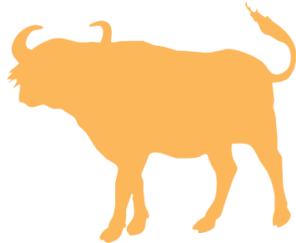


Symbiosis

The Company-Producer Co-evolution

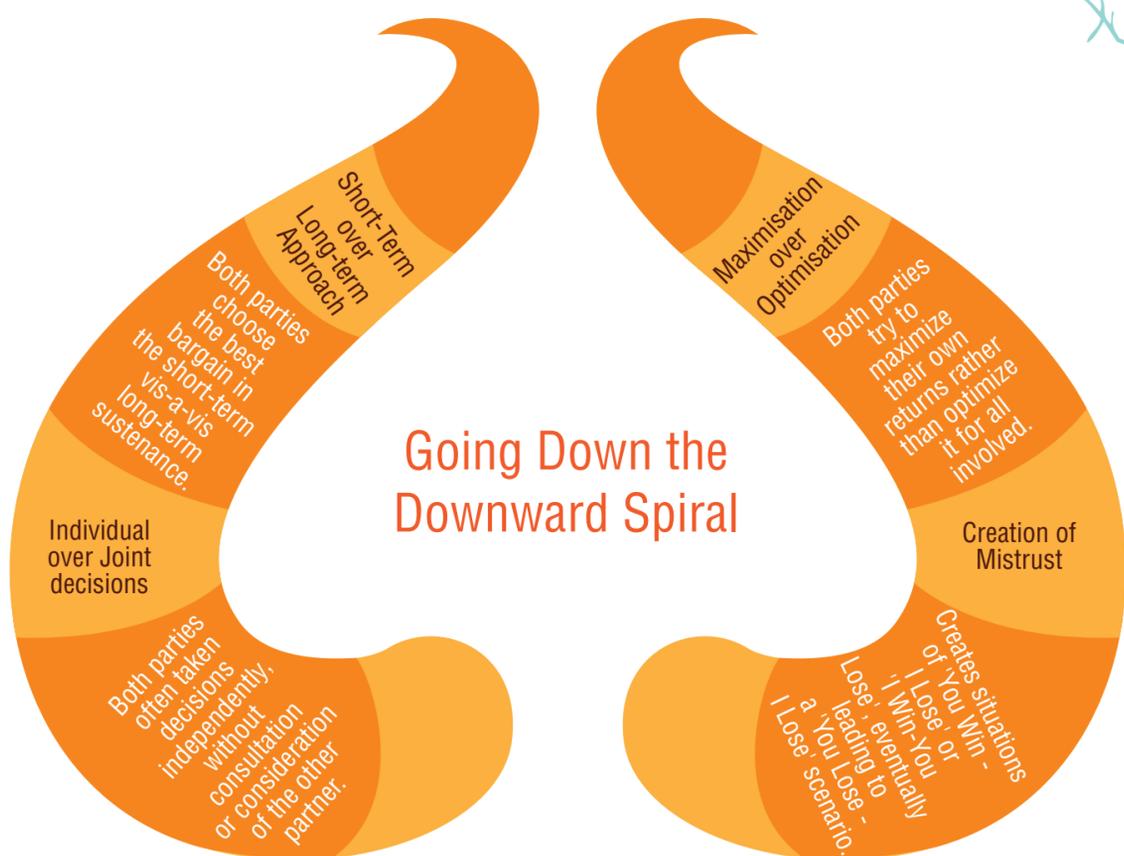
The Paradox



No one will dispute the fact that BoP (Bottom of Pyramid) presents a great business and social opportunity. No one will also dispute the fact it is very rare to create a sustainable, surplus-generating model in BoP.

Why?

Most relationships between companies and producer groups do not sustain over long-term. Because, it is a relationship that is not mutually beneficial.



Symbiotic Relationship

The only way out of this is to create a process of co-evolution in which both parties benefit and evolve together in the long-term.

This is how in nature, species have survived and evolved together.

Going up the upward spiral

Co-evolution

There are 5 levels in this co-evolution. Each level deepens the sharing of resources and returns.

Sharing Produce

Creation of a simple, formal contract that outlines terms taking into account the needs of both parties. Most often, it is about ensuring timely and quality supply of produce by the producers and a guaranteed and fixed pricing structure from the company.

Sharing Risk and Technology

This usually involves creating systems for better technology transfer through a continuous extension personnel - for sharing information, for Joint Work Plan with clear demarcation of each side's rights, responsibilities and expected rewards and for maintenance of perfect logistics system.

Sharing Resources

This usually involves provision of inputs and production services at doorstep, better access to credit and network, resulting in a perfect coordination between the company and the producers.

Sharing Knowledge

Sharing knowledge that is critical to the evolution of a group of producers into an enterprise such as knowledge related to production, value-addition, logistics managements, creation of organizational structure and governance systems.

Sharing Ownership

Similar to an ESOP program for employees, creation of PSOPs for communities have to ownership in the company and vice versa.

Outcome

Evolution

From a short-term relationship based on mistrust to a long-term, win-win relationship based on trust.

Self-reliant

Both parties invest more in the relationship and help each other grow – increasing the self-reliance of both.