



INTRODUCTION TO VALUE CHAINS HANDS ON EXERCISES

EXCERSISE 1 - BUSINESS STRATEGY

Take some time to consider where your operation or company is headed overall.

1. WHERE DO YOU WANT YOUR BUSINESS TO BE IN THE FUTURE?

2. CAN YOU ACHIEVE THIS THE WAY YOU CURRENTLY OPERATE?

3. WHAT ARE THE CURRENT STRENGTHS OF YOUR BUSINESS THAT ARE IMPORTANT TO ACHIEVING YOUR FUTURE VISION?

4. WHAT ARE YOUR BUSINESS WEAKNESSES THAT PREVENT YOU FROM ACHIEVING YOUR FUTURE VISION?

EXCERSISE 2 - ASSESSING READINESS

You have just reviewed several of the reasons, benefits, risks and success factors associated with value chain development in the agriculture and agri-food industry. Before identifying your opportunity, assess your readiness and the readiness of your business to work on a value chain approach by completing the checklist below.

MY READINESS

- | | |
|--|------------|
| I operate in a collaborative manner. | _ Yes _ No |
| I ensure everyone is focused on shared vision and goals. | _ Yes _ No |
| I respect different management styles. | _ Yes _ No |
| I encourage new ideas and product improvements. | _ Yes _ No |
| I believe in fairness and flexibility. | _ Yes _ No |
| I routinely share information and problem-solve with partners. | _ Yes _ No |
| I demonstrate a willingness to jointly develop strategic plans. | _ Yes _ No |
| I communicate regularly with others in the supply chain. | _ Yes _ No |
| I actively seek trusting business relationships with customers and suppliers. | _ Yes _ No |
| I'm willing to devote time, effort and financial resources to develop a value chain. | _ Yes _ No |

MY BUSINESS'S READINESS

- | | |
|--|------------|
| Overall business performance is shared and understood throughout our organization. | _ Yes _ No |
| Recognition and reward systems are team based. | _ Yes _ No |
| Information about our customers and competitors is well known. | _ Yes _ No |
| New business is based on customer needs and market change. | _ Yes _ No |
| Focus is on maximizing value to the end customer. | _ Yes _ No |
| Business membership agrees that collaborative efforts are desirable. | _ Yes _ No |
| Partnerships will have a positive effect on business. | _ Yes _ No |
| A global outlook is maintained. | _ Yes _ No |

CALCULATE YOUR RESULTS

Total YES answers _____ Total NO answers _____

If you responded "yes" to most of these questions, you are ready to explore a value chain approach. If you responded "no" to most of these questions, you may want to re-consider a value chain as being an appropriate approach for you.

EXERCISE 3 - MAP YOUR EXISTING SUPPLY CHAIN

Complete the map of your supply chain for your main product line. Keep it simple by only identifying the main members of your chain.

Step 1:

Start by identifying the end product that will be going to consumers and work backwards from there. Write the name of that product in the circle on the supply chain on the next page.

STEP 2:

Once you have identified the end product, ask “What happens to the product right before it gets here?” This answer goes into the process box before the end product. Ask that question again and fill in the box before the process box. Do this until all the processes have been captured.

Some examples of processes are: marketing and packaging, transporting, slaughtering and breeding.

STEP 3:

Now look at all your processes and identify what companies are involved in each process. Identify other members of the chain and their roles.

TURN TO THE NEXT PAGE FOR A BLANK MAP

Process

Companies



End Product

EXERCISE 4 - EVALUATE THE SUPPLY CHAIN

What is the chain doing well? _____

Where are the weak points of the chain? _____

What needs to be improved? (quality, inefficiencies in production or processing, logistics, etc.)

What excess resources exist? _____

What resources are limited? _____

What limits your growth? _____

What do you wish you had more of? Less of? _____

What are the logistical problems? This includes such issues as supply, transportation and storage.

What information do you and your supply chain partners need to make better decisions?

What factors impact your ability to operate effectively/efficiently?

What change/changes would provide the most benefit to supply chain members?

Which relationships in the supply chain could be strengthened to work more successfully together?

What would your end users (consumers) say are the product's strengths and weaknesses?

EXERCISE 5 - OUTLINE THE OPPORTUNITY FOR A VALUE CHAIN

Using the information from Exercises 3 and 4, write down your idea for a value chain. Be creative by considering all the possibilities and opportunities.

BACKGROUND: REASON FOR MAKING CHANGES

OPPORTUNITY:

Check your idea against the following criteria. If it meets the criteria, move to the next section. If not, adjust it so it meets these criteria.

- This opportunity addresses a serious or actual business concern.
- There's market potential for this business opportunity.
- The opportunity has potential for economic benefit.
- The opportunity addresses a market need and will be profitable.

