produce each unit (e.g. kilo, litre etc.)?

At what price is the product sold?

What is the sales margin?

If the product is transformed, what are the conversion ratios (e.g. 1 kg of fruit to obtain 1 kg of pulp)?

For this map, it is better to start with a newly drawn chain which includes only the basic structure (direct and indirect actors, product flow, information flow and inter-connections), rather than trying to use the maps drawn up in the previous two phases.

The facilitator should then outline the five external forces, based on the questions below. The group should decide which areas are the most relevant in the context of their specific value chain, and the key information should be noted down on cards and pasted onto the relevant part of the chain (previously prepared).

1. Economic forces

Which macroeconomic forces affect the performance of the value chain? (eg, global market conditions, exchange rates etc.)

Which microeconomic forces affect the performance of the value chain? (eg, access to infrastructure, credit accessibility, land tenure)?

What socioeconomic forces affect the performance of the value chain? (eg, income, land tenure, housing, healthcare, quality of life, etc.)?

2. Political/legal forces

How do laws, regulations, standards or taxes influence the value chain and the selected market?

How do private sector standards and business practices influence the value chain and the selected market?

How do other policies influence the value chain? (Pricing policies, consumer policies, etc.)

3. Socio-cultural forces

What are the cultural, religious, demographic, educational and ethnic factors of the value chain's actors and partners?

How do values, beliefs, attitudes and lifestyle influence consumer preferences, business practices and producer organizations?

4. Environmental forces

How does climate change and climate variability influence the value chain?

How does the chain relate to key environmental functions (e.g. water access, soil health) and how do these support or inhibit the development of the chain?

5. Technological forces

Is technology available for the value chain actors and their partners?

Is the use of technology desired or possible?

How do the costs and availability of technology affect the value chain?

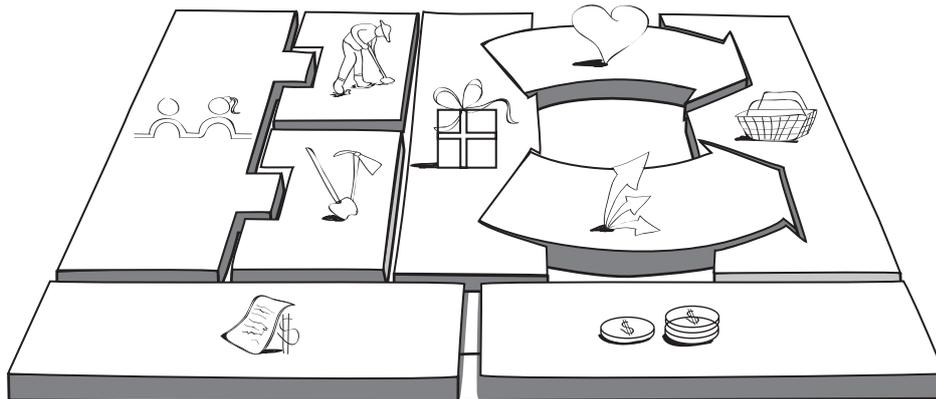
Is technology developed and available locally for the chain or does it come from external sources?

Key tool 2 The business model canvas

BUSINESS MODEL

“A business model describes the rationale of how an individual firm creates, captures and delivers value.”

