



ZAMBIAN AVOCADO FARMING ORGANISATION GENERATES NEW REVENUE STREAMS WITH SERVICE-BASED BUSINESS MODEL

CUSTOMER CASE STUDY

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Managing Director

Sector :
Agriculture (Avocado farming)

Solution :
Incorporated a service-based business model

CONTEXT

Avocado production has skyrocketed in recent years due to the rising global annual consumption of nearly 5 million tons. The global avocado market size was valued at over USD 14 billion in 2021 and is projected to reach USD 21 billion by 2027.

When we look at Kenya, it gives a sense of how lucrative avocado farming has become in Africa. With exports of avocados hitting about 68,000 tons and generating KSh14 billion (USD 128 million) for the country, Kenya topped Africa's avocado exports in 2020 beating South Africa.

A 2018 report on the South African avocado industry growth showed that 80% of domestic consumption was fresh avocados, and 20% was processed mainly oil and guacamole. The national fresh product markets are the leading channel through which fresh avocados are sold, accounting for 38% of the total domestic sales, followed by sales in the informal markets at 23%, deliveries to processors were 20%, and sales through retail supermarkets were 19%.

When Zambian farmers looked at how countries like Kenya and South Africa benefitted from the avocado industry, some began planting the avocado trees Fuerte, Pinkerton, and the internationally recommended Hass variety that has become a common avocado type found in Zambia.

The Zambia avocado industry is still unexplored and runs on a tiny scale where most farmers were informal with little know-how, thereby deriving little income. Though Zambian farmers are aware the yield of the avocado trees depends on the quality of the seedlings, the variety, proper farming methods, and climatic conditions, the Zambian avocado industry has not performed optimally due to several challenges, including not accessing international markets due to farmers not growing avocados demanded by global markets, lacking linkages and reliability of supply, insufficient sectorial organisation, marketing strategy, and inadequate understanding of quality requirements in the export market.

However, the local market demand for Fuerte, Pinkerton, and Hass is lower than that of the exotic Zambian avocado varieties. Zambian avocados have numerous advantages and enable a broad range of applications and financial incentives. They are rich in flavour, soft, mild, and have a creamy texture with high oil content, long post-harvest shelf life and come in different varieties. Still, the Zambian avocados by large haven't elevated to their full potential in quality, production, value add and availability.

Despite the inherent challenge of scarce research data on genetic variation and the number of avocado varieties available with their local naming convention, industry experts estimate Zambia has over 40 avocado species, so why limit local and international customers' choices to only a few avocado species?

According to a study in the journal, natural human behaviour, researchers at Caltech determined that somewhere between 8 to 15 is the optimal number of choices. Some may argue that fewer choices are preferable, while others suggest it depends on the decision you are making, respectively what you want to eat. Though many will probably agree to have one or two options is not ideal. This may trigger the decision-maker to search for more options, even when presented with a suitable amount of options. Often, we have too many or too few options.

Therefore, developing new strategies to enable Zambian avocado farmers to breed for variety resistance yield and preserve the local avocado varieties from extinction, Deiss Consulting and Training underpins Zambia's strategy to promote its avocados locally and worldwide.

CUSTOMER INTRODUCTION

The customer is a successful family-friendly and fully operational organic farm and avocado orchard that provides its local customers with avocado fruits, and avocado trees, including a variety of fresh organic vegetables, fruits and other fruit trees.

The organisation has over 17'000 small avocado trees and has been farming avocados since 2010. Young avocado trees were planted seven years ago with more planned for the future in other locations. Roughly 30% of the avocado trees bared fruit after their eighth year, yet the family organisation envisioned further long-term growth in other areas.

CUSTOMER CHALLENGE

Though a large number of available exotic Zambian avocado varieties is what sets the customer apart from its competitors, it also requires heavy negotiating work to sway farmers interested in venturing into avocado farming to plant Zambian avocados over the internationally recommended ones, therefore, leading to leaks in profitability and weakening the preservation of the local avocado varieties.

THE SOLUTION

After considering several providers, including consulting and niche-managed service providers, the organisation selected DCT and its suite of services: Strategic Business Development and Editorial services.

“Deiss Consulting and Training gave us the ability to contract with a single provider for all strategic business development initiatives. Their recognition in the space was also a strong influence on our selection”, says the Managing Director.

After learning the details of the situation, the DCT team proposed a custom solution that would integrate data and incorporate a service-based business model into the organisations existing product-based business model.

When interviewing the organisation’s founder who began planting avocado trees in the early 1980s and was able to grow a vast variety of exotic Zambian avocados, his expertise and research from nearly 40 years were valuable to the production and preservation of the local avocados.

