

Using a **Brands** Strategy to Support Scale

September 28, 2011



FIELD

at the Aspen Institute

Advancing microenterprise through knowledge and innovation

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Using a Brands Strategy for Scaling Business Development Services:

A Case Study of the Appalachian Center for Economic Networks

Introduction

Microentrepreneurs know intuitively that their path to business success depends on growing their markets. For many of them, that path has meant moving from very local markets to more regional and even national markets. It means finding new channels to reach customers face-

to-face, virtually or through intermediaries. Microenterprise development organizations (MDOs) have long worked to help entrepreneurs master their marketing challenges. An early demonstration on access to markets strategies, funded by the Charles Stewart Mott Foundation, found that MDOs work to connect entrepreneurs (the supply side) with more customers (the demand side) using three broad strategies.

About this Research

This case study is part of an ongoing research project by FIELD that examines how U.S. microenterprise development organizations (MDOs) can scale up their Business Development Services (BDS) in order to serve many more microentrepreneurs, and to serve them effectively. In this project, BDS is defined as non-financial resources, including, but not limited to, training and technical assistance, which microenterprise organizations provide to help entrepreneurs start and grow their businesses.

This BDS research project is supported with funding from the U.S. Small Business Administration's PRIME (Program for Investment in Micro-entrepreneurs) program, as well as with funding provided by the C. S. Mott Foundation and Giti Foundation in support of FIELD's Scale Academy for Microenterprise Development.

- ▶ They work to create or improve the *capacity* of the entrepreneurs or suppliers by helping them overcome key barriers that restrict their access to the larger marketplace. They provide training on basic marketing concepts and help entrepreneurs develop marketing plans. They help them understand and meet regulatory requirements, especially with respect to health and safety issues. They offer guidance on product development and, in some cases, through incubators, provide space and equipment for efficient production.
- ▶ They work to create *venues* where entrepreneurs and customers can meet. They develop and support farmers' markets and other marketplaces where clients can display and sell their wares. They help set up and operate trade show booths. They have helped clients set up e-commerce

- Share ACEnet Case Study
- Allow ACEnet to Comment on Conclusions
- Hear about your Brands Strategy Experiences



Special thanks to the
**U.S. Small Business
Administration,
Citi Foundation, and
Charles Stewart Mott
Foundation**

<http://fieldus.org/Webinars/index.html>

Guest Today



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Leslie Schaller

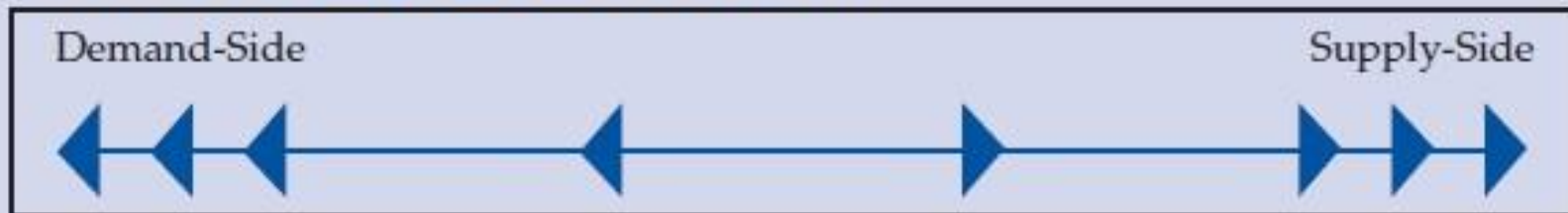
Director of Programming
Appalachian Center for
Economic Networks (ACEnet)



Access to Markets



ATM Strategies Continuum



<i>Creating Transactions</i>	<i>Creating Venues</i>	<i>Creating Capacity</i>
*Social Business Operator *Sales Representative	*Market Channel Developer *Consumer Educator	*Resource Provider *Product Developer *Trainer *Advocate

What is a Brands Strategy?



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Increases market awareness and sales for entrepreneurs that operate under brand



- Poll



Poll

Study Questions



- Potential for Scale?
- Understanding the challenge for MDOs of managing a brand



Three Brands



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The logo for 'Food We Love' is an oval shape with a dark blue background. The word 'Food' is in a white, serif font at the top, and 'We Love' is in a white, cursive font at the bottom. A stylized green leaf is in the center.