Alexander Osterwalder



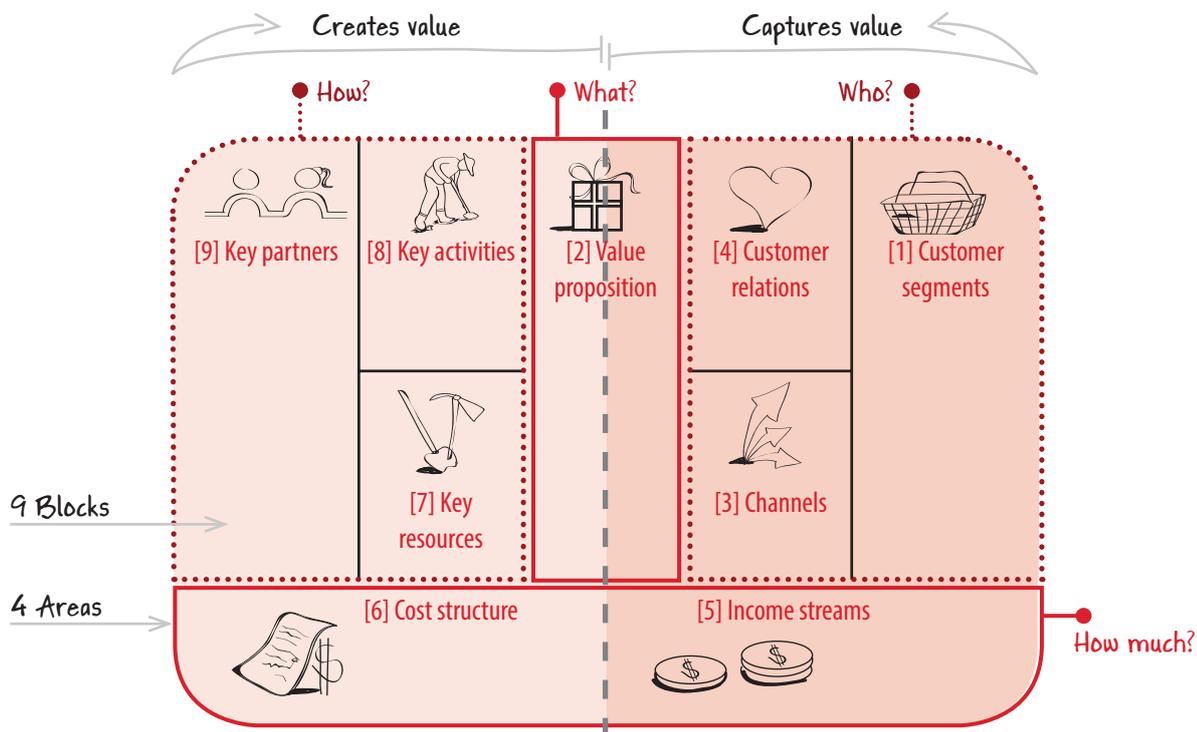
▶ Goals

- Assess how a key business in the value chain functions.
- Develop a shared language to describe and assess a business model.
- Create a baseline for the development of innovations in the business model.

▶ Key questions

- How does my organisation or business function?
- Is the existing business model viable? What change(s) could improve the overall performance of my organisation?
- What are the strengths and weaknesses of the existing business model?
- What external influences impact positively and negatively on the business model?
- Is the buyer's business model open to the inclusion of small-scale producers as providers?
- Does the buyer's business model contain a double-facing value proposition (ie, both towards their customers and towards their providers)?
- Does the producer organisation's current model make it attractive as a business partner for a formal buyer?

▶ The business model canvas



• The value proposition

The value proposition is the reason customers choose your product or service over another. To identify the value proposition for each customer or customer segment, consider the problem or need that your product or service satisfies. In most cases, the value proposition has a tangible component which includes all characteristics that can be perceived with the five senses, such as the size of the product, nutritional composition, colour, taste and smell. Intangible characteristics cannot be directly perceived and include properties such as health, or characteristics to do with the origins of the product or the processing of the product, such as organic agriculture or Fair Commerce.

What creates value for a buyer?

- Quality of supply
- Reliable supply
- Certificates and standards
- Competitive price
- Reliable quality
- Transparency of processes

What creates value for a smallholder?

- Stable and consistent demand
- Provision of supplies
- Training and technical assistance
- Financial services
- Contracts
- Market information

• Channels

Channels refer to how the product or service reaches and interfaces with its customers. In the case of agricultural products, the sales channel is often the same as supply chain logistics, which transfer the product from the producer to the end consumer.

The double-facing value proposition

- » What value do you offer to small-scale producers?
- » What are the needs of small-scale producers?

▶ Key questions to be answered visually

Key partners

Who are your key direct partners? (producers, input suppliers, transporters)

Who are your key indirect partners? (financial institutions, research centres, universities, NGOs, public sector agencies, etc.)

Additional questions

What key resources do you gain from your partners?

How would you rate the quality of the resources gained from your partners?

Value proposition

What type of product do you sell to each customer?

What are the tangible characteristics of the product?

What are the intangible characteristics of the product?

What makes your product different?

Additional questions

Which products include additional processes that add value to the postharvest (selection, packing, washing, etc.)?

What volume or percentage of the products is rejected by each customer?

Is the value proposition complemented by some other service?

Key activities

What key activities are associated with production?

What key activities are associated with processing?

What key activities are associated with the sale of products?

What key activities are associated with logistics management?