EXERCISE 6 - RESOURCES, RISKS AND CAPABILITIES

Use the worksheet below to take stock of the resources and capabilities you currently have, and those that would be needed from other businesses to take advantage of the opportunity using a value chain approach.

Resources	Your Business	Required from Partners
Financial Resources: <ul style="list-style-type: none"> • Cash • access to cash • collateral 		
Physical Resources: <ul style="list-style-type: none"> • facilities • equipment • technology 		
Human Resources: <ul style="list-style-type: none"> • talent/expertise • access to labor • management strength 		
Intangible Resources: <ul style="list-style-type: none"> • reputation • creativity • client base • connections 		
Relationships: <ul style="list-style-type: none"> • good relationships • relationships that require improvement and development 		

RISK ASSESSMENT:

What factors could interfere with the success of this value chain pilot project? _____

What strategies could be implemented to mitigate or prevent these risks? _____

EXERCISE 7 - CHOOSING POTENTIAL VALUE CHAIN PARTNERS

Answering the following questions will give you a clear idea of the characteristics you're looking for in partners. Amicable business relationships are key to the success of a value chain, so your careful selection now will pay off later.

WHAT WORKS?

Think of a business relationship that works very well for you. Describe why you think it works well.

What characteristics does that organization exhibit? _____

What do you and your business do that contributes to the positive relationship? _____

Write down a list of qualities that you want to look for in any new partners. _____

WHAT DOESN'T WORK?

Now think of a business relationship that doesn't or didn't go well.

What happened that didn't work? Describe why you think it didn't go well. _____

What characteristics does the other organization exhibit? _____

What did you do that made it difficult to work together? _____

Write down a list of qualities you will avoid or check out when looking for new partners. _____

SUMMARY

In the table below, write both the characteristics you're looking for and those you'd like to avoid in the left-hand column. Next think of existing partners in your chain and identify partners that display those characteristics. Finally, identify new partners that you're considering and compare their characteristics with the desirable and undesirable traits list. Completing this exercise can help you evaluate the contributions of existing partners as well as evaluate new partners.

Characteristics	Existing Partners	Potential Partners
Desirable: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		
Undesirable: <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/> <hr/>		

EXERCISE 8 - VALUE CHAIN PROJECT PLAN

The project plan briefly outlines the business problem, goals, objectives, measures and action plans. A good plan is an excellent tool for fostering and sharing information with the team, sponsors, clients and stakeholders. It can also be used when applying for funding.

Project Name: _____

Date: _____

Developed by: _____

Partners: _____

Introduction /Background

Primary motivation/background for the project

Goals

Describe what is to be accomplished, the end result of taking this action.



RESOURCES

TABLE OF CONTENTS

Value Chain Analysis and Business Strategy in the Okanagan Wine Industry	3
Website Resources	3
Summary of Value Chain Development Project Stages	7
Bringing People Together for the First Time – A Facilitator’s Guide.....	8
First meeting agenda	10
Building Relationships.....	11
Collaboration Tips	14
Method for Planning Sessions	16
Important Tips for Bringing Groups Together	18

VALUE CHAIN ANALYSIS AND BUSINESS STRATEGY IN THE OKANAGAN WINE INDUSTRY

This study investigates the transformation of the Okanagan region's wine industry between the years 2000 and 2010, and its relationship to other industries that comprise the region's agricultural products cluster. It adds to the body of knowledge related to rural industry competitiveness by identifying the decision-making activities of the entrepreneurs leading the transformation.

Read the whole study here:

Easy Access Link: <https://goo.gl/34ChTT>

Full Length Link:

https://www.grapegrowers.bc.ca/sites/default/files/resource/Okanagan%20Wine%20Industry%20Value%20Chain%20Analysis%20-%20May%202013/files/OkanaganWineIndustryValueChainAnalysis_LeeCartierMay2013.pdf

WEBSITE RESOURCES

BUSINESS PLANNING RESOURCES

[http://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/faq8074?opendocument](http://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/faq8074?opendocument)

<http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073869162&r.l1=1073858805>

http://www.cbasc.org/ibp/home_en.cfm

CHOOSING A CONSULTANT

<http://www.consultingagrologists.com/choosing.htm>

<http://www.agmrc.org/business/pdf/selectconsultant.pdf>

http://www.avactd.com/Fact_Sheets/AVAC_Consultant.pdf

FACILITATION RESOURCES

http://www.tcslearning.co.za/learning_resources_bookstore/facilitator_development.htm

<http://www.facilitationfactory.com/index.html>

MEMORANDUM OF UNDERSTANDING

http://www.jurisint.org/pub/02/en/suj_1_1.htm

<http://www.megadox.com/documents.php/862&PHPSESSID=>

<http://www.lawdepot.com/contracts/confid/?loc=ca>

RISK RESPONSES

Developing Effective Risk Responses, Dr. David Hillson, Proceedings of the 30th Annual Project Management Institute Seminars & Symposium, presented in Philadelphia USA, 11-13 October 1999.

