

# Training owner/managers of small and medium agri-food enterprises (SMAEs) in Tanzania

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*This article looks at the training methods and the training materials used to increase the business management and technical processing competencies of owner/managers in small and medium agri-food enterprises in Tanzania. Adapting training methods and materials requires an in-depth understanding of owner/manager training needs and how these can be appraised and diagnosed. Common training needs assessment (TNA) methods were adapted to three workshops that did not overtly address a TNA, but were organized to covertly address a TNA. The results of this method provided for considerable and in-depth insights into adapting training methods and materials to suit the social and cultural context. The focus was on enabling and empowering owner/managers to be co-trainers, building on their knowledge, attitudes, skills, and behaviours of doing business. This implied that the training had to be practical, interactive, tactile, experiential, highly verbal in terms of communications (the communications being socially and culturally sensitive), and use pictographic images that were socially and culturally sensitive. The results of this training programme showed that owner/managers increased their competencies in terms of business management and processing techniques, but also provided for increased distributional networks and increased sales and revenue. The basic tenet is: prepare and implement training programmes with owner/managers and not for owner/managers.*

**Keywords:** training, small and medium agri-food enterprise development, owner/managers, business management and processing, Tanzania

THE TRAINING PROGRAMME THAT took place for owner/managers of small and medium agri-food enterprises (SMAEs) was set in the context of a successful FAO project: Food Systems Development in the United Republic of Tanzania, funded by the Ministry of Agriculture of Germany, and run from the beginning of 2010 until the end of 2013. The project intended to improve the capacity of public and private organizations and food chain actors to coordinate, plan, and support food chain and business development in the rice, maize, edible oils, and red meat sub-sectors in the Southern Highlands of Tanzania. To achieve the above outcome the project had five outputs:

- sub-sector-specific strategies and priorities identified;
- public–private sector coordination and capacity strengthened;
- best practices for new market mechanisms promoted;

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- food-chain innovation capacity strengthened;
- strategies to improve capacity utilization of agro-processing facilities identified.

The training of SMAE owner/managers was set in the context of the final output: *strategies to improve capacity utilization of agro-processing facilities identified*. This output among its many activities considered improving capacity utilization and competitiveness of SMAEs operating in the rice, edible oil, maize, and red meat processing sub-sectors.

## Introduction

The initial phase of the training programme involved identifying a number of SMAEs and their owner/managers that were processing rice and maize as well as pressing oil seeds and other crops for the production of edible oil. (Red meat processors were considered for this training programme, but it was seen that the particular nature of the commodity [red meat] could not be incorporated into training with rice, maize, and edible oil processors.) In this context collaboration was sought from the Ministry of Agriculture, Food Security and Cooperatives (MAFSC), to help identify SMAEs that could be a representative sample of the typical SMAEs found in the Southern Highlands. The owner/managers of SMAEs identified were 24 in total, many of them were also farmers and many of the processing operations were actually sited on their own farms. The processing enterprises provided not only for their own processing operations, but also made their processing services available to local communities for their processing needs. Many of the SMAEs also provided other services, such as battery recharging services and supply of electricity services to local houses. This was an interesting aspect as many of the processing enterprises that were not connected to the grid had developed their own source of energy supply via hydraulically generated power – water mills – and could thus also provide energy to others in their local area that required such a service. (The project on this particular aspect developed a case study on SMAEs developing their own power sources and then marketing energy to local communities.)

The owner/managers were provided with a training programme composed of 13 training courses with an overall objective of building competencies in technical food processing matters as well as in business management matters.

The overall training approach taken for the training programme was a practical 'bottom-up' approach. The training programme was built around the owner/managers, their enterprises, and their local and national context. The programme considered that owner/manager trainees were the experts in their way of doing business and hence the training programme would build on this perspective. It intended to build on their knowledge, skills, attitudes, and behaviours; in other words, their competencies. Each owner/manager was considered a living case study of their own enterprise and on how they did business. Careful consideration was taken to adapt training methods, materials, and tools to the economic, social, and cultural context and realities that owner/managers were embedded in.

## Conducting the training needs assessment

A common training needs assessment (TNA) process, for example, looks at one-to-one interviews and then follow-up interviews. It was considered that following a standard TNA process may not provide the real insights that were required in developing a training programme around owner/managers. This was due to many factors, among which the typically indirect nature of verbal communication and the understandable reserve of providing information about SMAEs as well as the lack of previous relations with the project and the project trainers.