What key activities are associated with the financing of the business?

Key resources

What key resources are necessary to develop and sustain the value proposition?

Human resources (competences, expertise, know-how, personnel)

Physical resources (infrastructure, machines, technology)

Natural resources (raw material, water, solar energy)

Financial resources (cash flow, credit, savings, insurance)

Social resources (relationships and networks, community, cultural assets)

Intellectual property (branding, patents, certificates, rules and standards)

Channels

What form of transport is used to deliver the product to the customer?

Additional questions

Who bears the transport costs?

How long does transport take?

What delivery terms are there? (pick up from the farm, delivery to the customer, etc.)

How is the product stored?

Customers

Who are your customers? (eg, intermediaries, processors, wholesalers, retailers, end consumers)

What does each customer need?

Additional questions

Where is each customer (geographically)?

What is the volume and sales frequency for each customer? (eg, kg, litres, tonnes etc; daily, weekly, monthly etc.)

When did the business relationship start?

What type of commercial agreement is maintained with each customer?

Customer relations

How frequently do you communicate with each customer?

What method of communication is used with each customer?

Additional questions

What is communicated to each customer?

Is our customer relationship good, bad or indifferent? Why?

Cost structure

Which costs associated with the business model are the most important? (eg, staff, rent, public services, maintenance, supply, raw materials, certification, credit-related costs, etc.)

Additional questions

Which costs are fixed? Which are variable?

What percentage of your costs is covered by third parties? (eg, corporations, projects, subsidies, etc.)

Revenue streams

Income from the sale of products:

What is the total sale value per customer? (eg, monthly, annually)

What is the total sale value per product category?

What is the profit margin per customer?

What payment method does each customer use?

How often does each customer pay?

Other income:

What income other than sale of products do you have?

Key tool 3 The New Business Model principles

Goals

- Evaluate to what extent a business relationship with a formal buyer is inclusive of small-scale producers.
- Define concrete actions to improve inclusivity for smallholder farmers.

▶ Key questions

- How inclusive is your business model?
- What options exist for better inclusion of smallholder farmers?
- Where in the business model should you concentrate innovation efforts?

These principles should not be used as a check-list but rather as guides to assess and improve business models.

New Business Model principles have a two-fold purpose: to help both buyers and sellers evaluate their current business relationship using the criteria of inclusivity.

▶ Overview of NBM principles and key questions



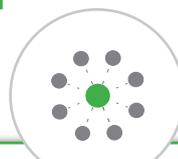
1 Chain-wide collaboration

The resolution of problems, in both commercial and social aspects of the New Business Model, means that all, or most, of the actors in the chain need to establish shared goals for collaboration.

The development of a systemic view of the chain recognises and values the interdependence of the actors. Reaching and implementing agreements often involves identifying one or more “champions” along the chain who will lead the process.

Key questions

- *Do actors share the same goals?*
- *Do actors exchange information regularly?*
- *Are there structures in place to motivate collaboration or shared problem solving?*
- *Is there one or more “champions” who will lead the process of co-innovation?*
- *Do all actors understand and acknowledge the interdependence of the trading relationship?*



2 Effective market linkages

Farmers and their organisations need to be linked to a stable market that not only provides them with access to key services, but also has clear signposting in terms of quality standards, volume and price (Principle 4). These linkages should contribute to improved livelihoods for the producers.

For buyers, the linkage must provide a consistent supply of safe, quality products at competitive prices.

In practice, achieving both producer and buyer goals entails creating and delivering social and commercial value along the entire length of the chain.

Key questions

- *Are trading relations stable?*
- *Are trading relations profitable?*
- *Do actors take advantage of market opportunities?*
- *Do actors respond quickly enough to the changing needs of clients?*



3 Fair and transparent governance

Fair and transparent governance refers to the establishment and implementation of clear and consistent quality standards, clear commitments to buy and sell certain volumes of certain grade products at certain times, and equitable processes of risk management.

Mutually recognised interdependency between chain actors is a key criteria. Shared commercial risk and insurance against failure are frequently cited as the cement of successful relationships.

Key questions

- Are sale/purchase volumes and prices communicated clearly?
- Are quality standards clear and consistent across the chain?
- Are risks understood and shared proportionately along the chain?
- Are trading relationships based on formal contracts or clear informal agreements?