<http://www.risk-doctor.com/pdf-files/rsp1099.pdf>

TEAM BUILDING WEBSITES

<http://www.squarewheels.com/>

<http://www.workteams.unt.edu/>

VALUE CHAIN GENERAL INFORMATION: HOW TO BUILD A VALUE CHAIN

BROCHURE ON SASKATCHEWAN RETAIL AND FOOD SERVICE INITIATIVE

The Saskatchewan Grocery Retail Value Chain Initiative is designed to assist the Saskatchewan agriculture and agri-food industry in developing the capacities and tools needed to capture new value-added market opportunities. The introduction of the grocery retail guides was designed to develop a better understanding of what the Canadian grocery retail industry is and how it operates. It focuses on capacity building to provide the innovation that is desired in today's Grocery Industry

<https://agcouncil.ca/programs/value-chain/>

AGRIWEBINAR

Web based seminar on a variety of value chain topics. Sponsored by Canadian Farm Business Management Council

<http://www.agriwebinar.com/>

CO-OPERATING TO COMPETE IN HIGH VELOCITY GLOBAL MARKETS: THE STRATEGIC ROLE OF FLEXIBLE SUPPLY CHAIN ARCHITECTURES

A conceptual framework for the development and use of flexible supply chains. By Hamish R. Gow, Lance D. Oliver, and Neil G. Gow. Annual Meeting of the Western Coordinating Committee on Agribusiness, Las Vegas, Nevada

<http://ageconsearch.umn.edu/bitstream/16611/1/cp02go01.pdf>

FRESH FOOD CATEGORY MANAGEMENT: LEVERAGING STRATEGIC OPTIONS

Strategic options used by fresh food suppliers and retailers. By Micheal O'Keeffe. Published by Agriculture and Food Council of Alberta.

[https://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agp11922/\\$FILE/RetailPaper2FreshFood.pdf](https://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agp11922/$FILE/RetailPaper2FreshFood.pdf)

GLOBAL COOPERATIVE LINKAGES? THE CHALLENGE TO HARMONIZE LOCAL WITH GLOBAL ECONOMIES

Technical paper on how cooperatives participate in globally integrated value chains. By Markus Hanisch, Humboldt University Berlin, Department of Agricultural Economics and Social Sciences, Division of Cooperative Sciences, Germany.

<http://www.un.org/esa/socdev/egms/docs/2009/cooperatives/Hanisch.pdf>

GLOBAL VALUE CHAINS IN THE AGRIFOOD SECTOR - WORKING PAPERS

Governance, standards, and concentration in global agri-business value chains. By John Humphrey, Institute of Development Studies, University of Sussex, Brighton, United Kingdom. Commissioned by United Nations Industrial Development Organization. 2006.

http://www.unido.org/fileadmin/user_media/Publications/Pub_free/Global_value_chains_in_the_agrifood_sector.pdf

INNOVATIVE MODELS: SMALL GROWER AND RETAILER COLLABORATIONS

Good Natured Family Farms and Balls Food Stores. Part A: Good Natured Family Farms' perspective a case study of a value chain in Kansas, from the producer's perspective.

<http://ngfn.org/resources/research-1/innovative-models/Good%20Natured%20Family%20Farms%20Innovative%20Model.pdf>

INNOVATIVE MODELS: SMALL GROWER AND RETAILER COLLABORATIONS (2)

Good Natured Family Farms and Balls Food Stores. Part B: Balls Food Stores' perspective. A case study of a value chain in Kansas, from the buyer's perspective.

<http://ngfn.org/resources/research-1/innovative-models/Balls%20Food%20Stores%20Innovative%20Model.pdf>

MID-SCALE FOOD VALUE CHAINS CASE STUDY: COUNTRY NATURAL BEEF

Summarized case study of Country Natural Beef's vaCAIS. 2009. lue chain.

<http://agofthemiddle.org/?cat=8>

VALUE CHAIN LEADERSHIP: BALANCE FIVE VALUE TRADE-OFFS

Highlights the philosophies of a value chain leader. By Micheal O'Keeffe.

[https://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/agp11922/\\$FILE/ValueChainarticle.pdf](https://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/agp11922/$FILE/ValueChainarticle.pdf)

VALUES-BASED FOOD SUPPLY CHAINS, EXECUTIVE SUMMARY

Country Natural Beef, CROPP/Organic Valley, Shepherd's Grain and Red Tomato. Four case studies of value chains in the U.S. By Steve Stevenson, CIAS.2009.