Consequently it was seen as more viable to invite the SMAEs' owner/managers to a series of three introductory workshops devoted to subject matter areas that may be of interest to them. The three two-day workshops were: 1) ICT in the context of SMAEs; 2) entrepreneurship in SMAEs; and 3) SMAE development. It was seen that the project not only had to provide these workshops to attempt to entice the busy owner/managers, but also provide additional 'motivators' to encourage them to participate. The locational motivator was used in that the workshops were held in Dar es Salaam, capital of Tanzania. It was seen that the owner/managers may be more willing to come to the capital as this also offered possible opportunities for networking and possibly finding, outside the realm of the workshop, business opportunities.

The introductory workshops were in reality a 'focus group' for the TNA, where, via observation and interaction of the owner/managers, information could be obtained for preparing the training programme. Two of the project trainers were embedded in the workshops as facilitators so they could facilitate the 'focus group' by encouraging discussions, observing and recording useful information on the training needs of owner/managers. It was seen that this would provide information on the *real* training needs of owner/managers.

Each of the workshops was organized with a series of guest speakers who presented aspects related to ICT in SMAEs, entrepreneurship, and SMAE development and considerable time within these workshops was devoted to question and answer times as well as discussions on defined points of the presentations. Project facilitators moderated these sessions and were able to effectively ascertain information on training needs. The majority of information on training needs was ascertained in the third workshop devoted to SMAE development. By this time the owner/managers of the SMAEs had become more familiar with the project, found themselves more in their comfort zone, and had initiated a relational process with the project facilitators.

The results of the TNA were as follows:

- developing business strategies and plans;
- how to start a new business;
- marketing management skills;
- capital acquisition and skills for capital acquisition;
- cooperative/group or business partnerships;
- business record keeping;
- for specific crops, increased agro-processing and management skills;
- marketing research and information acquisition;
- awareness of agro-industry policies;

- knowledge and skills on lobbying and advocacy;
- produce and food product quality assurance;
- networking and cooperation mechanisms;
- produce and food product storage;
- business registration and taxation;
- knowledge and skills on investments.

Of interest and pertinent to the TNA, owner/managers also expressed what they thought were barriers and challenges. These were:

- productivity is low compared with market demand;
- unfavourable government policies, declarations, and crop taxation;
- unfavourable and limited funding in the sector;
- lack of capital;
- bureaucracy in financial organization;
- unassured and fragmented market for produce;
- poor agricultural infrastructure to support agri-entrepreneurs;
- competition with imported food products;
- low prices of produce and food products;
- export bans.

### **Training programme preparation**

In developing the training programme there were particular aspects to consider in terms of its intended outcomes and impacts. It was realized that simply providing adapted training methods and materials in a commonly top-down training setting would far from suffice to increase the competencies of owner/managers. The training programme needed to build on the owner/managers themselves and make them 'co-trainers' of the training programme. Owner/managers were not only seen as having plenty of knowledge and experience to share, but could also provide interesting cases (stories) that could be amply used and discussed in training settings. Consequently the training methods and materials needed to be highly realistic, tactile, experiential, practical, interactive, and enable considerable verbal communication, as well as provide pictorial aspects. This of course would involve an accent on communications and communications that were in the comfort zone of owner/managers.

Hence it was decided to build the training programme around these fundamental aspects:

- trainees as co-trainers;
- practicality;
- tactile;
- experiential;
- interactive;
- verbal communications;
- socially and culturally sensitive communications;
- pictographic images that were socially and culturally sensitive.

A training programme structure was defined and shared with the owner/managers. The final training programme that resulted was a 13-course training programme. Each training course would last for two days with flexibility to extend to a third day.

The training programme was as follows (the main subject matter is shown in brackets):

- *Training course 1.* Should I change the products that I process? Which products to process? (*Marketing research and food product analysis*)
- *Training course 2.* How should I plan my enterprise? (*Location of SMAE, layout of SMAE, SMAE equipment and materials, and SMAE staffing*)
- *Training course 3.* My products (*Processed products for selling, processing as a service to others, other products, product hygiene, safety, quality and product price*).
- *Training course 4.* Purchasing farm produce to process (*Input supplies, materials, and inventory management*).
- *Training course 5.* How to process? (*Processing management for rice, maize, and edible oils*)
- *Training course 6.* Where do I get the money from? Part 1 (*Accounts, finance, credit and savings*)
- *Training course 7.* Where do I get the money from? Part 2 (*Accounts, finance, credit and savings*)
- *Training course 8.* What do I sell? How much do I sell? When do I sell? Where do I sell? What price do I sell at? (*Marketing: storage, distribution, prices, and selling*)
- *Training course 9.* What laws and rules do I need to follow for my enterprise? (*SMAEs policies, laws, regulations, licensing, and taxes*)
- *Training course 10.* I need more money (*Business plans and business planning*).
- *Training course 11.* How can I form a partnership? (*Linkages, relationships, and networks: SMAEs associations*)
- *Training course 12.* My value chain (*Input suppliers, farmers, traders, wholesaler, retailers, and consumers: The sustainable and inclusive agri-food value chain*).
- *Training course 13.* Review of training programme.