4 Equitable access to services

One of the special challenges faced by small-scale producers is gaining access to services such as finance, market information, and best agronomic practices that could improve quality, yield, food safety, and environmental practices.

Successful solutions enable smallholders to access credit, knowledge, technology, and develop incentives that encourage producers to invest in their own production based on market needs.

Key questions

- Do producers have access to technical support services provided by the buyer or an indirect actor?
- Do producers have timely access to market information provided by the buyer or an indirect actor?
- Do producers have access to financial services provided by the buyer or an indirect actor?



5 Inclusive innovation

New Business Models promote innovation in products, services and the processes that underpin both by multiple actors along the chain.

Innovations should be developed with small-holder farmers, rather than for them. Inclusive innovation development provides the means to remain competitive in dynamic markets; to improve the commercial value of goods and services; and for innovation gains to be shared among partners, all of which build business durability.

Key questions

- Are innovation processes carried out collaboratively?
- Who participates and why?
- If innovation is evident, who gains from the results?
- Are there profit-sharing mechanisms in place?
- Are small-scale producers encouraged to participate in inclusive innovation?



6 Measurement of outcomes

A business axiom states that you cannot manage what you do not measure. Our sixth principle is to incorporate tailored indicators and monitoring plans to assess the health of the on-going trading relationship, both as a for-profit business, as well as in its effectiveness as a vehicle for community development.

Constant monitoring of the health of the trading relationship reduces the risk that minor problems will destroy the business.

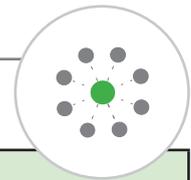
Key questions

- Have indicators been established that will measure the success of the business relationship?
- Are the results of the business relationship measured frequently?
- Are there feedback loops in place to guarantee effective chain-wide management and decision-making?



Principle 1 Chain-wide collaboration		Strongly agree	Strongly disagree	N/A	Why?
1	We frequently exchange information formally* with our customer.	⑤④③②①①①①①①		<input type="radio"/>	
2	We frequently exchange information informally* with our customer.	⑤④③②①①①①①①		<input type="radio"/>	
3	We are aware of the effects our decisions have on our customer.	⑤④③②①①①①①①		<input type="radio"/>	
4	Our commercial goals* are aligned with those of our customer.	⑤④③②①①①①①①		<input type="radio"/>	
5	Our social goals* are aligned with those of our customer.	⑤④③②①①①①①①		<input type="radio"/>	
6	Our environmental goals are aligned with those of our customer.	⑤④③②①①①①①①		<input type="radio"/>	
7	We work closely with our customer to resolve problems.	⑤④③②①①①①①①		<input type="radio"/>	
8	We are able to respond quickly to problems that may occur to do with customer relations.	⑤④③②①①①①①①		<input type="radio"/>	
9	We recognise and value the interdependence* between ourselves and our customer.	⑤④③②①①①①①①		<input type="radio"/>	
10	Our activities and roles complement those of our customer.	⑤④③②①①①①①①		<input type="radio"/>	
11	Incentives* (financial and non-financial) exist to enhance collaborative behaviour with our customer.	⑤④③②①①①①①①		<input type="radio"/>	
12	Champions have been identified to lead the collaboration process with our customer.	⑤④③②①①①①①①		<input type="radio"/>	
13	We use information and communication technology (ICT)* to enhance collaboration with our customer.	⑤④③②①①①①①①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (13 – Number of criteria marked N/A) =</i>					

Scorecard for sellers



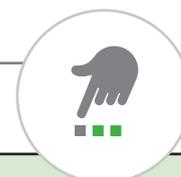
Principle 2 Effective market linkages		Strongly agree	Strongly disagree	N/A	Why?
1	Our product offer is stable for our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	Our trading relationship with our customer is profitable.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	Our customer provides social value*.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	Our customer helps us to conserve environmental resources.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	We generate a stable income from the sale of our products to our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	We have the capacity to identify market opportunities and tendencies.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We frequently review with our customer our position in the market in relation to potential opportunities.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	We react rapidly to changes in our customer's needs.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	Our customer is familiar with our production system.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (9 – Number of criteria marked N/A) =</i>					

