



UniLúrio Business School (UBS) Interns' Program Business Case

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Description of the Business



Name: UniLúrio Business School (UBS)



Market Actor Type: University



Market System: Interconnected System



Size of Business: Small/Medium



Regions Served: North – Province: Nampula

Customer Types

- AGRDs
- VBAs

Value Chains

Not focused on any specific value chain but instead is focused on the strengthening the "input distribution" market system more broadly by providing higher quality technical assistance.

Implementing the Innovation

Introduction of practical agri-training modules (curriculum development)

Pilot internships with few firms to test innovative business tactics and prove the services' value

Document the added value of interns' services in host businesses growth

Outreach events to get feedback & market services/attract firms to pay a fee-for service

Summary of the Opportunity

Mozambique's thin agricultural market has few networks of relationships between AGRDs and VBAs because they couldn't access affordable and trustworthy market-driver consulting services to assist them. In addition, AGRDs do not innovate and grow a lot in their business because they are unable to invest in market-driver consultants. The result of this is a weak input distribution network that does not easily reach small producers.

AGRDs do not have strong relationships with VBAs. There is no cooperation, incentives, or partnerships between AGRDs and VBAs that can strengthen the sale of inputs in communities and reach more farmers.

Weak relationship networks between AGRDs and VBAs

There is no incentive for young university students to work and form networks within the agricultural sector for the distribution of inputs

There are no affordable and trustworthy services in the market, so AGRDs do not have the incentive to invest in such services. In addition, some AGRDs are unable to invest in consultancies to acquire technical knowledge about the business and products.

Low technical knowledge of AGRDs

Low insertion of young university students in the agricultural sector

Innovation Overview

FTF Inova worked in partnership with UBS to co-invest in support universities to establish more linkages with agriculture actors to deliver junior consultancy services through internships

UBS Vision

Establish business opportunities by testing and proving the value of offering junior consulting services. In addition to providing the opportunity for hands-on learning for its students.

Inova's Support

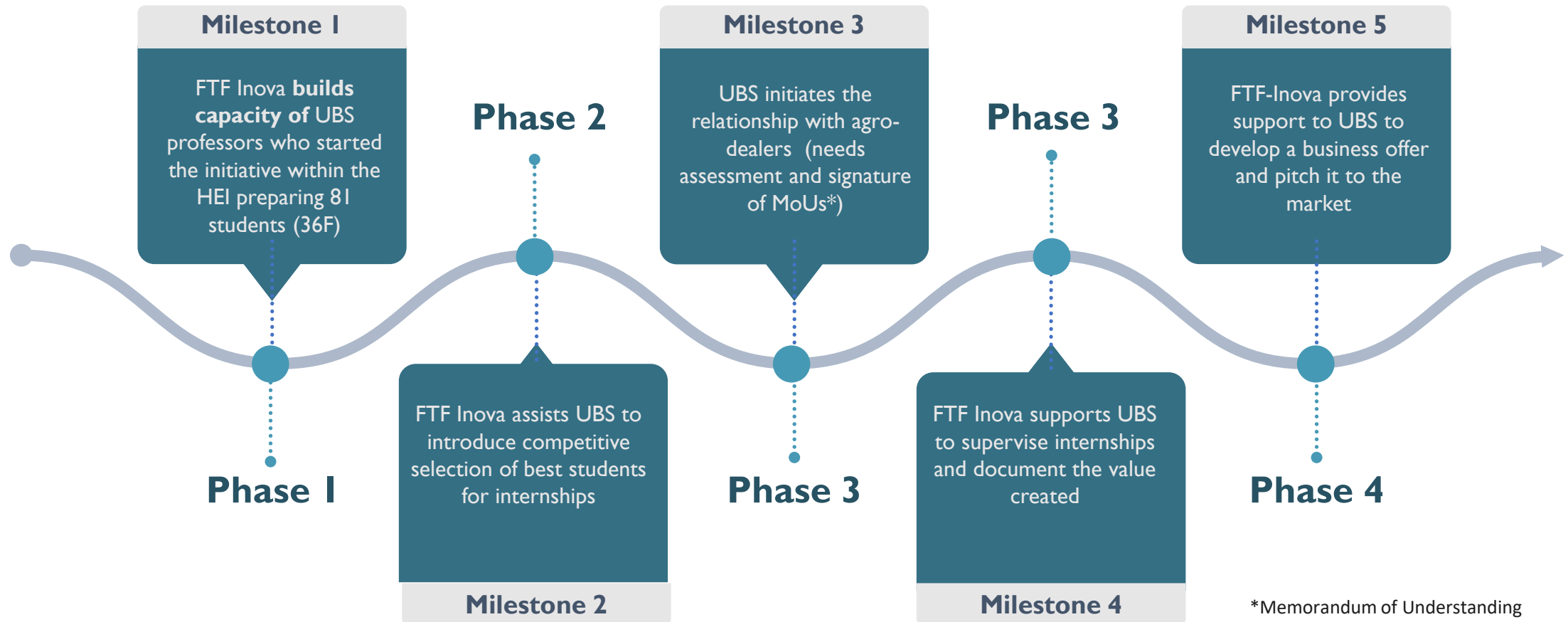
Inova co-financed a pilot project in which UBS students provided support and consultancy to AGRDs, providing different types of technical knowledge and assistance. Inova was also active in raising awareness among AGRDs regarding the importance of expanding to last mile through networking with VBAs to reach more local farmers.

