UniLúrio Business School (UBS) Interns’ Program Business Case

Hirondina Mondlane | hirondina_mondlane@ftf-inova.com
Meghan Bolden | mbolden@marketshareassociates.com
Carolina Corrêa | ccorrea@marketshareassociates.com
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

1. Introduction of practical agri-training modules (curriculum development)
2. Pilot internships with few firms to test innovative business tactics and prove the services’ value
3. Document the added value of interns’ services in host businesses growth
4. Outreach events to get feedback & market services/attract firms to pay a fee-for-service
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.

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.

There is no incentive for young university students to work and form networks within the agricultural sector for the distribution of inputs.
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.
FTF Inova assists UBS to introduce competitive selection of best students for internships.

Milestone 3

Phase 3

FTF Inova supports UBS to supervise internships and document the value created.

Milestone 4

Phase 4

FTF-Inova provides support to UBS to develop a business offer and pitch it to the market.

Milestone 5

Phase 5

FTF Inova builds capacity of UBS professors who started the initiative within the HEI preparing 81 students (36F).

Phase 1

Milestone 1

Timeline of implementation

UBS initiates the relationship with agro-dealers (needs assessment and signature of MoUs*).

Phase 3

Milestone 3

UBS initiates the relationship with agro-dealers (needs assessment and signature of MoUs*)

Phase 4

Milestone 4

UBS initiates the relationship with agro-dealers (needs assessment and signature of MoUs*)

Phase 5

Milestone 5

FTF Inova builds capacity of UBS professors who started the initiative within the HEI preparing 81 students (36F).

Phase 1

Milestone 1

FTF Inova builds capacity of UBS professors who started the initiative within the HEI preparing 81 students (36F).

Phase 2

Milestone 2

FTF Inova assists UBS to introduce competitive selection of best students for internships.

Phase 3

Milestone 3

FTF Inova supports UBS to supervise internships and document the value created.

Phase 4

Milestone 4

FTF-Inova provides support to UBS to develop a business offer and pitch it to the market.

Phase 5

Milestone 5

*Memorandum of Understanding
FTF Inova worked in partnership with UBS to co-invest in establishing an Internship Program in the input distribution system.

<table>
<thead>
<tr>
<th>INTERNS</th>
<th>AGRD</th>
<th>VBA</th>
<th>SHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>10</td>
<td>47</td>
<td>~2600*</td>
</tr>
</tbody>
</table>

*Nº Farmers reached through demo and fairs + Nº Farmers in database of customers of some stores (not all of them provided this information)

- 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.

UBS's intern

Support with knowledge and technical assistance

~ 2600 Smallholder Farmers

Convenient and affordable access to seeds, inputs and in some cases technical assistance on how to use certain products.
Value Proposition to Customers of the Innovation - Agrodealers

<table>
<thead>
<tr>
<th>Customer Type:</th>
<th>Agrodealers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Activities:</td>
<td>Sell agricultural inputs</td>
</tr>
<tr>
<td>Size of Business:</td>
<td>Most AGRDs’ stores are small-scale and local</td>
</tr>
<tr>
<td>Reasons for Buying / Consuming Product or Service:</td>
<td></td>
</tr>
<tr>
<td>Services improve operational tools and management capacity of AGRDs and business growth. Services help AGRDs reach last mile in a cost-effective way.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Why is this new business practice adding value to the customer?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Improvement in financial organization</td>
</tr>
<tr>
<td>• Improved product inventory management</td>
</tr>
<tr>
<td>• Improved shop layout</td>
</tr>
<tr>
<td>• Improvement in the marketing process</td>
</tr>
<tr>
<td>• Expanded last mile coverage - VBAs</td>
</tr>
<tr>
<td>• Increased customers and sales (in some cases)</td>
</tr>
</tbody>
</table>

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 Agro-shop 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.
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**
VBAs commission or incentives, interns’ subsidy, VBAs 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**
- **400%** Change in business volume – a case of an AGRD that adopted all innovations suggested by intern
- **150%** Number of clients in the stores per month in 10 stores
- **70%** of AGRDs involved in the activity adopted a partnership with VBAs trained by the interns
**Opportunities**

1. Expand the AGRDs service network
2. Perform training for VBAS groups
3. Provide consultancy to other actors in the agricultural market, such as larger companies that are financially able to co-invest with AGRDs and hire a greater number of interns
4. Invest in marketing strategies to promote the advice that can be offered by university students and faculty
5. Hold meetings with associations to suggest the implementation of a buyers' club and offer the service of organizing this market strategy
6. Increased incentive for students to become interested in working in the agricultural sector and share their technical knowledge

**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 the number 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