Scorecard for sellers



Principle 3 Fair and transparent governance		Strongly agree	Strongly disagree	N/A	Why?
1	We know the quality standards required by our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	The quality standards we need to meet for our customer are consistent.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	We understand how our customer determines the pricing for our product.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	We know and understand our customer's trading terms and conditions*.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	We have formal contracts with our buyer. (If you respond "Yes", proceed to #6, but skip #7 and #8; if you respond "No", skip #6 and proceed to #7 and #8.)	Yes <input type="radio"/> No <input type="radio"/>			
6	We comply with the formal contracts we have with our buyer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We comply with the informal agreements we have with our buyer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	We share production risk* equitably with our buyer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We share market risk* equitably with our buyer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	The products we sell to our customer are traceable*.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score = <i>Total points ÷ (9 – Number of criteria marked N/A) =</i>					

Scorecard for sellers



Principle 4 Equitable access to services		Strongly agree	Strongly disagree	N/A	Why?
1	Our buyer helps us (directly or indirectly) to access appropriate technical assistance for the production process.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	Our buyer helps us (directly or indirectly) to access appropriate production technology.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	Our buyer helps us (directly or indirectly) to access appropriate post-harvest technology.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	Our buyer helps us (directly or indirectly) to access adequate transport services.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	Our buyer helps us (directly or indirectly) to access the inputs necessary for production and post-harvest.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	Our buyer helps us (directly or indirectly) to access appropriate financial services*. (If you respond with a score greater than "0", proceed with #7; if you respond with "0", for #7 select "N/A" and proceed with #8.)	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	The financial services provided are affordable.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	Our buyer helps us (directly or indirectly) to access up to date market information.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	Our buyer helps us (directly or indirectly) to access appropriate training services.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	The services that are provided (directly or indirectly) by our customer satisfy our needs.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
11	Our buyer helps us (directly or indirectly) to access appropriate production risk insurance.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
12	Our buyer helps us (directly or indirectly) to access appropriate market risk insurance.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (12 – Number of criteria marked N/A) =</i>					

Scorecard for sellers



Principle 5 Inclusive innovation		Strongly agree	Strongly disagree	N/A	Why?
1	We develop innovations jointly with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	Innovation is an ongoing activity in our relationship with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	Our customer takes our perspectives and needs into consideration when developing innovations.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	The innovations we develop respond clearly to our customer's needs.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	We share the returns (tangible or intangible) from innovations.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	Innovations enable us to offer a differentiated value proposition.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	Incentives* form part of our motivation to participate in innovation processes.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (7 – Number of criteria marked N/A) =</i>					

Scorecard for sellers

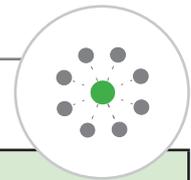


Principle 6 Measurement* of outcomes		Strongly agree	Strongly disagree	N/A	Why?
1	We know and understand the indicators which define the success of our trading relationship with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	We have established (formal or informal) mechanisms which enable us to measure the success of our relationship with our customer. (If you respond with a score greater than "0", proceed with #3; if you respond with a score of "0", select "N/A" for all the following criteria).	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	Evaluation or feedback processes are regular and consistent.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	The evaluation process is simple and cost efficient.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	Results from evaluation and/or feedback processes form the basis for decision-making.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	The results of measurement rapidly lead to action.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We understand clearly the purpose of measuring information.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	The evaluation and feedback processes are jointly designed and tested with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We play an active role in deciding what information to collect.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	We exchange the generated information with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
11	We discuss the generated information with our customer.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (11 – Number of criteria marked N/A) =</i>					



Principle 1 Chain-wide collaboration		Strongly agree	Strongly disagree	N/A	Why?
1	We frequently exchange information formally* with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
2	We frequently exchange information informally* with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
3	We are aware of the effects our decisions have on our provider.	⑤④③②①①①①①①		<input type="radio"/>	
4	Our commercial goals* are aligned with those of our provider.	⑤④③②①①①①①①		<input type="radio"/>	
5	Our social goals* are aligned with those of our provider.	⑤④③②①①①①①①		<input type="radio"/>	
6	Our environmental goals are aligned with those of our provider.	⑤④③②①①①①①①		<input type="radio"/>	
7	We work closely with our provider to resolve problems.	⑤④③②①①①①①①		<input type="radio"/>	
8	We are able to respond quickly to problems that may occur to do with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
9	We recognise and value the interdependence between ourselves and our provider.	⑤④③②①①①①①①		<input type="radio"/>	
10	Our activities and roles complement well those of our provider.	⑤④③②①①①①①①		<input type="radio"/>	
11	Incentives* (financial and non-financial) exist to enhance collaborative behaviour with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
12	Champions have been identified to lead the collaboration process with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
13	We use information and communication technology (ICT)* to enhance collaboration with our provider.	⑤④③②①①①①①①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (13 – Number of criteria marked N/A) =</i>					