## Composition of each training course

Training courses of the programme were organized taking into consideration the factors of owner/manager trainees as co-trainers: practicality; tactile; experiential; interactive; verbal communications; socially and culturally sensitive communication; and pictographic images that were socially and culturally sensitive.

In this regard the first step was to have trainers that were knowledgeable in verbal communications in the local context. This not only required fluency in Swahili, but also a good understanding of the forms of communication that were most appropriate to use with owner/managers and were fit for the training context. This considered conveying concept meaning, for example, not just translating them into Swahili. This required ensuring that the full meanings of the concepts were conveyed from a Tanzanian perspective so that they could be easily understood. In other words a concept such as market research, for example, was not just simply

translated as market research, but its meaning was conveyed in the context of Swahili social and cultural aspects.

When concepts were introduced to the trainees the presentation was initially done in a pictographic manner. Preparation of the photos required a carefully planned process to obtain a set of photos that would highlight the concepts and aspects of a subject matter in practical terms. The photos needed not only to be representative of the subject matter at hand, but also follow the subject matter process that was commonly used for training. For example, Photos 1–11 are not only representative of market research, but the sequence of the photos and what each photo represents follows the market research process. The common and formal market research process follows this scheme: establish the need for market research; define the problem; establish research objectives; determine research design; identify information types and sources; determine methods to access data; design data collection forms; determine the sample plan and size; collect the data; analyse the data; and prepare and present the research report. However for owner/managers a practical and field-based approach that was easy to understand was required. Hence each of the photos from Photo 1 through to Photo 11 provided for a typical field-based market research process that was usable by owner/managers. Photo 1 represents the research objective (that of observing and then surveying, via informal interviews, a market); it also provides for identifying types and sources of information and how to access the information (types of product for sale, how they are sold, stallholders, etc.) as well as the sample size to be surveyed (the market). Photo 2 provides for the data collection phase of the process by providing a more detailed observation of the market by looking more closely at the type of data/information that can be collected (nature of products for sale) and how it can be collected (via observation as well as interviewing stallholders). Photos 3 and 4 reinforce Photo 2 by providing a closer look at the variety of products for sale (data collection and data analysis), the types of products, how products are laid out for sale, and so forth. Photos 5, 6, 7, and 8 provide further data collection reinforcement, with far more detail on what products are on sale, the variety of products for sale, showing products that are packaged, the size of the packaging, and the type of packaging used. This is



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



Photo 8



Photo 9



Photo 10



Photo 11

intended to stimulate owner/managers to look for the finer details (information) of data collection and analysis. Photos 9, 10, and 11 address the types of stallholders found and what they do and how they can be approached for an informal interview.

Trainees were asked to look at the photos and then discuss them in plenary. Key points were noted down on a whiteboard by the trainers. The trainers would then encourage further analysis of each photograph. The trainers encouraged owner/managers to recount their experiences (cases) of market research and asked trainees to provide a formal presentation using training materials prepared in Swahili (PowerPoints). Trainees were then asked to prepare for a market visit. A field visit was then organized to a local market for experiential learning purposes. Here trainees were asked to collect data and information using pictographic methods as well as using observation and where possible interviewing stallholders. Once information had been collected the trainees were asked to role play the market visit and, importantly, provide the results of their findings within the context of the role play.

For each course of the training programme the same method was adopted. This involved, first, a pictographic approach, then a formal training session, preferably



conducted by a trainee, then an experiential exercise, a field visit followed by a role play of the field visit or of the subject matter under consideration. Clearly there were variations. For example when the course came to rice, maize, and edible oil processing aspects, owner/manager trainees were taken to an enterprise premises and shown how differing processing machines worked and how they could be maintained (a maintenance programme) and kept in optimal working order. On other occasions guest speakers were invited to the course, for example to talk about government policy and formalization processes.

### **Simulation exercise**

From the second course onwards, trainees were asked to create a model (simulated) enterprise. All the trainees were provided with a 'virtual budget' in Shillings and with this 'money' for the entire duration of the training programme they needed to develop a model enterprise. They were required to locate their model enterprise on a map, draw a layout of the enterprise, and spend 'money' that would be required to build the model enterprise. Trainees were asked to refer to real prices so they could deduct costs from their available budget. Trainees were then asked to actually build their model enterprises with cardboard as a small model and furnish it with all that was required.

