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Southern Africa Development Institute

Lecture 01: Introduction

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About Me

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Teaching Interests: Applied Optimization Methods, Agricultural Value Chains Development, Financial Markets and Institutions, Strategic Agribusiness Management.

Research Interests: Environmental and Natural Resource Economics, Climate Economics, Applied Econometrics, Development Economics, Rural Development, Agricultural Finance and Microfinance, Agricultural Value Chains, Funds Management, Financial Markets and Institutions.

Teaching & Research Experience: Texas Tech University, Bindura University of Science Education, University of Zimbabwe, Midlands State University, University of New South Wales Business School, Tshwane University of Technology.

Professional Experience: Steward Bank Limited, Maguta Capital, Kulinda Microinsurance, Econet Wireless Group Zimbabwe, Reserve Bank of Zimbabwe, Confederation of Zimbabwe Industries, BancABC Zimbabwe, Ministry of Finance and Development-Zimbabwe.

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My Teaching Philosophy

To me, teaching is an act of optimism, a profession of hope. My approach to teaching is that of a prophet inspiring his students to see the promised land which I have not yet discovered or am about to discover.

Quoting Thomas Woodrow Wilson "A professorship is the only feasible place for me, the only place that would afford leisure for reading and for original work, the only strictly literary berth with an income attached."

My Teaching Approach

For me, student-centered knowledge construction requires three steps:

i.   Asking questions

ii.   Finding and evaluating sources to acquire data and information

iii. Deploying strong analytical skills

Whenever I teach, I focus on developing these three core competencies in my students.

I encourage students to:

❖ Listen attentively

❖ Ask questions

❖ Think critically

❖ Use lots of examples

❖ Keep the big picture in mind

About Sadi

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About the Training Objectives

- To understand value chain concepts and competitiveness.
- To assess risks and strategic opportunities to enhance value chain development.
- To examine the use of value chains in risk management and access to finance.
- To understand low-income rural financial markets.
- To understand agricultural and rural financial markets development
- To determine value chain approach importance
- To learn value chain principles that enhance organizational competitiveness
- To understand market development foundations and promotion of value chain
- To determine the needs of the market and identify constrains
- To understand stakeholders' roles in value chains
- To establish strategies, interventions, and methods in development of value chain

Introduction to Value Chain Development

➢ Value chains concepts

➢ Functions of value chains

➢ Significance of value chains

➢ Limitations of value chains

The Value Concept

➢ PUBLIC VALUE represents a <u>normative consensus</u> of prerogatives, principles, benefits and rights that can be <u>attributed</u> to both governments and citizens ...

Value Added
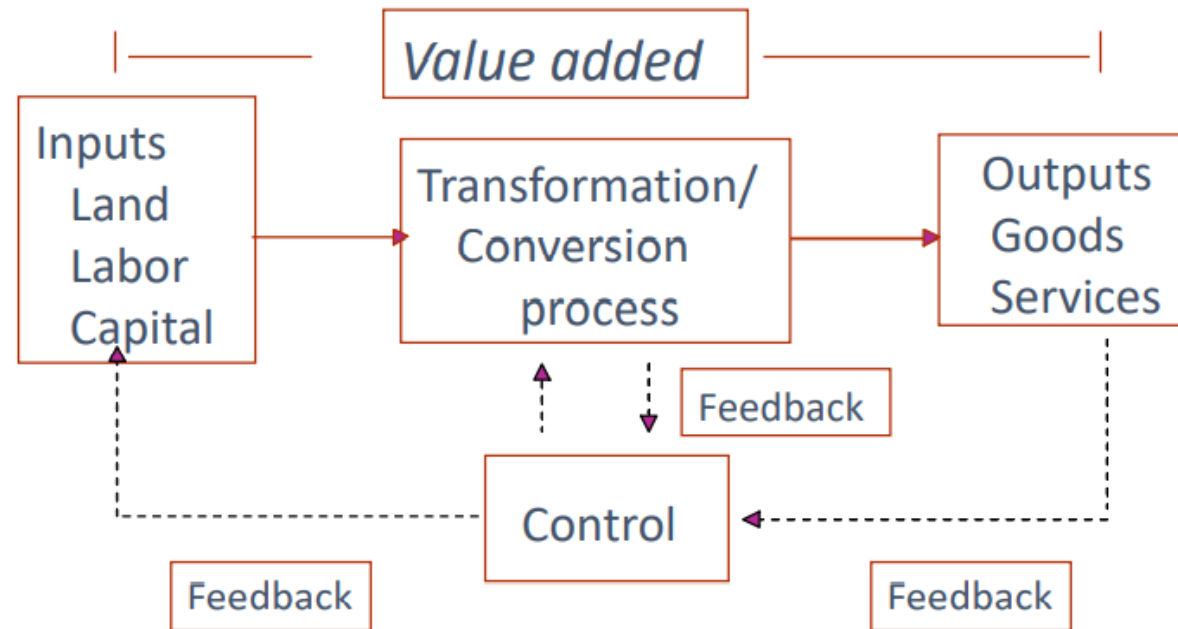
Key Definitions

➢ <u>Value chain</u>: represents the internal activities a firm engages in when transforming inputs into outputs.