Scorecard for buyers



Principle 2 Effective market linkages		Strongly agree	Strongly disagree	N/A	Why?
1	The product supply from our provider is stable.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	Our trading relationship with our provider is profitable.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	We deliver social value* to our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	We help our provider to conserve environmental resources.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	Our provider generates a stable income from our purchase of their products.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	We promote our provider's creation of new business.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We frequently review with our provider their position in the market in relation to potential opportunities.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	We react rapidly to changes in our provider's needs.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We are familiar with our provider's production system.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (9 – Number of criteria marked N/A) =</i>					

Scorecard for buyers



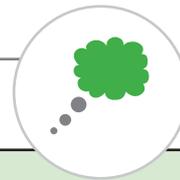
Principle 3 Fair and transparent governance		Strongly agree	Strongly disagree	N/A	Why?
1	We communicate our quality standards clearly to our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	The quality standards we require from our provider are consistent.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	We help our provider to understand how we determine pricing for their products.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	We communicate our trading terms and conditions* clearly to our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	We have formal contracts with our provider. (If you respond “Yes”, proceed to #6, but skip #7 and #8; if you respond “No”, skip #6 and proceed to #7 and #8.)	Yes <input type="radio"/> No <input type="radio"/>			
6	We comply with the formal contracts we have with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We comply with the informal agreements we have with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	We share production risk* equitably with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We share market risk* equitably with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	We help our provider to ensure that their products are traceable*.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (9 – Number of criteria marked N/A) =</i>					

Scorecard for buyers



Principle 4		Strongly agree	Strongly disagree	N/A	Why?
Equitable access to services					
1	We help our provider (directly or indirectly) to access appropriate technical assistance for the production process.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	We help our provider (directly or indirectly) to access appropriate production technology.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	We help our provider (directly or indirectly) to access appropriate post-harvest technology.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	We help our provider (directly or indirectly) to access adequate transport services.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	We help our provider (directly or indirectly) to access the inputs necessary for production and post-harvest.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	We help our provider (directly or indirectly) to access appropriate financial services*. (If you respond with a score greater than "0", proceed with #7; if you respond with "0", for #7 select "N/A" and proceed with #8.)	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	The financial services we provide directly to our provider are affordable.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	We help our provider (directly or indirectly) to access up to date market information.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We help our provider (directly or indirectly) to access appropriate training services.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	We are able to satisfy our provider's needs through the services we provide (directly or indirectly)	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
11	We help our provider (directly or indirectly) to access appropriate production risk insurance.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
12	We help our provider (directly or indirectly) to access appropriate market risk insurance.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (12 – Number of criteria marked N/A) =</i>					