<http://agofthemiddle.org/?cat=8>

VALUES-BASED FOOD SUPPLY CHAINS: COUNTRY NATURAL BEEF

Case study of Country Natural Beef's value chain. by Steve Stevenson, CIAS. 2009

<http://agofthemiddle.org/?cat=8>

VALUES-BASED FOOD SUPPLY CHAINS: ORGANIC VALLEY

Case study of Organic Valley's value chain. by Steve Stevenson, CIAS. 2009

<http://agofthemiddle.org/?cat=8>

VERTICAL LINKAGES IN AGRI-FOOD SUPPLY CHAIN IN CANADA AND THE UNITED STATES

A technical study of vertical coordination in the agricultural industry in North America. Written by Jill Hobbs, University of Saskatchewan, and Linda Young, Montana State University. Commissioned by Agriculture and Agri-Food Canada. 2001.

<http://dsp-psd.pwgsc.gc.ca/Collection/A22-226-2001E.pdf>

SUMMARY OF VALUE CHAIN DEVELOPMENT PROJECT STAGES

	Stage 1: Identifying the Opportunity for a value	Stage 2: Developing a Value Chain Plan	Stage 3: Monitoring & Evaluating
Actions	<ul style="list-style-type: none"> • Assess your and your business readiness • Map and evaluate supply chain • Identify possible opportunities • Evaluate your market • Assess resources, risks and capabilities • Identify a small core group • Provide basic value chain information 	<ul style="list-style-type: none"> • Select your partners/steering committee • Manage key discussions • Develop a value chain project plan agreeing on goals, plans and measures • Identify and mitigate risk • Define how you will work together (roles and responsibilities) • Establish temporary organizational structure for steering committee • Financial contracts/legal contracts • Secure resources • Build relationships 	<ul style="list-style-type: none"> • Launch Value Chain project (Start with a small-scale project to test the waters) • Meet regularly • Monitor • Communicate • Build and adapt systems • Identify new opportunities • Decision to scale-up • Ongoing relationship development
Who	<ul style="list-style-type: none"> • A core planning group 	<ul style="list-style-type: none"> • Required partners 	<ul style="list-style-type: none"> • Alliance partners
Outputs	<ul style="list-style-type: none"> • Increased value chain knowledge • Opportunities identified • Assessment of resources, risks and capabilities 	<ul style="list-style-type: none"> • Market and business assessment • Partner's commitment • The project plan • Organizational structures and written agreements where required • Resources allocated • Contingency plan 	<ul style="list-style-type: none"> • Post pilot evaluation • Corporate business structure established • Adapt and build
Resources	<ul style="list-style-type: none"> • Financial • Physical • Human • Intangible 	<ul style="list-style-type: none"> • Financial • Physical • Human • Intangible 	<ul style="list-style-type: none"> • Financial • Physical • Human • Intangible

	Stage 1: Identifying the Opportunity for a value	Stage 2: Developing a Value Chain Plan	Stage 3: Monitoring & Evaluating
Significant Decision Criteria	<p>Go/No Go Decision Making</p> <ul style="list-style-type: none"> • Are you and your business ready to work in an alliance structure? • Are market size, growth and opportunities attractive? • Do any known killer variables exist? 	<p>Go/No Go Decision Making</p> <ul style="list-style-type: none"> • Is market size appropriate and attractive? • Is there an attractive competitive advantage? • Are there potential benefits? • Are the financial projects in line with financial criteria? • Are required resources in place? 	<p>Go/No Go Decision Making</p> <ul style="list-style-type: none"> • Are deliverables in place? • Are partners committed? • Is the market receptive? • Should we scale up and implement this new business approach?

BRINGING PEOPLE TOGETHER FOR THE FIRST TIME – A FACILITATOR’S GUIDE

When bringing people together for the first time, it’s very important to be crystal clear on the purpose, outcomes and the process. As this is the first time the group comes together, they will be looking to the facilitator to provide direction and structure to the meeting.

1. MEETING PURPOSE – MAKE THE PURPOSE OF THE MEETING CLEAR

Be very clear about the purpose of the meeting—explain value chain concept, get buy in for an idea, evaluate your current supply chain, identify opportunities, etc.

2. PARTICIPANTS

Keep the numbers of participants to fewer than 10 and invite those in senior positions in each business. Participants should be open to hearing new ideas, be willing to provide open, honest feedback and be a good spokesperson to take the message back to other business executives. Invite only those who would potentially be involved in the value chain at this point—avoid including outside observers.

3. CONTACTING PARTICIPANTS

Personal contact, followed up by a letter or e-mail, is always the best way to extend the invitation. It provides the opportunity to briefly explain the context and purpose for the meeting. After contacting participants, allow time for them to think over the invitation before requesting a confirmation of attendance.

