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INTRODUCTION

Effective supply chain management has become most indispensable module to manage the wind of changing in agribusiness sector. As a primary agrarian economy based country, Bangladesh has a bounty opportunity to spread out its agribusiness sector as a global standard. At present our modern, cautious, and eventful consumer not only demand the products as per their quantity, quality, place, packing and price requirements but also demanding safe and nutritional food, new tastes, innovative packing, excellent quality and just in time deliveries. These new philosophies of the consumer throw major challenges over and above opportunity to the agribusiness market to reshuffle its supply chain process. And it will achieve its apex point when different partners involved in the supply chain process will realize the truth that, functioning mutually with trust and common broad objectives would bring benefits for themselves as individual firms and to the country as a whole.

For better understanding on the topic of creating opportunity through partnering among the various allies of the supply chain process two round table discussion (one with business partner and another with NGOs) was conducted by ISCEA, MDF, BIF, and CARE Bangladesh. In these round table discussions, the organizer team introduced the interior ingredient of the supply chain management with the stakeholders and asked them to share their views concerning the SCM in agribusiness sector. Afterward with the team arranged a two days conference and two days workshop that formed an ideal opportunity to bring together all sectors and parties who directly or indirectly involved in agribusiness supply chain, share knowledge and best practices and create an environment for networking and partnering. The spotlight of the workshop was to interrelated private sector and NGOs by changing their mind set up through expertise’s presentation, some brain storming task, and a group work to solve a problem with mutual understanding.

This report accumulate two days activity of the workshop consequently and obtained participants queries, their expectations, the way and result of mutual understanding, the overall upshot of the program.
Creating shared value – sustainable competitive advantage in Supply chain

Creating opportunity through partnership is a new concept in the arena of agribusiness supply chain. Different sectors of agribusiness play different roles with varying objectives in the total agro supply chain. To demonstrate that, rather than focusing on individual objectives, different partners of agro supply chain could work together with common objectives and maximize over all supply chain value. Ejazur Rahman CEO of ISCEA Bangladesh converse about the basic concept of supply chain. He explains that supply chain management is the key lever for best performing of any organization. It begins with the input providers and end up with customer. Within this chain various factors are actively working like producers, suppliers, business organizations, distributors, retailers, direct and indirect all the factors. The foremost intention of supply chain is to discover the maximum value of the product for the organization and partners also. Thus value is robustly interrelated with supply chain’s surplus. If one part of the supply chain will become weak then a well-built supply chain cannot be able to maximize its profit. Consequently, Ejazur Rhaman suggests that in partnership everyone should think beyond their own paradigm and from the aspect of globalization, since there is an immense prospect to do business in joint venture for the sustainable future.

Creating shared value – sustainable competitive advantage in Supply Chain

Naquib Khan the Corporate Affairs Director of Nestle Bangladesh enlightens the supply chain process that it’s an end to end process. The spotlight of the process is consumer satisfaction and mind set up. Every good company knows that they must understand their customer’s needs in order to make a sale. The same holds true for new business growth -- they must understand the mindset and needs of their clients and prospects if they are going to be
successful. Information, products and materials, and fund are the key elements of the supply chain. Although supply chain starts and ends at consumers and everyone is consumer as well supplier so chain manager should integrate the whole process incredibly efficiently.

Naquib Khan said that to be successful for an organization-it’s essential to create value for shareholders as well as for society. Creating shared value is a strategy where interest of the shareholders and society’s intersect, which meets the needs of the present without compromising the ability of future generations to meet their own needs with all applicable laws and internal regulations. Sustainability depends on partnering along with the farmers and suppliers to ensure quality, fair price, value addition, building capacity.

PRIVATE SECTOR

The consultant asked to the private sector what the focus to launch a product is this main. A participant from ACI said that they focus on the quality standard of the product but taste may be different from country to country.

After the presentation of basic SCM a queries arise from private sector participants that how business collaboration can be sustainable? The consultant shared a view that you have to make a shared value to shar the risk and have to make a win-win partnership for all the stakeholders by treating them as a partner for sustainability.