Scorecard for buyers



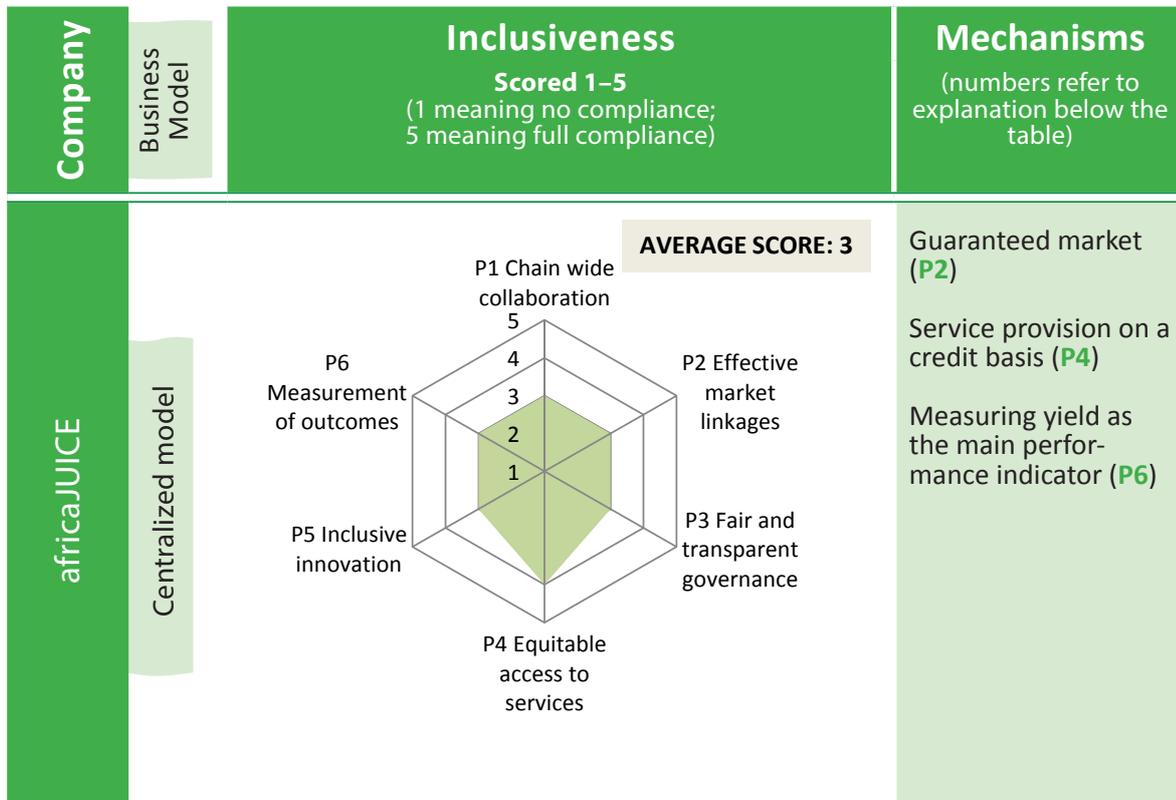
Principle 5 Inclusive innovation		Strongly agree	Strongly disagree	N/A	Why?
1	We develop innovations jointly with our provider.	⑤④③②①①①①①		<input type="radio"/>	
2	Innovation is an ongoing activity in our relationship with our provider.	⑤④③②①①①①①		<input type="radio"/>	
3	We take our provider's perspectives and needs into consideration when developing innovations.	⑤④③②①①①①①		<input type="radio"/>	
4	We help our provider to develop innovations that respond directly to our needs.	⑤④③②①①①①①		<input type="radio"/>	
5	We share the returns (tangible or intangible) from innovations with our provider.	⑤④③②①①①①①		<input type="radio"/>	
6	The innovations we foster with our provider enable us to offer a differentiated value proposition.	⑤④③②①①①①①		<input type="radio"/>	
7	We offer incentives* to motivate our provider's participation in innovation processes.	⑤④③②①①①①①		<input type="radio"/>	
Total points =					
Average score = <i>Total points ÷ (7 – Number of criteria marked N/A) =</i>					

Scorecard for buyers



Principle 6		Strongly agree	Strongly disagree	N/A	Why?
Measurement* of outcomes					
1	We know the indicators which define the success of our trading relationship with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
2	We have established (formal or informal) mechanisms which enable us to measure the success of our relationship with our provider. (If you respond with a score greater than "0", proceed with #3; if you respond with a score of "0", select "N/A" for all the following criteria.)	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
3	Evaluation or feedback processes are regular and consistent.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
4	The evaluation process is simple and cost efficient.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
5	Results from evaluation and/or feedback processes form the basis for decision-making.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
6	The results of measurement rapidly lead to action.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
7	We ensure that our provider clearly understands the purpose of evaluation and/or feedback processes.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
8	The evaluation and feedback processes are jointly designed and tested with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
9	We allow our provider an active role in deciding what information to collect.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
10	We exchange the generated information with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
11	We discuss the generated information with our provider.	⑤ ④ ③ ② ① ① ① ① ① ①		<input type="radio"/>	
Total points =					
Average score =					
<i>Total points ÷ (11 – Number of criteria marked N/A) =</i>					

Visualisation of scoring



Key tool 4 The prototype cycle

▶ Goals

- Design, test and continually evaluate the business model in order to improve.

▶ Key questions

- Where is our business model today?
- Where do we want our business model to be in the future?
- What has to change?
- What would progress look like and how can we measure it?
- What worked, what did not and how can we improve?

▶ What is the prototype cycle?

The prototype cycle is a doing-and-learning cyclical process. The aim of the prototype cycle is to resolve those problems which impede progress, rotating between the following stages:

Plan – Test (do) – Check (measure outcomes) – Adapt or Adopt?