4. MEETING LOCATION

Choose a convenient, neutral, private location where all participants can sit around a table with comfort. It’s important that there’s room for everyone at the table and that participants can easily see each other. You’ll also want room for a flip chart or white board to record ideas.

Providing refreshments sets a comfortable tone. If participants don't know each other, you may want to use name tents on the table for the first meeting.

5. CHAIRPERSON

The facilitator should chair this meeting.

6. AGENDA

It's important that an agenda be circulated to participants beforehand. This allows participants time to gather their thoughts before the meeting and be prepared for a full discussion. Make sure to include details in the agenda like start and stop times, name of facilitator, names of all participants, topics for discussion, etc.

The meeting should be no more than three hours in length and, as facilitator, you will need to adhere to timelines strictly. The meeting will be most productive if there is a lot of opportunity

for participants to provide comments, ask questions and discuss among themselves. An agenda that is primarily presenting information will not engage participants or encourage their feedback.

7. MEETING NOTES

During the meeting, make sure that key points are recorded on a flip chart so everyone can see what's been recorded. It provides an opportunity for people to correct any inaccurate notes, as well as providing a tracking of discussion. Check frequently with the group to ensure the notes are accurate and complete. Circulate a summary of meeting notes to all participants afterwards, allowing them the opportunity to correct any inaccuracies.

8. FOLLOW-UP

At the end of the meeting, pose a question about whether participants are interested in pursuing the idea further. Be sure to let participants know at the beginning of the meeting that you'll be asking the question later. Also let people know what some next steps might be. Allow people the opportunity to go away and think about their further participation and take the idea back to others in their business. Within a few days of the meeting, contact participants to get a sense of their interest in continuing value chain discussions.

USE THE CHECKLIST, "FIRST MEETING AGENDA," ON THE NEXT PAGE TO ENSURE YOU DON'T MISS ANY STEPS.

FIRST MEETING AGENDA

Use the following as a checklist for your first meeting or the first few meetings. You may not be able to get commitment or assign roles until later.

1. INTRODUCTIONS

- Have participants introduce themselves and provide a synopsis of their business and their role in the business. Ask each person to outline what they'd like to achieve at the meeting.
- Record each person's expectations on a flip chart. At the end of the meeting, the group can review the list to see if they met everyone's expectations.

2. PROVIDE BACKGROUND

- One or two people can provide some background to the project, what's been done to date and what the next steps are.

3. PURPOSE OF MEETING

- Once some background has been provided, outline what is hoped to be achieved at this meeting and what decisions the group may be making.

4. DISCUSS THE OPPORTUNITY

- Get participants' view of the opportunity, ask what additional information they might have about the market, etc., and how they might contribute towards the project.

5. OUTLINE THE VALUE CHAIN APPROACH

- Once the opportunity is outlined, it is a good time to discuss value chains and how they differ from traditional supply chains. Discuss success factors, risks, responsibilities of each member, etc.

6. ASK FOR LEVEL OF INTEREST SO FAR

- Get a sense from participants their level of interest in proceeding further with discussions and plans to form a value chain. Ask each business to identify what's attractive about this opportunity and what barriers they see. The group may be able to answer or address the barriers at this meeting, or more likely, these will be addressed at subsequent meetings.

7. ASK FOR COMMITMENT (OR GIVE EACH BUSINESS TIME TO THINK THE IDEA OVER)

- Confirm a timeline for each business to indicate their level of interest and what resources they are willing to commit to continue planning.

8. OUTLINE VARIOUS ROLES AND COMMITMENTS NEEDED TO PROCEED

- Name a project leader if there is a commitment to proceed.

9. OUTLINE NEXT STEPS

- Identify the next steps in the process.

Note: At the first meeting you may not be able to get commitment or assign roles.

