GO LITE! Increasing Scale and Impact by Combining Diagnostics and Training Lessons from the Ukraine Food Safety Project

The Ukraine Food Safety Project found that the typical way of providing firm-level assistance — conducting an in-depth diagnostic for companies in a pilot project, followed by an offer for assistance — was scaring off some potential clients with the seeming complexity of the task and cost. But by offering a “lighter,” less-intense approach at a cheaper price, we were able to reach more clients and have a greater impact.

Background

The programmatic approach in IFC Advisory Services involves a combination of policy work, public awareness campaigns, and capacity building at the firm level. Typically, a project rolls out firm-level assistance by training local consultants, who in turn conduct diagnostic evaluations and train firms. These consultants might also be hired to provide in-depth advisory services for specially selected pilot clients.

While a project may reach many firms with training, it is difficult to measure results. Meanwhile, pilot interventions are limited to a select number of larger players who can provide a demonstration effect. Is there a way to reach many companies while also measuring results?

The Ukraine Food Safety Project has found a formula that is effective for agribusiness projects and perhaps other sectors as well. The approach is simple: we combine three short assessments with complementary training, while also partnering with market movers who are able to help ensure implementation. As a result, we are able to:

• Demonstrate measurable results more quickly than we could by working with pilot companies alone
• Build a strong consultant base that will ensure the sustainability of the product
• Reach more clients with demonstrable results and impact

This methodology can be replicated for just about any firm-level intervention in a variety of sectors. We also feel that this could be a good way to conduct scoping in countries where a stand-alone project is not necessary but where IFC can still play a role.

Lessons Learned

Lesson 1: Using an incremental approach increases the chances that a company will engage IFC and allows you to track results.

Most advisory projects include some kind of diagnostics and training. Often the diagnostics are used to get a foot in the door, in hopes
that the firm will decide to engage IFC for more in-depth work. Sometimes the company is interested, but ultimately chooses not to engage IFC because the cost and time required to make the recommended improvements are too overwhelming. As a result, IFC has invested its own resources and time in a potential project and has nothing to show for it. How can we increase the chances that the firm will continue working with us?

We found that with those clients that are not ready to commit to a longer intervention, breaking down a typical diagnostic into short, focused assessments lasting no more than one day each is a more effective approach. That way, we can focus on a shorter list of requirements (which is more manageable to the client), we have a good baseline to start from, and there is a smaller, less overwhelming list of follow-up items.

We then follow up with a standardized training workshop for all companies participating in the program, followed by a one-day consulting visit about one month later — then a final assessment one month after that. Since all the on-site visits are scored, we can measure how much the companies improve from visit to visit. In our pilot program conducted in 2010, client companies’ scores improved on average from 49 percent in the baseline assessment to 93 percent in the final. Preliminary results from our impact survey also confirm that these clients were able to increase sales significantly to major purchasers — in some cases doubling sales — since clients were able to demonstrate that they had made progress on food safety. In order to keep the results as objective as possible, we assigned a different consultant to perform the final assessment.

Combining diagnostics and training enabled us to measure the results of our work, and we developed a scoring system that allows for comparisons between companies. For example, the first module contains 51 requirements in the form of a checklist. Each requirement is rated from 1 (not fulfilled) to 4 (requirement fulfilled). During a visit, the consultant reviews scores with the client and provides suggestions for how to improve the score for the next assessment. We are then able to track the effectiveness of the training and consulting visits. Ultimately, we saw that scores consistently increased after each phase.

By offering a less-intense product and bunching the companies into groups for the training, we were able to keep costs down and offer discount pricing to our clients, thus providing a further incentive to participate. Our in-depth advisory package typically involves about 50 consulting days plus considerable IFC supervision, and costs between $20,000 and $30,000—at least 50 percent of which must be covered by the company. This lighter program, by comparison, requires only three consulting days on-site, a two-day training session, and minimal travel. In the pilot phase we offered a 50-percent subsidy to incentivize participation. Since the pilot phase completed last year, we have priced this package at market rates, with no subsidy, at about $1,000 per company.

**Lesson 2: Don’t Go Lite alone — when possible, adapt existing training materials from international associations.**

Normally in our in-depth pilot work, we help clients achieve an internationally-recognized food safety certification. Many major retailers will work only with those suppliers that are certified according to international standards; achieving one of these standards makes business sense for our clients, since it helps increase their sales. Examples of commonly used best practices are Hazard Analysis and Critical Control Points (HACCP), 1 Good Manufacturing Practices (GMP), and Good Hygiene Practices (GHP). Implementing these systems helps companies ensure that the food they produce is safe for

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1 HACCP is an internationally accepted food safety management system that is required by many governments, including the European Union and the United States, for food processors. HACCP is a critical component of any international food safety certification plan.
their customers, and helps them achieve the international standards required by retailers.

In the past, however, helping a client achieve certification has been a lengthy process — taking one or two years. Recently, the Global Food Safety Initiative — a collaboration between experts, retailers, and food companies that attempts to harmonize international standards in food safety — developed a shorter, three-module approach to certification. We have begun using these materials and this approach in helping our clients meet international safety standards. Using existing content that has already been endorsed by market movers has helped us encourage more companies to start improving their food safety levels.