This simulation exercise also included developing a business plan, a marketing and financial plan, and options for obtaining credit. In the last course of the training programme trainees were asked to present their model enterprises and clearly demonstrate the financial standing of it. This proved to be a very important exercise as it gave a sense of 'reality' and enabled trainees to think, consider, and compare what they could do in their own real world enterprises.

### **Results**

There was clear evidence that trainees were increasing their competencies as the training programme progressed. At the start of every course trainees were provided with intended learning objectives as well as intended learning outcomes. They were asked at the start of the course to very briefly write down in a few sentences what they thought a particular subject matter was all about. This was to be done in terms of what they knew about the subject matter (knowledge), what their thoughts on the subject matter were (attitudes), and if they thought they could carry it out in practice (behaviour and skills). Once the course was coming to a close trainees were asked to compare their own intended learning objectives and the intended learning outcomes and verify if these had been fulfilled. This was also done by reading over what had been written at the beginning of the course. At random trainees were asked to make a presentation on what they had learnt.

The final course of the training programme was devoted to presentations of model enterprises and this enabled a further verification of what had been assimilated during the entire duration of the training programme.

Trainees had assimilated considerable elements of the training programme and these were amply demonstrated in their knowledge, attitudes, skills, and behaviours as related to defined areas. The areas where the trainees felt most comfortable and increased their competencies were market research, marketing, management of the enterprise from a business point of view, staffing, quality control, obtaining credit, managing processing operations, operating machinery appropriately, maintenance of machinery, forming partnerships, and value chain management. However the trainees felt less confident in having increased their competence in terms of: accounting and finance mainly, but were also uncertain about national law and regulations devoted to SMAEs.

Moreover, trainees reported that they could immediately apply what they had learnt to their business enterprises. This provided evidence of transfer of learning. This in particular focused on marketing and forming partnerships. Six owner/managers reported that they had extended and expanded their distributional network for their processed products and had actually achieved market openings in defined markets within Dar es Salaam. One owner/manager, for example, recounted that she had made an agreement with two shops in Dar es Salaam for her processed rice and that she expected sales to increase somewhat once the relationship with shop owners had consolidated. She also recounted that if she did a good job with these two shops, other shops in Dar es Salaam may be more approachable. This all occurred during the training programme. Five other owner/managers reported that they had improved their small line of products in terms of quality and that they were considering branding as well. This to some degree provided evidence that the training methods and materials used may be effective in not only increasing competencies, but may translate into concrete benefits for the owner/managers that are 'tactile', in other words an increase in sales volumes and an increase in revenues.

The methodology employed in this training programme, being based and centred on the trainees themselves, averted much resistance to the training programme and any other attitudes and behaviours that may have stifled the smooth running of the programme. The owner/manager trainees actively collaborated among themselves as well as with trainers.

The training programme with related training methodology can be replicated as it is based and centred on trainees themselves. However context-specific matters and the specific needs of the trainees will have to be considered. It is critical that the training programme developers are familiar with the social, cultural, and economic context of where the training programme is taking place. There is also a need for a good understanding of local verbal communications and ways of conveying meaning.

In this particular case the upfront costs for developing the training programme (designing, planning, and writing the training programme, training materials, photos, etc.) were not excessive. The costs devoted to implementing the overall training programme for 24 trainees composed of 13 training courses over a 9 month period were high, and this may prove to be a barrier for replicability if at least US\$35,000 are not budgeted for the entire training programme package.

## Conclusions

The training programme development process and its implementation provided for a further accumulation of knowledge and know-how in training owner/managers in SMAEs. Locational aspects of SMAEs are important as they will define much of how the training will need to be designed and implemented, including the social, cultural, and economic context. In this training programme it was found that local context can change markedly between differing localities and these need to be considered. Owner/managers are a wealth of knowledge and information, they are the experts, and need to be not just trained, but brought into the training themselves. This will not only enable and facilitate the training design and implementation, but also and importantly enable them to share their knowledge, attitudes, skills, and behaviours in how they do business. This will be highly context specific, but at the same time will provide insights into how to better train owner/managers within their own contexts. This will also facilitate transfer of learning from the training site to the SMAE enterprise itself. The training methods adopted also have proved to be effective, especially the pictographic component, as they were tailored to the actual needs of owner/managers and importantly to their sociocultural environment. The training methods were contextual and to some degree it can be said derived from the trainees' side. Hence the lessons learnt are of value as they provide useful insights for future training design, organization, and implementation. The basic tenet is thus: prepare and implement the training programme *with* owner/managers and not *for* owner/managers.