How SCM can improve both sectors profit at a time? Consultant put in plain words with an example like, when the production goes higher the price goes down for post harvesting problem. The private sector can help the NGOs that they can train the farmer so they can reduce the post harvest loss by using the technology and that can increased the GDP by 10% from the agro business.
AGENDA: CREATING SUSTAINABLE AGRO SUPPLY CHAIN & ENSURING BETTER MARKET ACCESS FOR AGRO PRODUCTS

Presented by: Tom Harrison,
Operations Manager and Bangladesh focal person
Business Innovation Facility.

Why Businesses and NGOs Partner Benefits for sustainable development

To respond effectively to today’s business for any independent institution has become vast complex and challenging. Making profit is not only center of attention of any business they also be aware of some social responsibility. In earlier period only CSR (corporate social
responsible) group tried to do business along with social benefits. However it was by forced, reactive behavior, top down driven. So far CSR could not make its aspiration to achieve sustainable development. Subsequently the world’s business leader’s thoughts to cover this failure they will go for cross partnership within all sectors. This will create a new era of opportunities to do business as well as to response to the social responsibilities. Efficiency, innovation, effectiveness, mitigated risk, enhanced reputation and credibility, access, capacity building are the promising benefits of the partnership.

On the potentiality and opportunity of partnership in Bangladesh, Tom Harrison, the country focal person of BIF (Business Innovative Facility) has been shown that there is a need of increasing business awareness between the NGOs and private sector to sustain societal and commercial value of a healthy educated society. NGOs operate an open system i.e. they take delivery of grants, donations of products, employee fundraising and volunteering for community projects as an input from the international donors. As a throughput advisory services, consulting, employee volunteering –professional skills make able them to mobilize education, water, sanitation, health etc for the BoP(Bottom of Pyramid) as an output. However if business do partnership with the NGOs, the partnership will increase the income and capacity of the NGOs to co-create a new service, product or technology that addresses a sustainable development challenge. And in partnership the business can take advantage to support its license to operate through social investment to reach new customers and to communicate brand values to new audience.

**Queries about the partnership**

- Private sector and NGOs can be partner or do collaborate while there objectives are totally different?
  
  Tom suggested that the collaboration can be happen by mutual trust and mind setup of both sectors for future benefit. If NGOs are deeply involved then the business sector can collaborate with the farmer easily.

**Queries regarding risk sharing:**

- NGOs thought that business sector does not have any interest in risk sharing.
- According to the business sector they share only a calculating risk.
  
  Tom said that without negotiation and risk shearing they can be partner when private sector will get profit then they will be interest to share the risk.
Agricultural Supply Chains: Unlocking Sustainability through Cross Sector Partnership

In this section Tom put in plain words that inclusive business is the new form of partnership basement. This model improves the livelihoods and wellbeing of poor people by including them in the business value chain. Tom presented a practical example of inclusive business through partnership and a how they benefited by successful integration of supply chain management.

This project was started to build the capacity of SME suppliers with the help of international consultant arranged by BIF. BIF helps to fulfill the vision of Agora within the year 2015 to increase its outlet of perishable products availability of the right quality products in the right quantity at the right time from trained SME suppliers. When the suppliers maintain the quality and time they need to help the farmer by this process inclusive business helps the commercial benefits for the poor people. The development program has few SME ambassador leaders who will advocate other SMEs to improve their skills.

At present, Agora increases their revenue and already increases their stores and more new stores are going to be open in the year 2013. Since the project is targeted to SMEs, BIF delivered all the consults and the training program to reach the vision of Agora 2015. BIF contributes in the pilot project about the training 9 SME suppliers.
**Suggestions regarding Agora supply chain management:**

Private sector mentioned that if Agora can reduce its middle man number then the quality of the product will be increased. Farmers will be benefited more to integrate them into the supply chain process as a direct supplier.

NGOs believe that ethics is the base of business. So the obligation of the food adulteration goes to the Agora. They should ensure quality check machine all of their outlet.

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**Figure: Agora Supply Chain for domestically sourced fruits and vegetables**
To understand the core problem of any supply chain, Tom conducted a brainstorming study. In this study, we found that though both business and NGOs sectors discussed separately, the identified problems from both sectors are comparatively the same. They concern about Lack of trust among market actors.