We now offer a standardized certification process, with group pricing, for the three levels developed by the GFSI:

- **The Basic Level** — roughly corresponding to the prerequisites for HACCP, including GMPs, GHPs, control of allergens, and traceability

- **The Intermediate Level** — this includes HACCP and also food defense, transport, and logistics

- **The Advanced Level (in development)**

What’s important here is not the topic — which could be food safety standards, farmer productivity, resource efficiency, corporate governance, or risk management — it’s the approach. We took care to ensure that the assessments were focused enough to be conducted in one day, and the training was focused on this narrow list of requirements.

Companies that are not ready to commit to an in-depth advisory intervention now have the option for a less-intensive service that costs considerably less. Furthermore, because the modules are standardized and take less time, we can reach more companies. And because the content was prepared by GFSI, it already had the buy-in from a major market mover in our region: Metro Cash & Carry.

**Lesson 3: Engage market movers — they can provide incentives for companies to improve performance.**

Just as we engaged a global association to develop content for the training, it was also important to develop relationships with companies and policymakers that had the power to transform the market. In our case, we worked closely with Metro Cash & Carry Ukraine, a global retailer. Metro Ukraine signed purchasing agreements with their suppliers stipulating that international food safety certification must be reached by 2013, and followed up with letters and presentations to their suppliers offering our program. So far, we have reached over 15 companies with the full program and hope to reach most of their 120 fresh suppliers in the next year. Metro Ukraine also provided the training space in-kind, which has helped keep our training costs down.

Not only did Metro Ukraine provide incentives to join the program, they followed up with clients that were not making sufficient progress. For example, one company did not seem to be demonstrating enough commitment to improving food safety at its factory — its scores, unlike all others in the pilot group, remained flat from Stage One (First Assessment) to Stage Three (On-Site Consultation) with a below-average score of 39 percent. We were concerned and called Metro. Metro’s meat buyer then called the client and threatened to take the company’s product off the shelf for the lucrative holiday season. By the final assessment, the company had improved considerably and achieved a score of 92 percent. It continued to improve during the time between the Basic and Intermediate level modules and is now progressing well through the Intermediate level. Sometimes only the market movers can provide the necessary wake-up calls.

However, to reach a critical mass and achieve true market transformation, we recognize that a partnership with one market mover is not enough. We have recently launched a joint effort with the Ukraine State Committee for Veterinary & Phytosanitary Services, Ukraine’s de facto food safety agency, to roll out the program. As with Metro, they will help push the suppliers to participate: we represent the carrot, while the government is the stick, threatening to revoke export or production permits if companies do not comply.
We hope that we can get another major retailer on board to help us achieve even greater impact.

Lesson 4: Encourage mentoring.

From the start, we emphasized that this program, despite the short time frame, is about mentoring the companies, not auditing. A Train-the-Trainer workshop—a one-week training for the consultants that included a practical site visit—emphasized not just the technical aspects of the program but also how to support the clients. While assessments and audits usually work with a checklist as a starting point, an auditor only identifies where the company has not complied with the requirements, and offers no solutions on how to improve. During our assessments, the consultants provided concrete solutions for how to improve scores before the next visit. In addition, the training specifically addressed the same checklist. Because there were representatives from about 10 companies in each training, firms also had the opportunity to learn from each other, not just from the trainers.

We have been in a “continuous improvement” mode from the beginning, offering practical exercises for subjects that are difficult or new for Ukrainian clients. For example, we were particularly worried that inexperience with traceability and allergens, two relatively new topics for Ukrainian food companies, would cause our companies to fail the program. Therefore, we added practical group exercises and tip sheets to the existing training. In the end, we had significant progress in these areas, especially with regard to allergens—all companies scored zero in the first assessments and 100 percent on the final assessments.

Lesson 5: “Going Lite” helps build local capacity by providing real-life experience in a controlled environment.

The program is a great testing ground for our consultants. We have found that the pool of consultants for our in-depth interventions is now larger and more experienced. We are more comfortable working with consultants after testing them in this lighter-touch program.

But we made a mistake by paying a flat rate to all consultants, regardless of their going rates. In the beginning we feared the paperwork would be overwhelming and thought it would be easier to pay a flat rate. In the long run, this approach made things more complicated; one excellent firm did not want to work with us, since the rate fell below their normal rate, while less experienced firms got paid the same amount as the average.

Conclusion

While we still offer in-depth advisory services to select companies, we are finding in the first 18 months of this incremental approach that limited engagement with clearly set milestones and deadlines forces companies to do more on their own. Consultants are available for three days on-site, but otherwise have little time to offer customized advice. We originally expected that companies would lose momentum in the six months between the end of the pilot program and the start of the intermediate program. However, we found the opposite: companies continued improving on their own without hand-holding from us or the consultants. We therefore believe this incremental approach could work not just in agribusiness, but for most advisory programs.

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