UBS has now adopted the following 3 tactics:

- 1 Internal improvement of the curriculum** (insertion of practical modules: simulations of business expansion and management models, marketing contests, improved resources center).
- 2 Increasing opportunities** for students to exercise a profession in the agricultural input distribution sector - encouraging the inclusion of young people in this sector.
- 3 Investing in marketing materials** to broadcast their model to the market, increasing their partnerships, and improving the demonstration effect to other universities.

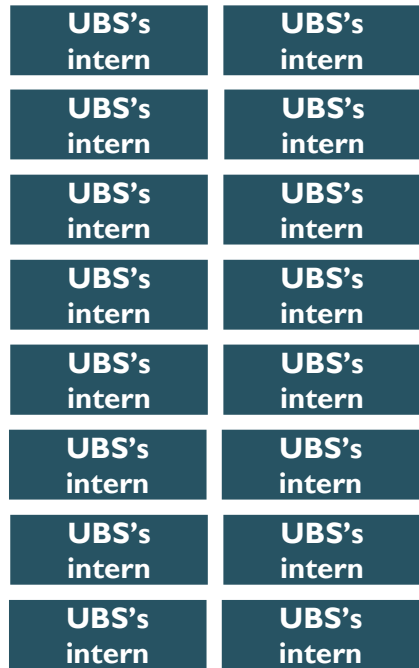
Innovation Overview

Timeline of implementation

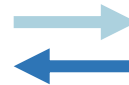


Innovation Overview

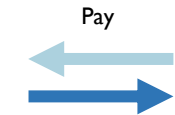
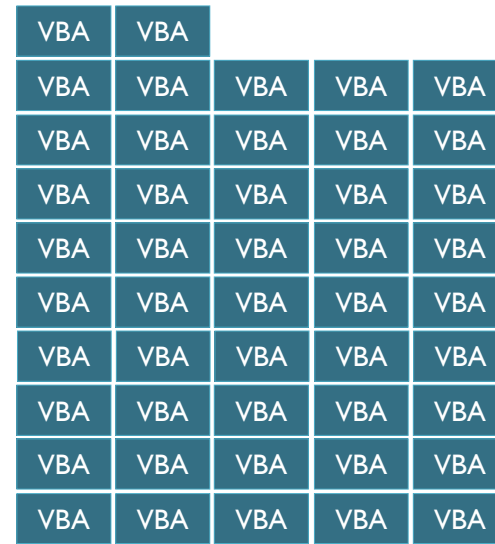
FTF Inova worked in partnership with UBS to co-invest in establishing an Internship Program in the input distribution system



Provide seeds/inputs for distribution, pay Commission and give social incentives



Provide aggregation services for bulk distribution of inputs to farmers in local communities and provide needed assistance to these clients.



Convenient and affordable access to seeds, inputs and in some cases technical assistance on how to use certain products



INTERNS	AGRD	VBA	SHF
16	10	47	~2600*

*N° Farmers reached through demo and fairs + N° Farmers in database of customers of some stores (not all of them provided this information)

Value Proposition to Customers of the Innovation - Agrodealers



Customer Type: Agrodealers

Customer Activities: Sell agricultural inputs

Size of Business: Most AGRDs' stores are small-scale and local

Reasons for Buying / Consuming Product or Service:

Services improve operational tools and management capacity of AGRDs and business growth. Services help AGRDs reach last mile in a cost-effective way.

Why is this new business practice adding value to the customer?

- Improvement in financial organization
- Improved product inventory management
- Improved shop layout
- Improvement in the marketing process
- Expanded last mile coverage- VBAs
- Increased customers and sales (in some cases)

1

Improvement in marketing and financial organization

The activity allows AGRDs to improve various aspects of their operations, such as financial organization and marketing.

2

Increased sales

Increased sales at AGRDs' stores. An Agroshop Manager said: "My 4 active VBAs contribute to 15%-20% increased sales per month".

