



INTRODUCTION

'How do we improve the livelihoods of the landless asset-poor?' is a question that the development community is struggling with. Quite often the answer lies in the adoption of income generating activities and entrepreneurial endeavours. Unfortunately, the traditional business approaches of both the NGOs and government are outdated, impractical, and, frequently, ineffective. This is because, typically, income generating activities have been focusing on skill enhancement and teaching participants to produce.

This type of instruction is dangerously obsolete for many reasons:

- The focus is on skill enhancement, typically encouraging participants to enter production, which is an increasingly untenable position for small entrepreneurs. Larger companies have the ability to work on a massive scale, producing more than a small entrepreneur can ever hope to match at a fraction of the cost. Therefore, a production-centred focus for income generating activities is simply not sustainable in a globalised marketplace.
- Skill training is typically capital intensive, requiring expenditures on machinery, factories, and raw materials to move forward. This imposes a huge monetary risk upon landless, asset-poor participants who can least afford it.
- Skill enhancement that is limited to a single product, requires large capital commitments and makes lateral mobility – moving from product to product – virtually impossible. If participants find that the activity they have been trained for is not viable, they cannot switch easily to another business. Therefore, if the product fails, so do the participants.
- 'Is there a market? 'Who will buy it?' These questions are central to any business but simply not asked, i.e., participants have committed time, effort, capital, and hope into a business venture without even knowing if people want their product. Countless income generating activities are launched, and fail simply because they have not asked these basic questions.

Income generating activities taken up by NGOs and government are stuck on a business model that has been refuted decades ago, a model in which production, finance, marketing, and human resources are equal parts.

Illustration 1 : Business models

Traditionally, participants are given limited training for the production of a single product and then abandoned, to later find their own way in the market. But according to today's thinking, marketing is not just a component, but the **CENTRAL** driving force of a business. Therefore the traditional approach must be turned on its head if income generating activities are to be successful. Participants must first develop the skills to analyse and research the market, and only then, start a business.

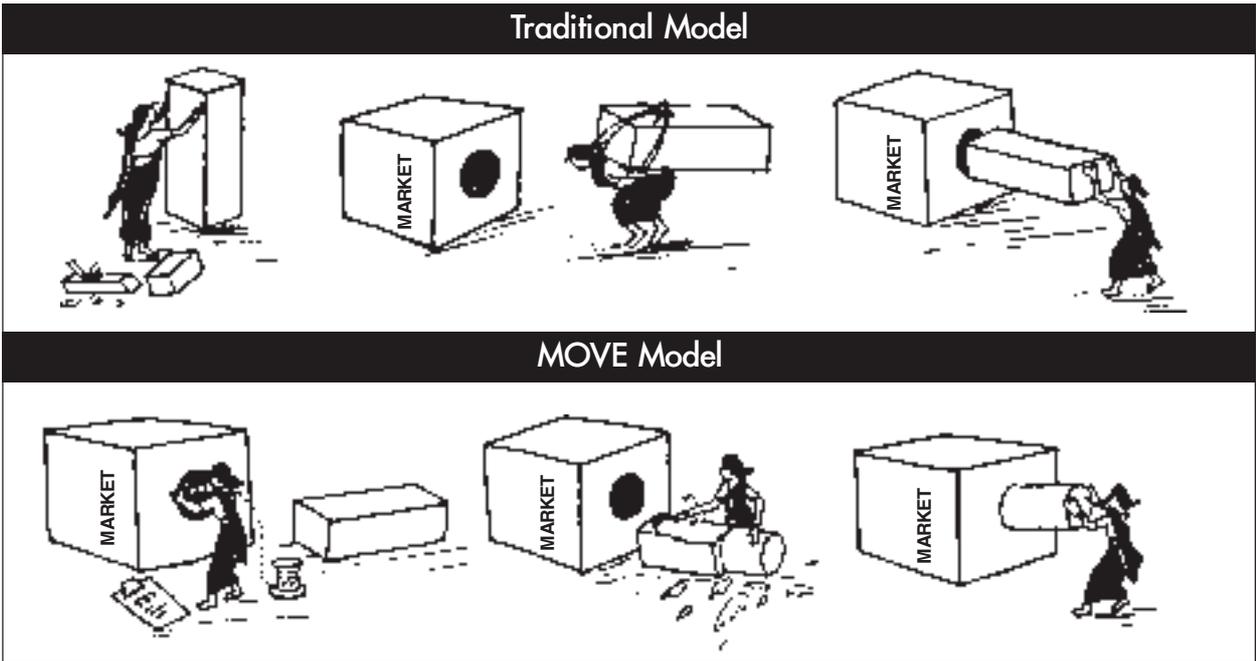


Why MOVE?

Market Oriented Value Enhancement (MOVE) is a method to approach income generating activities for the landless, asset-poor, and illiterate with marketing as the central focus.

Marketing, for our purpose, is defined as understanding the customer's needs and wants, and designing and delivering products and services accordingly.