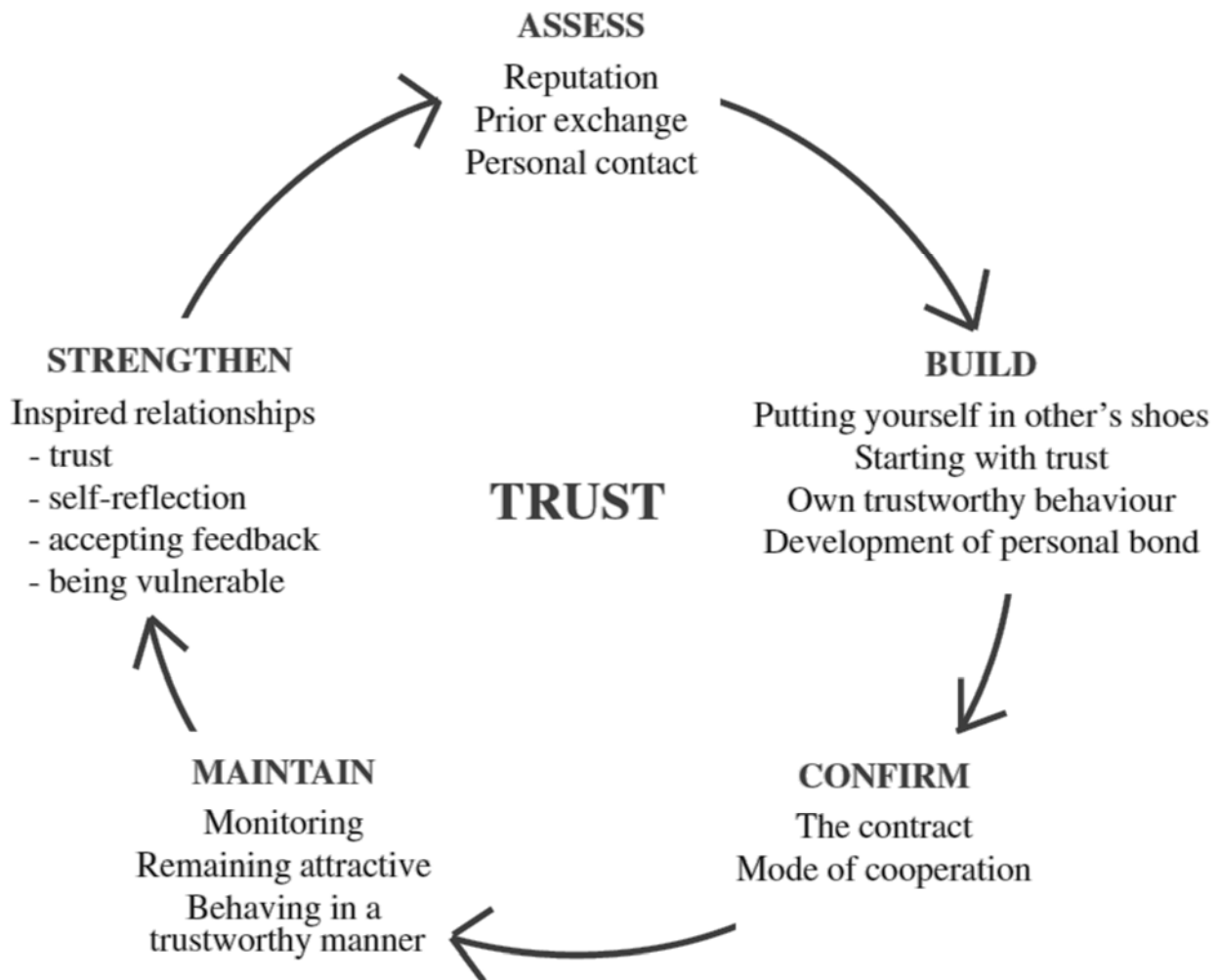
BUILDING RELATIONSHIPS

Strong business relationships are key to the success of any value chain initiative. Building and maintaining these relationships takes time, effort and some skills. This section provides information, techniques and tools to help build these relationships. This section is useful for individuals who will be facilitating discussions—it could be a member of the steering committee or an outside facilitator. It's also useful for business partners to review, to assess their contributions towards building a strong team and identify areas where the business partners may need to make changes.

CHARACTERISTICS OF STRONG BUSINESS RELATIONSHIPS

TRUST

Trust is developed as we get to know and understand our business partners and their actions become predictable. Trust is built through reputation, past experience, behavior and keeping commitments. It generally develops in five stages: assess, build, confirm, maintain and strengthen.



From: "Building Trust in Alliances," Pricewaterhouse Coopers LLP, October 2000.

CHARACTERISTICS OF STRONG BUSINESS RELATIONSHIPS

- Confidence in business partners
- Cooperation among business partners
- Previous experience with business partners on which to base trust
- Sufficient personal experience with business partners in order to assess trustworthiness
- Viewing business partners as an integral part of the team
- Being able to rely on business partners to deliver products and services on time
- Sharing of valuable market information with business partners
- Sharing of best practices among business partners
- Commitments by business partners met—attend meetings, return calls, complete tasks.

DECISION-MAKING PROCESSES

You will need to work out a decision-making process that's perceived as fair by all and with clear direction on who's responsible for making which decisions.

