Value chain analysis for business modelling – a competencies enhancement program
Conducted by NIRD&PR from 2nd to 4th of August 2017

The competencies enhancement program on value chain analysis for business modelling and designing sustainable livelihood business intervention was conducted at NIRD&PR, Hyderabad from 2/08/2017 to 04/08/2017. The nodal officer of the NRLM cell at NIRD&PR, who hosted the program was Sri. Gayathri Rao.

The three days training program started off with a simple inaugural ceremony at S Sankara Seminar Hall at NIRD&PR on 2nd of august 2017 at 10:00 AM. 33 participants from 10 states across India were present for the training.
The two resource persons who handled the sessions for the whole program were Prof. Dr. SaiRaju & Prof. Dr. Krishnamoorthy of DMI of Bihar

Representing kudumbashree, Arun Raj (State assistant program manager, MKSP), Sabu B(State Assistant Program Manager, Marketing), Jiby Mathew Philip (State Assistant Program Manager, Marketing) were deputed and attended the training program.

The program empowered and enlightened us to orient ourselves towards the concept of sustainable livelihood, value chain analysis and Business modelling of producer companies. The benefit gained in attending such a workshop was primarily the orientation received in this aspect and the practical capacity generated to conduct value chain analysis, business modelling with a focus on functional management issues in producer companies.Learning imparted in project management in a practical methodology wasvery relevant in our area of work.

The CEP progressed through four modules viz. livelihood interventions, value chain analysis, business modelling and design of business strategy in regard to producer companies.

Livelihood interventions
The module was designed to start from ascertaining proper definition to livelihood, thereby designing a proper livelihood intervention through learning of local economy and triangulation of a suitable livelihood activity. The most important learning we got from the program is to conduct a 3 E Exercise (Exploring the External Environment) which is a proactive analysing tool of demand, factor, industrial and institutional conditions prevalent in the area of intervention

Value chain Analysis

The module addressed the fact that value chain interventions are in fact is a special case of market led intervention hence a thorough understanding of the existing market, with an analysis of material, money and information flow is an area of necessary study to address the need of an value addition activity. The learning was how to derive the scope of this value chain intervention, which was through the understanding the forward and backward linkages existing in the market, economic mapping, subsector analysis and stating the prevalent marketing mix of the product. Hence it would be either the addressing of market imperfections, tapping market opportunities or creating new market opportunities. The former options discussed through proven case studies was very good.
The program then addressed the concept of understanding value chain through set of mapping tools and imparted learning in interventions through similar examples carried out in the Indian rural economy.

Business modelling

Business modelling learning imparted in the second day of the training program was extremely enlightening. The learning imparted was about how to generate a business model for a producer company's value chain enhancement project. Project report preparation idea was completely isolated to numerical and practical, team learning strategy imparted was very beneficial for getting practical, and hands on learning over the basic concepts of project report preparation, project management and working with Microsoft excel. The business modelling module addressed Cost analysis, ratio analysis, investment analysis and project appraisal of the proposed value chain intervention selected through previous module.

Business strategy

The module comprised of the concepts that addressed Micheal porters five competitive forces analysis, how to reinvent a business model and design aspects of producer enterprises interms of social capital.
Factor to factor analysis of five competitive forces was done through the development of competitive force analysis table preparation, to assess the pressure the company is facing out of its environment and to assess the necessity, relevance and significance of value chain intervention and marketing strategy. A general understanding of the participants was raised through discussions on the elements of a successful business model so as to ensure whether the company and project satisfies the relevant customer value proposition or to come on consensus to radicalise its CVP. The training program concluded its learning aspects with imparting an idea on the relevance of social capital for market led interventions.
The program concluded with an evaluation test of half hour duration to assess the learning imparted.

Suggestions

The program was very beneficial in terms of propagating learning about targeted livelihood interventions through project management of producers companies. The program touched various streams of learning but the duration of the program was very limited to impart effective learning and understanding. On most of the instances, the faculty skimmed off relevant topics and value chain analysis, business modelling and project appraisal was completed in a single day which shows the pace at which the program went. On convenience, faculty easily shifted the language of teaching to Hindi, which also reduced effective learning possibilities. Overall the program was very insightful and provided an unique opportunity to learn practical aspects of marketing interventions and value chain analysis.

Arun Raj (State Assistant Program Manager, MKSP)
Sabu B (State Assistant Program Manager, Marketing)
Jiby Mathew Philip (State Assistant Program Manager, Marketing)