Market Orientation is when instead of being oriented to their perceived abilities or lack of it, participants will undertake a business venture according to customer demand. The key to the process is when participants first ask, 'What does the customer want?' and then, 'How do I deliver it?'



Value Enhancement is the process of continuously evolving new products and services to cater to customer needs and demand. By adding value to products according to the customers' wants, entrepreneurs can serve specific market niches that larger producers cannot cater to.

This approach solves many problems:

- By conducting thorough market research first, income generating activities are more likely to succeed. Participants estimate market demand, gauge possible sales of a given product, identify market segments to target, and THEN begin business. Not only does this method make success more likely in the long term, it results in a greater likelihood for immediate success in the short term. Training and education builds the participants capacities to enter the market, but nothing reinforces their confidence like the first experience of turning over a profit.
- With the emphasis being on marketing rather than on a specific product, adaptability to the marketplace is built in. Hence, participants are trained to be more than just skilled labourers – they become entrepreneurs. If income generating activities are like teaching participants to memorise a single poem, MOVE is like teaching participants to read. In short, they develop the skills to navigate the market, no matter what form their business may take. If one product proves to be unsuccessful over time, they have the skills necessary to identify demand and switch to another product.
- Though the poor and landless may not have the resources to compete with large scale production, they have one key advantage over large corporations: the possibility of a direct connection to the customer. As big players rapidly work on a larger and larger scale, they are less able to cater to the specific needs of diverse market segments. Participants can capitalise on this advantage by catering to the customers needs in any number of ways:
 - By delivering products to their doorstep in remote villages, and thereby adding value to existing products (for e.g., by adding embroidery to clothes)
 - By tailoring products to the specifications of the customer (for e.g., providing milk with varying fat content to different customers).

The purpose of this manual

This manual is a practical guide for community organisers to replicate the MOVE process, which begins with motivation, progresses to general business concepts, market research, and finally the formulation of a business. By the end, participants should be empowered to enter the market confidently as independent players.

Market analysis is commonly perceived to be the monopoly of experts, but through innovative tools, MOVE has opened up possibilities for the illiterate to understand the market. Complex business concepts are communicated through methods that have been tailored for an illiterate audience. Every step of the MOVE process is driven by the knowledge of the participants and every step forward is based on decisions the participants have made. Therefore, the modules are designed for participants to share what they know, expand

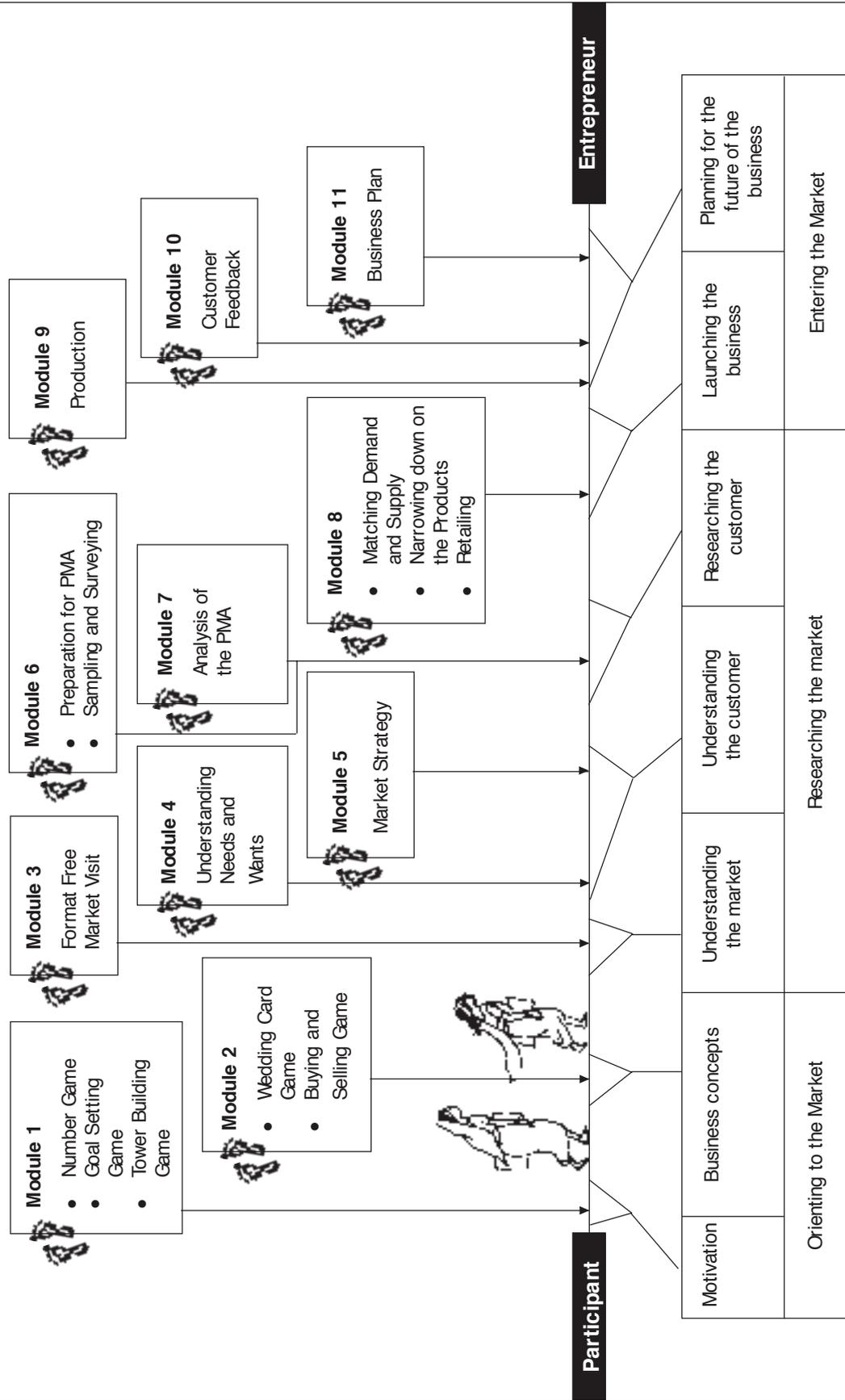
their knowledge base, and move forward based on what they have learned about the market and potential customers.