- Before having discussions on decision making, create several scenarios that represent typical decisions that will need to be made by the value chain.
- Each business responds to the scenario with how that decision would be handled in their business, who would typically make the decision, with whom they would consult and how long it might take.
- Have each business describe their decision-making process – ensure no judgements are made about each business's process. Draw a picture or make quick notes, for everyone to see, of each process.
- Now as a group, begin to talk about what similarities they see in the processes and what differences.
- Have the group design a process that will work for the chain as a whole—this will be a combination of each business's methods. It will need to meet everyone's needs, as well as serve the value chain well.
- After you have agreement on a process, have each business identify what they will need to change or adjust about their system to make this work.

INTERDEPENDENCE

Interdependence is achieved by identifying what each partner needs from the chain to remain committed.

- Spend time finding out each party's interests. Do this regularly both at meetings and between meetings. You may want to end each meeting by going around the circle and each person contributing.
Here's what we're going to do to build/support the value chain and here's what I need to see from others to remain committed.
- While checking in with participants between meetings is a good way to build rapport and get a sense of what's going on, there are a few cautions:
 - The goal is for chain members to be interdependent, not dependent on the facilitator, so it's important that all issues get aired and resolved by the group. Acting as an intermediary, or smoothing over disagreements between meetings, may be doing the group a disservice in the long run.
 - If a group member expresses dissatisfaction with another member's actions, the facilitator's role is to encourage the member to bring the issue to the table, or to speak directly to the other member. The facilitator can also help the member clarify and reframe the issue and prepare them for possible reactions.
- Keeping members focused on the long-term goals—despite small setbacks or annoyances—is a good “between-meeting” strategy.

COMMITMENT

Each partner must make commitments of time, effort and money.

- When action plans are being designed and agreed to, make sure that all partners are contributing their fair share. Some partners will have money and equipment while others will have expertise, manpower, industry contacts, etc.
- Ensure action plans use “commitment” language such as, “We will complete the survey by October 15,” rather than “We'll try to complete the survey...”
- As commitments are being made, ask partners what difficulties they might have in meeting that commitment. Ask if anyone around the table could assist them in meeting the commitment.
- The group should also discuss what will happen if commitments aren't met.

COLLABORATION TIPS

One of the keys to building relationships with partners is demonstrating listening skills. Really hearing what your partners are saying builds trust. Here are some tips and examples to demonstrate that you're listening.

1. LISTENING ISN'T THE SAME AS AGREEING.

Practice summarizing and feeding back messages, even when you don't agree. Stay neutral—you'll have a chance to provide your opinion later.

GIVING FEEDBACK

For example: So, it sounds like in order for this to work for you, it would be important to have some delivery guarantees in place.

2. FIND AND ACKNOWLEDGE THINGS YOU AGREE ON RATHER THAN FOCUSING ON DIFFERENCES.

To build trust and a common purpose, draw out those things partners agree on first. Sometimes it may be a principle that everyone agrees on, rather than a practice or action. Early in the process (or by the end of the first steering committee meeting), draw up a list of the principles and actions on which the group agrees.

FINDING AGREEMENT

For example: It sounds like we all agree that commitment is important for this to work. Exactly what commitment looks like will need to be worked out.

3. AVOID USING "BUT"

Avoid using "but" because it contradicts what was said before. Try inserting "and" instead.

USING "AND" NOT "BUT"

Instead of: We agree that commitment is important, but I can't see us putting in that much money at the start.

Try: We agree that commitment is important, and it will also be important for us to look carefully at how much money we can put into the start up.

4. ASK QUESTIONS TO UNDERSTAND.

When partners talk about actions or practices that impact them negatively, rather than defending or explaining, use questions to understand where they're coming from. It's through deepening your understanding of their concerns that creative solutions and long-term relationships develop.

ASKING QUESTIONS

For example:

- Tell me more about how that impacted you.
- What was it about that made it difficult for you?
- What would you have needed to improve the process?

5. GET AGREEMENT ON PRINCIPLES BEFORE MOVING AHEAD ON ACTIONS.

This is an important step because when the group gets bogged down in details and disagreements about actions, they can focus back on the agreed upon principles, and it can help get discussions back on track.

GETTING AGREEMENT ON PRINCIPLES

For example:

- The value chain must benefit all partners
- We agree to open and honest communication
- All partners at the table have equal power
- We're committed to making the value chain succeed.

METHOD FOR PLANNING SESSIONS

(DEVELOPING GOALS, OBJECTIVES, MEASURES AND ACTION PLANS)

CREATE A VISION

Ask the group to look ahead five or ten years.

Ask the group one of these two questions:

- What would a functioning value chain look like five years from now?
- If you were successful at implementing the value chain, what would the industry and your place in it look like?

On a flip chart, write the words and phrases the group generates. Summarize and come up with a composite picture. Each partner will have a slightly different view or angle of the picture. The whole group doesn't need to agree on everything.

WHAT NEEDS TO CHANGE?

Ask what needs to change to make the vision reality.