3

Insertion of young people in this market

The activity allows the insertion of young people into the agricultural market. 9 students (4 female) out of 16 took business opportunities in the sector.

Financial Overview

Impact of the innovation on the bottom line



Change in the business volume

The AGRD which adopted all the improvements (innovations) suggested by the interns, significantly increased his store's business volume (MZN/Year).
[2019: 200.000 MZN and 2020: 1.000.000 MZN]



Change in the number of clients

There was an increase in the average number of customers per month when comparing across 2019 and 2020 (before and after the innovation activity)



Operational Costs

VBA's commission or incentives, interns' subsidy, VBA's transportation, interns' transportation, and accommodation are the primary costs of this model.

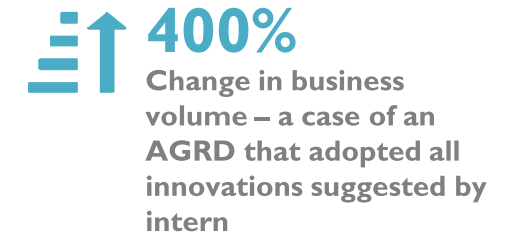
Summary of Key Financial Metrics

The data provided by AGRDs show that there was a considerable increase in the number of customers in the stores. AGRDs that implemented more innovations, there was also an increase in the business volume.

Summary of Other Key Metrics

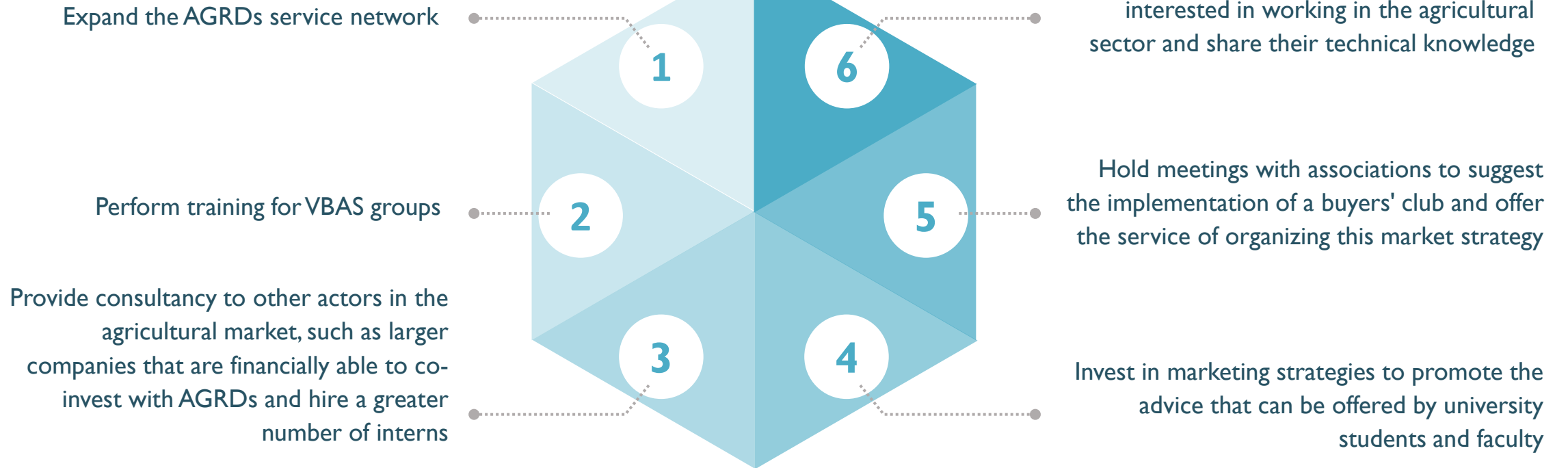
Improved customer-centricity and operational skills; 4 shops using customer databases for business; Network of 47 VBAs; Increased network of suppliers: e.g., an AGRD increased from 2 to 7 suppliers./

Key Data Points



Recommendations and Way Forward

Opportunities



Risks

This type of service requires transport and accommodation costs for interns in the locations where the different AGRDs operate - this expense can increase the cost of the service provided.

There are few AGRDs and VBAs operating in locations that are able to pay in full for the services of the interns. Co-investment with their large suppliers is key.



Methodology

Interviews with interns and professors at UBS

The results show what was implemented as innovation in the stores of each AGRD

Some AGRDs shared data regarding the number of customers who attend and buy at the store

Based on this data, it was possible to infer that there was an increase in of customers in the stores

Not all AGRs provided data on sales figures for the years analyzed, so the results were based on data from those who shared

An average was calculated according to the data obtained; however, it should be noted that the AGRD which implemented more innovations suggested by the interns, experienced more business growth