**Private sector**
- Market is not organised.
- Transport problems.
- Supply sources are disparate.
- Lack of means of safe payment.
- Seasonal availability
- Lack of product processing
- Lack of crop insurance and divarcity
- Lack of local storage and cool chain.
- Uneconomic quantity of each product for a container

**NGOs sector**
- Poor product handling and post harvest loss.
- No govt policy to support farmer.
- Farmers not getting fair price.
- Suppliers can form cartel—especially during peak demand periods.
- Role of women not recognized
- Slow payment by larger players
- Insecure supply chain at all stages
- Partnership between stakeholders not legally or ethically bonded

**Common Perspective**
- Supply chain not well managed
- Transport problems
- Too much middleman getting too high a value.
- Limited scope for knowledge and skills provision—affordable and timely
- Products are not being produced according to demand
- Poor infrastructure/roads
Stakeholder mapping: supply chain complexity (NGO)(N1)
Stakeholder mapping: imbalance of market information (business)(B)
Stakeholder mapping: price fluctuations (NGO)(N2)

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Causing issue</th>
<th>Affected by issue</th>
<th>Skills / knowledge in issue</th>
<th>Instruments to address issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmer</td>
<td></td>
<td>B+ N1+N2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMESupplier</td>
<td>N2</td>
<td>B+N2</td>
<td>B+ N1+N2</td>
<td>B+N1</td>
</tr>
<tr>
<td>Middleman/trader</td>
<td>N1</td>
<td>N2</td>
<td>B+ N1+N2</td>
<td>B+N1</td>
</tr>
<tr>
<td>Retailer</td>
<td>N1+N2</td>
<td>B+N2</td>
<td>B+ N1+N2</td>
<td>B</td>
</tr>
<tr>
<td>NGO/market facilitator/govt</td>
<td>N2</td>
<td>B+ N1</td>
<td>B+ N1+N2</td>
<td></td>
</tr>
<tr>
<td>Facilitators</td>
<td></td>
<td></td>
<td>N2</td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>N1</td>
<td></td>
<td>N1</td>
<td></td>
</tr>
</tbody>
</table>

This mapping was conducted by TOM based on stakeholder’s discussion that who will be affected by the effective supply chain management and how. In this chart B-business, N1 – NGOs regarding supply chain complexity and N2-NGOs based on price fluctuations.
In this graph vertical line contains the influence/interest/empowerment of the input provider. The horizontal line contains interest of the input provider.

Tom filled the graph with the discussion of the NGOS and private sector participants.

**NGOs**
- Here trader and middle man goes to potential and critical group because their activities cannot be definite precisely.
- Retailer, SME supplier, facilitator and farmers are the most interested group but the influence level is downward and interest level is same in the market.

**PRIVATE SECTORS**
- According to the private sector trader and middle man are the most influential and less interested group.
- SME supplier, Retailer and farmers are the most interested group but the influence level is downward and interest level is same in the market.
- NGOs and facilitator are the most complex, influential and interested group to the private sector.
Agribusiness today is very much a global business with global opportunities. The businesses that have been very successful, really prospered and grown, have handled globalization very well. The food business is quite different in different places. Where some other industries might be a bit more standardized, food tastes, habits and cultures are quite different around the world. Organization has to be able to accommodate those differences. Globalization of trade and integration of supply chains lead to new demands regarding food quality and safety. To cope up with this factor Bangladesh’s market should put emphasis on effective supply chain management. The core problem for agribusiness development in Bangladesh is the lack of effective value chain linkages among input providers, farmers, traders, processors, and service providers. The lack of effective linkages is explained by various factors including segmentation of product and value added demand, quality, safety, sustainability, and low cost strategy. Bangladesh agriculture seems to have comparative advantage in a number of commodities including shrimp, tea, fruits, vegetable, jute, and medicinal plants. A number of developments would have to occur to enable Bangladesh to realize the potential for exports.

However effective supply chain demands the flow of goods, information, technology, and capital from farm to fork. When SCM included as a business strategy its rely on some major pillars such as cross company, alliances – internal and external, world class supply chain management technique. This advantage of VC and SCM are reduction of product losses in post harvest, transportation and storage. That will increasing sells, the flow of information regarding flow of products, markets and technologies will amplify transparency.

In this presentation Anil chopra try to understand the participants that how to make an innovative business with existing resources without hinder future consumption. Consequently he describes the fundamental initiative of the business. These are -define the problem, measure current situation, analyze, identify improvement opportunities, set Bold and Audacious goals (BAGs), generate improvement options, create pilot implementation model. Keep these in mind both private and NGOs sector made business plan. But they were stayed at different room and made the plan in groups of 6/7 people.