Ask the group what would need to happen in the next five years to make this vision a reality. What would there need to be more of, less of and what does the group need to start doing and stop doing? Smaller groups usually generate good discussion around these. Give each group one or two topics (i.e., What do we need to do less of? What do we need to start doing?), and ask them to record their ideas on a flip chart and share with the larger group.

WHAT IS MOST IMPORTANT?

Ask the group to set some priorities for action.

Once you've created a clear, concise list of what needs to change, move the group towards setting some priorities for taking action. There are several ways to do this:

1. Give everyone three or four colored stickie dots—each color represents different points or weight (i.e., everyone is given 16 cents: red dot =10 cents, blue=5 cents and yellow = 1 cent). Each person places their "votes" where they think the group should put their energy.
2. Ask the group to classify each action into one of four categories:
 - Quick wins (doesn't take too much energy and will make a significant contribution)
 - Short term (can be completed in the next 6 months)
 - Medium term (can be completed within the next 2 years)
 - Long term (will take more than 2 years to reach)

Now have the group choose priorities from each of these categories.

3. Explain the use of the four-quadrant model to prioritize actions. Divide actions from above into one of four quadrants in the table below, identifying those actions that will have a lot of impact on the goal to form a value chain and actions that the group has a lot of control over.

Quadrant 1 High Impact – High Control	Quadrant 3 Low Impact – High Control
Quadrant 2 High Impact – Low Control	Quadrant 4 Low Impact – Low Control

The group should focus its immediate efforts on Quadrant 1 and Quadrant 3 (if the results are visible, such as demonstrating leader support). Longer term efforts in Quadrant 2 make sense. Discourage efforts in Quadrant 4 activities.

HOW WILL WE GET THERE?

Ask the group to develop an action plan.

Once the group has set some priorities, work with them to develop action plans that include specific actions, required resources, who will be responsible and a timeline for completion.

Note: Throughout this process, the facilitator should ensure that the goals are all either shared or complementary for all members of the chain.

IMPORTANT TIPS FOR BRINGING GROUPS TOGETHER

MEETING PREPARATION

- Make sure key leaders attend (same level of authority from each organization). If key leaders can't attend, postpone the meeting until they can. When inviting people and confirming their attendance, ensure they know the importance of a leader attending and that substitutes won't work.
- Get commitment about who's attending beforehand and circulate the list, along with agenda, meeting purpose, etc. There should be no surprises for anyone.
- Speak personally to each organizational leader beforehand to ensure they know the purpose of the meeting and that you understand some of their needs and concerns.
- Avoid having outside observers at meetings—limit attendance to those who have a direct stake.
- Hold the meeting in a neutral place, ensure privacy and provide refreshments.
- Keep the group size to less than 10.

MEETING SET-UP

- Create a round table (or a square table with no obvious front).
- While those from the same organization will likely sit together, try not to have adversarial partners sitting directly across from each other.
- A facilitator should ensure he/she has good eye contact with everyone.

FACILITATION TIPS

- Always let each organization speak for themselves—don't bring up things they mentioned in private prior to the meeting.
- Ensure you hear from everyone around the table on most issues—if some members are silent, go around the table and ask everyone for their input.
- After some input, and as you're writing contributions on a flip chart, summarize or paraphrase what you heard. Choose neutral terms—reframing comments that aren't neutral. For example, reframe "They didn't keep up their end of the bargain." to "You were disappointed." or "It's important to keep agreements."
- Keep linking input back to general principles—fairness, commitment, honesty, trust, etc. This will help the group develop broad parameters they want to work within. Then you can start to flesh out what each of these looks like.
- If someone dominates the discussion, summarize what you heard, thank him or her for the contribution and say that it's important to hear from everyone on this issue.
- If a conflict begins to emerge, spend time with the person who first brought the issue up. Ask probing questions to get to the interests. Avoid having the person tell a long story. Ask the following

questions. How did that impact you? What were the consequences? What bothered you most about that? What would you have liked to have happened? What would you do differently next time?

- Early on at each meeting, establish some common ground or common goals. For example, “Here’s what we’ve agreed is important,” or “Here’s what we’re all trying to achieve.” No matter where the discussion goes, you then have a way to bring it back on track. Write down the goal or common ground on a sheet of paper that can be referred to throughout the meeting.
- As you move along in discussions, keep reminding the group of how far they’ve come and the progress made. “So far, we’ve agreed that...”, “We’ve now got two goals completed...”
- Summarize discussion points frequently so the group knows they’ve been heard. Ask if you heard it right—did you miss anything?
- Stick to time allotted—don’t go overtime, unless you’ve negotiated more time and everyone agrees to stay. Starting and ending on time is a good demonstration of keeping commitments (which is key to building trust).