

Inclusive Business CHECKLIST

Reaching the rural consumer:



Is the village entrepreneur (VE) or local franchisee the right model for your initiative?

Inclusive businesses wanting to market to low-income, rural consumers are increasingly using a village entrepreneur model for the 'last mile' of their distribution channel.

Village, or micro, entrepreneurs are often used to provide this human link to consumers whose purchasing power is low or who are difficult to reach due to inadequate infrastructure. Although this model is growing in popularity, its use does not always guarantee success. As our companion report The 'Last Mile' Challenge explains, much depends on the context in which it is deployed, and how it is applied or adapted.

Is a VE model right for you?

Carefully thinking about the perspectives of all stakeholders can help you to determine whether or not the model is appropriate, and how likely it is to succeed.

The Company: Does a village entrepreneur model make sense?

Viability

- Is the VE model suitable for the product being brought to market? If the demand is too weak, the risk to the entrepreneur too high, or the company's involvement too 'hands-off', it may not succeed.

Investments

- What kinds of investment are needed to set up the model (for example, selection, training, quality assurance or capital costs)?
- How will these investments delay the time-to-market?
- Can an existing network of entrepreneurs be used?

Flexibility

- Is the model flexible enough to incorporate the addition of new services or new geographic areas at a later date?

Inclusive Business Checklists provide a quick and simple way to determine how effective an idea, tool or model might be for your inclusive business project. They can be used by inclusive business practitioners, to develop and scale up business strategies. They are based on the real-world experiences of companies actively expanding opportunities for people at the base of the economic pyramid through their core business activities.



The village entrepreneur: Will the return be worth the effort?

Investments

- Is capital expenditure low and affordable to the village entrepreneur?
- Can the company help with initial capital costs? Can microfinance help with working capital?

Returns

- Will income depend solely on commission? Will it be too risky or too seasonal?
- How long until the break-even point? What would deliver break-even earlier?
- Is this the village entrepreneur's only income? Or, if it is secondary income, will there be enough incentive for them to bother?

Marketing

- How much promotion is required? Does the village entrepreneur have the capacity and incentive to do it themselves?
- Will the company invest in promotion, rather than leave it all to the entrepreneur?

The Consumer: Will demand drive sales?

- Does a market already exist for this product, or will one have to be created by the entrepreneur or the company?
- Is the product sufficiently strong – a daily necessity – to generate customer pull on its own?
- Where else do customers get similar services or products?
- Is there a free version elsewhere which will undermine demand?
- Can some free services be bundled in, to boost demand?

Customer Service

- Do consumers want personal contact with a sales agent?
- Will contact with a local village entrepreneur add value and drive sales?

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This Checklist is based on the work of Nisha Dutt, Business Innovation Facility Country Manager, India. More detailed analysis of the VE model can be found in our 'Inside Inclusive Business, The "last mile" challenge': www.businessinnovationfacility.org/forum/topics/inside-inclusive-business-2-the-last-mile-challenge



See also The 'Base of Pyramid Products and Services listing' within the Resource Gateway: www.businessinnovationfacility.org/forum

➔ **For further information and to view other Checklists, go to:**
Practitioner Hub on Inclusive Business: www.businessinnovationfacility.org

We welcome feedback on our publications – please contact us at enquiries@businessinnovationfacility.org