



Sales agents - key players in the value chain

The common perception of the sales agent is as a monopolistic buyer who pays the lowest possible price for the produce of the poor and then reaps high margins from the sale of the produce to consumers or other commercial actors. This idea has been supported by fair trade organizations and NGOs that consequently program to circumvent the middleman to offer increased profits to poor producers.

While it is indeed often the case that middlemen are in a position to exploit poor producers, MEDA suggests that rather than eliminating the sales agent, there is value in working with them and fostering their key role within a value chain. Sales agents not only create valuable linkages to markets, but they can also be important agents of growth and empowerment through the provision of embedded services and increased information flows.

Since 2004, Women's Economic Development (WED) has focused on developing value chains in poor and/or conflict-affected countries, by identifying mobile women to become intermediaries. Female sales agents purchase products from women producers and sell these to retailers and other buyers in higher-value markets. As part of the transactions, the sales agents embed product information, quality control and market demands into their sales services to improve the quality and productivity of the product offering. These embedded services contribute to the win-win aspects of a thriving value chain where higher quality products reap higher compensation and satisfaction at each stage.



Women sales agents are key to strong, inclusive value chains

Reaching homebound women

In many parts of the world, socio-cultural norms, particularly in rural areas, contribute to the marginalization of women. In Pakistan and Afghanistan, the traditional practice of 'purdah' confines women to their homes and community thereby isolating them from the larger society. Homebound women are unable to interact with markets and have diminished employment opportunities, thereby preventing their contribution towards household income.

WED has successfully reached thousands of these women through an adaptation of the middleman concept – in the form of a culturally-acceptable women sales agent model. These women, through tradition or circumstance, have more mobility and provide the vital link between the homebound woman and an improved market system.





Strategies

Marketing support. WED includes extensive market research and training in its program design so that these blossoming entrepreneurs understand current market dynamics and the influences affecting price points and buyer demand. Women sales agents are linked to buyers and are supported in the early stages of relationship-building with their buyers to better establish and strengthen the connection.

Financial services. Effective and sustained commerce requires access to capital. At the producer level, WED fosters and encourages informal savings groups as an introduction into financial services meant to support business activity. At the sales agent level, WED facilitates the training and integration of the women entrepreneurs into more formal financing arrangements. These could include typical microfinance loans from a microfinance institution, or could be more creative value chain finance arrangements such as advances, inventory credit or supplier discounts and third-party credit transactions.

Association building. WED integrates effective exit strategies into all its program designs. Association-building is one such exit strategy that is gaining momentum amongst the sales agents developed in some of the projects. Associations allow the sales agents to continue to leverage their numbers to access advantages for all members such as group marketing, event-planning, bulk buying, and government advocacy.



Sales agents help integrate homebound women to markets

Since 2004, WED has focused on developing value chains in several countries by identifying mobile women to become intermediaries. Female sales agents purchase products from women producers and sell these to retailers, wholesalers, and other buyers in higher-value markets. As part of the transactions, the sales agents embed product information, quality control and market demands such as contemporary designs, species selection and grade of produce, yield increase tips, packaging information, etc. into their sales services to enhance the product offering. These embedded services contribute to the win-win aspects of a thriving value chain with higher quality products produced for higher compensation. Customer satisfaction is assured at each stage, and the women are valued and respected market participants.



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