**Buy local
food first**

from the Ohio Hills



FWL Components



- Product Development
- Product Placement
- Marketing and Consumer Education
- Quality Control



FWL Results



- High Growth For a Few Producers

-  # of Entrepreneurs Under the Brand—54 in 2010

-  Sales Figures: \$ 6 mm in 2010



Milk the Way it Used to Be.
snowvillecreamery.com

Art of Ohio



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The screenshot shows the Art of Ohio website homepage. At the top left is the 'art of ohio' logo. A navigation menu includes 'HOME DECOR', 'ART', 'GIFT SETS', 'FASHION', 'ARTISTS', and 'ABOUT US'. The main banner features a wooden chest with the text 'quality regional goods for your home or office'. To the right, there are sections for 'Additional Resources & More Information [Click Here]', 'Regional Galleries' (with a 'click here' link), and 'Artist Audio Stories' (with a 'Listen to their story' link and a microphone icon). Below the banner are four category tiles: 'home decor' (a vase), 'art' (a red mandala), 'gift sets' (a gift box), and 'fashion' (a necklace). On the right side, there is a 'featured items' section with an abstract painting titled 'Crusade' by Deborah Abbott, priced at \$750. At the bottom, a text block provides information about the 2008 Artist Directory, including contact details for Paulette Halliday.

art of ohio

HOME DECOR ART GIFT SETS FASHION ARTISTS ABOUT US

quality regional goods for your home or office

Additional Resources & More Information [Click Here]

Regional Galleries
[click here](#) to submit your gallery hours, location, and exhibit information

Artist Audio Stories
Listen to interviews of Art of Ohio artists aired on Public Radio Stations:
[Listen to their story](#)

home decor art gift sets fashion

featured items

Abstract #00041 - "Crusade"
DA010 Deborah Abbott.
Abstract #00041 - "Crusade". \$750

<P>Art of Ohio's 2008 Artist Directory is now available online. The Directory is an online resource for Art of Ohio artists who also do commissioned work, give tours or instruction. Regional galleries are included with website and contact information. To have your gallery listed, or if you would like to become an Art of Ohio artist and be listed in the directory, contact Paulette Halliday at 740-592-3854 or email at pauletteh@acenetworks.org. To download the current Artist Directory [click here](#).

Art of Ohio Components



- Quality Control/Vetting
- Common Market Channel
- Limited Fulfillment Function



Art of Ohio Results



- By 2007, 156 artists participating
- Over \$90,000 in product sales in 3 years through the site
- Partnership developed with Hocking College to provide “The Business of Art” training to area artisans



30 Mile Meal



30 Mile Meal Results



- 130 Participants
- 30 Mile Meal Month
- Increased Sales to Restaurants by at least 20 producers





Can a brands strategy scale?



Maybe... Growth in clients,

but only 18% are brand participants

And yet Brands can...

- Keep entrepreneurs connected
- Attract aspiring entrepreneurs

What Roles should an MDO Play?



- market ready product development;
- facilities for safe food manufacture;
- marketer and consumer educator;
- broker;
- distributor;
- E-commerce retailer.

How Broad or Narrow?

- How many types of producers or products can one brand have?
- How many brands can one MDO support?



Earning Potential?



- Fully Cost Recoverable?
Probably Not
- Earned Income Strategy?
Yes, With Planning



Where to Start?



- Critical Mass
- Core Agreement



What to Expect?



- There's a Limit
- Pipeline Counts
- Success Breeds Competition



What is Success?



- Product Quality & Consistency
- Able to Meet Demand
- Value to Consumers & Positive Return to Brand Participants



Success?



Product Quality and Consistency	+	+	-
Meet Demand	+	+	?
Value to Consumers, Positive Returns to Pax	<p>+</p> <p>for Producers (34 to 52, \$6M sales)</p> <p>-</p> <p>For ACEnet</p>	<p>TBD:</p> <p>130 Pax</p> <p>20 farmers report gains</p>	-



Questions?



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Download

FIELD (Microenterprise Fund for Innovation, Effectiveness, Learning and Dissemination)

<http://fieldus.org/Publications/ACEnetProgNotes.pdf>



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The Aspen Institute

One Dupont Circle, NW, Suite 700

Washington, D.C. 20036

(202) 736-1071

E-mail: fieldus@aspeninst.org

<http://www.fieldus.org>