Each module in this manual articulates the goals of the session, the link to the entire MOVE process, followed by detailed step by step instructions and case studies. The instructions provide a guide and the case studies illustrate a variety of approaches and outcomes. The process will vary widely across many different contexts, and deviation from the text is entirely expected. Trainers using this manual should make any modifications necessary so the module is relevant, occurs in a timely fashion, and most of all, so the primary lessons are imparted.

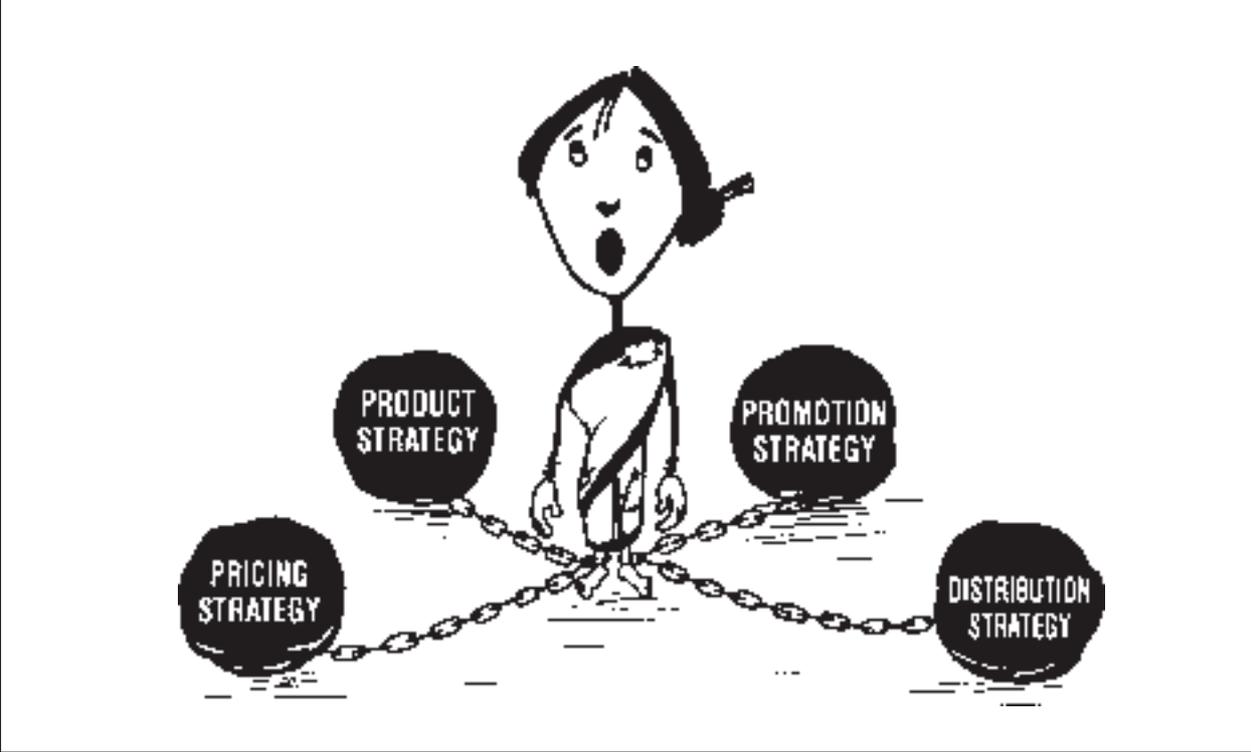
The MOVE process is about a single idea – i.e., the customer-centric approach to business. By focusing on the demand of the market and the needs and wants of the customers, participants can enter the marketplace as confident and independent entrepreneurs. Most importantly, it provides a real alternative for improving the livelihoods of the poor.



Chart 1: The MOVE (Market Oriented Value Enhancement) Path



Without knowledge... Business is a complicated burden



With knowledge... Business will take you places!