Developing a business plan is inheriting attributes of private sector. So it was easy to make a business plan by them. Most of the private sector planed to do business with perishable product from contact farming or collection point. They will train their supplier for good quality product and ensure the product quality by checking the product 3-4 times in different position. They will also monitor the
supplier and try to reduce the post harvest loss by post harvest management. The cost advantage can be taken by using online software and reducing the part of middleman or direct sourcing from the producer. One of the main focusing parts of business is delivery efficiency and that can control by install ERP or the reverse logistic idea is a good one to control delivery efficiency. For a sustainable business one need to be very concern about the retail price for his shop. They can maintain their price by competitive price or using EDLP coming out of cost advantage.

However NGOs sector is expert in preparing and conducting projects. Hence when Anil Chopra asked them to develop a business plan they tried hard and develop some wonderful plan. Like – a group identified a potential sector of our agri-business i.e potato farming. In every year our farmers produce a plenty of potato but could not get fair price. In contrast there is a growing demand of potato made food in market. We have port, good relation with neighbor country so potato can be a product to innovate a new market.

NGOs participates had a common question that is it going to happen that Private sector and the NGOs going to work together? One of the participate from the private sector clearly told that private sector have also interested to work with NGOs and for that reason they came here to come to know about the mindset of the NGOs. Private sector also wants to be a part of development sector. Both of the private sectors and NGOs think that shearing their information will make a proper management of supply chain management for the market of Bangladesh so they need to link each other for their own benefit. By linking with each other they can also make a new area in value chain management.

**Final session of the workshop**

**Presented by:** Ms. Parveen S Huda  
Bangladesh Country Manager  
Business Innovation Facility

**Section - 1**

**TASK 1:**

As mentioned before that creating opportunity through partnering in agribusiness supply chain management was the main agenda of the workshop. However after 2 days long
presentation, discussion, brain storming activities with private sector and NGOs separately, they were agreed to sit along with and sharing and exchange of knowledge, expertise, plan, and capital for better future.

A group work was conducted by Mrs. Parveen S Huda, country manager of BIF, that now these two group can consider each other’s perspective to come a better solution by getting optimum benefit.

In this session there were 9 tables consist of 7 people and each table consist of 1 woman, 3 people from private sector, 2 people from NGO and 1 from development sector. Two neighbors had a common yard with a giant tree. One family (A) was receiving most of the benefit from the area like proper sunlight and shadow, they used the dry leaves as fuel, and get balance oxygen from that tree.

But other (B) family facing some critical obstacles from that tree, like they didn’t get the proper sunlight, dry leaves always remain their side, they have no idea how to manage dry leaves from their side.

Now each table had to decide how they overcome this problem by creating a win-win relation. So, “B” family wanted to cut the tree while “A” family wanted to keep the tree, and time fame was half an hour.

**UPSHOT OF THE TASK:**

All groups showed enthusiasm to solve the task. After the set time, MS. Parveen asked each table that what their solution method is, how they reach on mutual understanding regarding the tree. The method followed by 7 groups comparatively same. They discussed with the other family come out a solution that netting the branches, timely trimming the branches, cleaning the yard part by part, reshape the window, make compost with the leaves.

Amusingly one group followed the technique of the business plan and collaboration to manage this situation. They thought to hire an arbitrary which listened families’ opinion, problems, expected solution from their side. Then offer them three solution 1- hire service provider for cut down the branch, 2- provide the cutting branches to the poor people as a fuel and 3- plant a new tree in a convenient place, when it will grow up the problematic tree will be cut down.

One group decided to cut the tree. And plant a new tree.
SECTION 2:

After the brains storming concerning win-win relation, groups were asked to do a business plan with the combination of business, NGOs, development sectors ideas, perspective, knowledge, experience etc respectively.

CONCLUSION:

The workshop stared with the sharing of the expectations of the participants. To learn a new concept of the supply chain management and how to create a healthy affiliation was the thrusting demand of the participants. In partnership the fundamental concept is, to understand others underlying needs. To exhibit and create a realization of this concept of the collaboration was the inner meaning of workshop. It was received by the participants cordially. The workshop end with certificate providing and giving thanks to all the participants and presenter as well as whole organizer team.