The founder now wants to raise awareness of the exotic avocado varieties found in Zambia that need to be preserved, share his best practice methods for avocado farming and highlight the many career opportunities available for Zambians to venture into the avocado industry while the organisation creates the link to local and international market channels.

The sales pitch is to accommodate the local and international market with a variety of options and emphasise more what the end-user decides to eat between:

- Jelita or Zulu for smoothies
- Ndodo or Luma for dishes
- Jelita or Madala for dips
- Tonga or Nzuna for Salads
- Zulu or Inkezo for Appetisers
- Kabola or Mwana for Toasts
- Bwonse or Maline for Desserts



“I was hesitant at first, but DCT in a draft illustrated how the business development strategy would work which helped me to understand. I appreciate their patience with me as it took some time to make a well-informed decision”

The company went with it and the project took ten (10) months to implement. The organisation has had growth acceleration through a more forward-looking strategy and a strengthened awareness of its Unique Selling Proposition.

THE RESULTS AND BENEFITS

With the newly incorporated service-based business model, the customer lays a pathway to becoming a go-to place for all exotic Zambian avocado farming queries and insights.

The customer’s brand was further elevated with two TV interview appearances in collaboration with DCT where the founder shared his vision and promoted his cause in raising awareness around the preservation of the local avocado species.

- **FARMING SERVICES:** It’s everyone’s dream to own farmland and perform agriculture but what if you can’t do it on your own or full-time? The organisation creates an opportunity to do precisely that by extending its agriculture expertise and service in providing avocado nurseries, grafted avocado trees and farming services to assist farmers in best practice methods for growing and achieving optimal avocado harvest.
- **FARMING COURSES:** The monthly (two-day) avocado farming course is a knowledge transfer of avocado farming for farmers venturing into the avocado industry, and to raise awareness of the unsaturated local market demand for the Zambian avocado over the internationally recommended ones.
- **MEMBERSHIP PACKAGE:** The membership package is to establish a movement of farmers to plant 10’000 local and internationally recommended avocado trees annually, in line with the organisation’s best practice methods for farming exotic Zambian avocado species while contributing to both local and international avocado market demand delivery.

The movement is a workforce championing to preserve and promote Zambian avocados, adopting environmentally friendly traditions for potential investors to invest in blockchain technology that creates a more sustainable and equitable planet.

The membership package provides valuable insights and is embedded in the hope that the movement would provide an occasion to address some of the socioeconomic development challenges and improve engagement between domestic land services while providing authentic opportunities that encourage the development of creative avocado farming ventures and natural resource management.

- **LITERATURE TO PRESERVE THE REGION’S CROP:** Reversing global warming in our lifetime is to preserve the region’s crop wild relatives and their genetic diversity, as local people traditionally use these diverse species as food and medicine, and numerous cultural groups have the obligation in their preservation.

Publishing the book titled “Know Your Zambian Avocados” at the end of 2023 will promote the various avocados commonly found in Zambia with their local naming convention, encourage avocado farming ventures and raise awareness around the preservation of the local avocados while illustrating the



number of avocado varieties available for analysing genetic variation in numerous avocado species.

The book leaves behind a legacy for the farming organisation that helped preserve, identify and name numerous avocado species.

The redesign and simplified service offers have made it easier to upsell as well as recommend combinations for specific needs. Also, time spent swaying customers is reduced, freeing up time to generate more business opportunities and collaborate with customers towards strategic goals to preserve the exotic avocados found in Zambia, as they collaborate to meet the local unsaturated Zambian avocado market demand.

The knowledge transfer student base will continue to grow over the coming months and insights are actioned to ensure continuous improvement of the organisation's avocado farming movement for the private sector to contribute to the socioeconomic development and the preservation of avocado species found in Zambia.

CONCLUSION

Incorporating a service-based business model and demand creation was key in the business development concept and project.

The strategic design and concept of the target customer persona and ensuring recurring revenue for the organisations was the biggest challenge to accomplish, which we found we could overcome by offering farming services and processing twelve (12) knowledge transfer courses annually of the complete avocado farming training set.

For socialising opportunities and network building, a membership package at an annual fee is to establish an avocado farmers' movement. The farmer's movement collaborates to preserve, promote and produce the exotic Zambian avocado for the local and international market.

The farming organisation has increased its monthly earnings by roughly 20% through monthly knowledge transfer courses and annual membership fees. As of 2023, the organisation will generate additional revenue coming from the newly published book titled "Know Your Zambian Avocados" also sold as learning material for their monthly avocado farming course.

The reflections and lessons learnt is that organisation search for problem solvers' motivation to explore and think out of the box to learn new things when designing Unique Selling Propositions. So don't hide your desire for knowledge transfer. On the contrary, highlight it!