

The long journey toward sustainable business relationships: The case of the sesame partnership in Mali

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Sesame–Mali PPP

PROSEMA leads the sesame export market in Mali and is the lead firm of the partnerships, aiming at strengthening networks of sourcing raw material from smallholder producers.

Summary

Improving loyalty is not a one-shot process, neither is it a one-sided one. Loyalty is a matter of reciprocity as this story explains, from the author’s perspective as facilitator of the sesame partnership in Mali. The PROSEMA CEO, Soumaïla Coulibaly, has understood that he needs to partner with smallholder farmers and decentralise services to make his business profitable and sustainable. He organised a network of collectors to buy the sesame from the farmers. But more was needed to get their loyalty. This story explains how mutual trust and loyalty comes only after investing in relationships, decentralising decision-making and in empowering activities.

Soungo Diarra is one of the farmer leaders involved in collecting sesame to supply the company PROSEMA. During the commercialisation campaign of 2015, he collected 145 tonnes of sesame from local sesame growers, members of the network he built up over the years. Today, this network covers some 20 villages each counting about 25 producers. At the end of 2016, the group formed a cooperative and signed its first “win-win” contract with PROSEMA to supply sesame. With the support of 2SCALE, about ten other

similar producers’ organisations have been set up and are spread over various sesame production areas in Mali. These collectively constitute the basic sesame supply chain to PROSEMA. Based in the city of Fana, Soumaïla Coulibaly, the Chief Executive Officer of PROSEMA and initiator of this development, should feel proud to have successfully established such a system, thus solving the problem of attracting a sustainable supply of sesame to his processing unit in Fana.

Learning by doing

From the beginning, PROSEMA chose to develop a network of local collectors, in line with its business model to get its supply directly from producers. PROSEMA invested in field agents (called delegates) who collaborated with technical services, NGOs, cooperative unions, etc. to collect sesame from the producers to supply PROSEMA. By taking the initiative to support the producers and by organising services such as training, credit for inputs and small equipment, PROSEMA hoped to win the loyalty of the sesame producers.

This plan sounded foolproof, but in practice, the results were rather disappointing. Indeed, during the marketing period and despite PROSEMA's effective support, the producers sold a large amount of their sesame on parallel markets. Looking at the situation in greater detail, we discovered that the "supply leak" often followed price fluctuations or times when PROSEMA was short of funds to collect the sesame. Another important factor was that PROSEMA's different supply channels were not equally efficient. In particular, the company delegates and the collectors proved to be more efficient compared to NGOs. Thus, during the 2015-2016 marketing period, the four company delegates and the nine collectors aggregated more than 78% of the total volume of sesame bought by PROSEMA (1,450 tonnes out of the 1,850 tonnes).

Gradually building trust

What is it that made the collectors and delegates more effective? PROSEMA has always considered them to be autonomous local entrepreneurs, and pays them on the basis of how much sesame they collected. In this relationship, all of the local agents are aware of their responsibilities and they are driven to invest in mobilising the producers. During a reflection workshop on the establishment of a supply network organised by 2SCALE, Soungo Diarra explained: "I gradually built up my network. When I received inputs from PROSEMA, I distributed them to the producers I trusted. Not everybody proved to be an honest partner, but I discarded the bad players over time and continued my selection process until I had built up a network of loyal producers". Reflecting on what Soungo Diarra said, we came to understand why his networks are successful: gradually, confidence was built up on the basis of concrete activities between people who know each other well. Realising this, we encouraged PROSEMA's leaders to once and for all adopt a decentralised model; and 2SCALE supported training and coaching sessions for sesame producers to organise themselves into cooperatives, the heart of the ABCs, where good relationships of trust can be built between local actors.

The way forward

The path toward greater loyalty calls for a strong producers' network of cooperatives built around the collectors and supported by the company delegates. This is why 2SCALE supported this dynamic to be further strengthened by: first, developing a close working relationship between these cooperatives, the input suppliers and financial services, thereby establishing local networks of ABCs; and secondly, developing balanced contractual business partnerships between PROSEMA and the producers' organisations (in other words, a win-win contract). A model of such a contract, taking into account the experiences of the past, was established and tested in 2016-2017.

The next challenge in the long journey towards a sustainable sesame business is for PROSEMA, in collaboration with Soungo Diarra and his colleague collectors and delegates, to create the conditions for a fruitful, consistent and efficient dialogue. This process has already been initiated by PROSEMA through the establishment of the *Bénè Yiriwali Bulon* platform (translated from the local Bamanan language as: the way to sesame promotion). We are now working on strengthening this platform as a coordinating body with representatives of the different ABCs together with PROSEMA and other actors supporting the sesame value chain. But before this can happen, the collectors and associated cooperatives need to organise themselves to speak with one voice. To support and drive all of these dynamics, 2SCALE started developing inside PROSEMA a professional service based on the collectors and the delegates. The strength of the collectors and delegates is that they know the local community very well, but they are sometimes isolated and dispersed, so the platform could be a way for more exchange opportunities and capacity strengthening actions for them, but also for the producers and PROSEMA. The dialogue between PROSEMA, embodied by its director Soumaïla, by promoting inclusive development and an organised producers' network that supplies sesame to the company, is finally leading to sustainable and well-balanced contractual relationships to the benefit of all the actors, who therefore honour their commitments.

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