➢ <u>Value chain analysis (VCA)</u>: is a process where a firm identifies its primary and support activities that add value to its final product and then analyze these activities to reduce costs or increase differentiation.
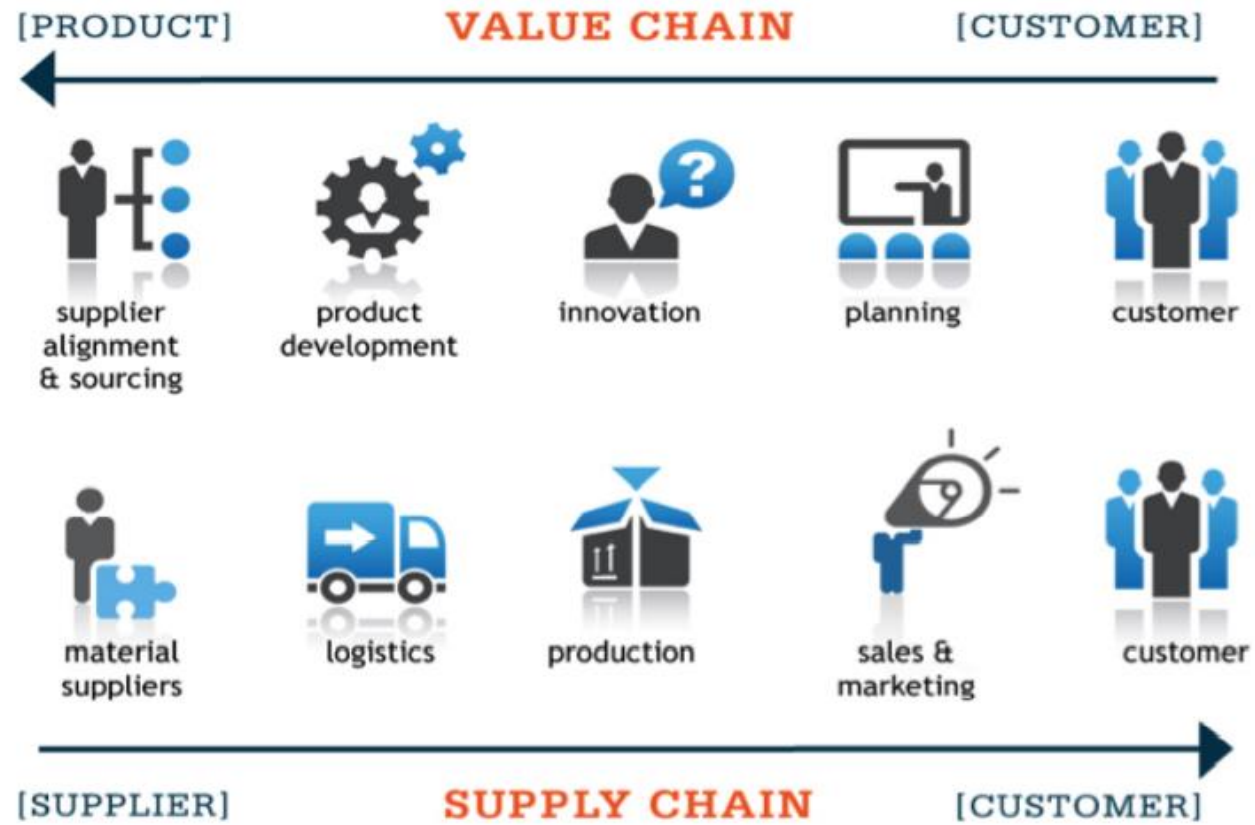
Value Chain

➢ **Value chain** represents the internal activities a firm engages in when transforming inputs into outputs (Roper et al, 2008).

➢ **Value Chain Analysis (VCA)** is a strategy tool used to analyze firm's activities by recognizing which activities are the valuable to the firm and which ones needs to be improved (Niemi et al. 2020).

➢ It involves identification of primary and supportive activities that add value to the final product.

➢ Michael Porter introduced Generic Value Chain Model in 1985 (Porter, 1985).
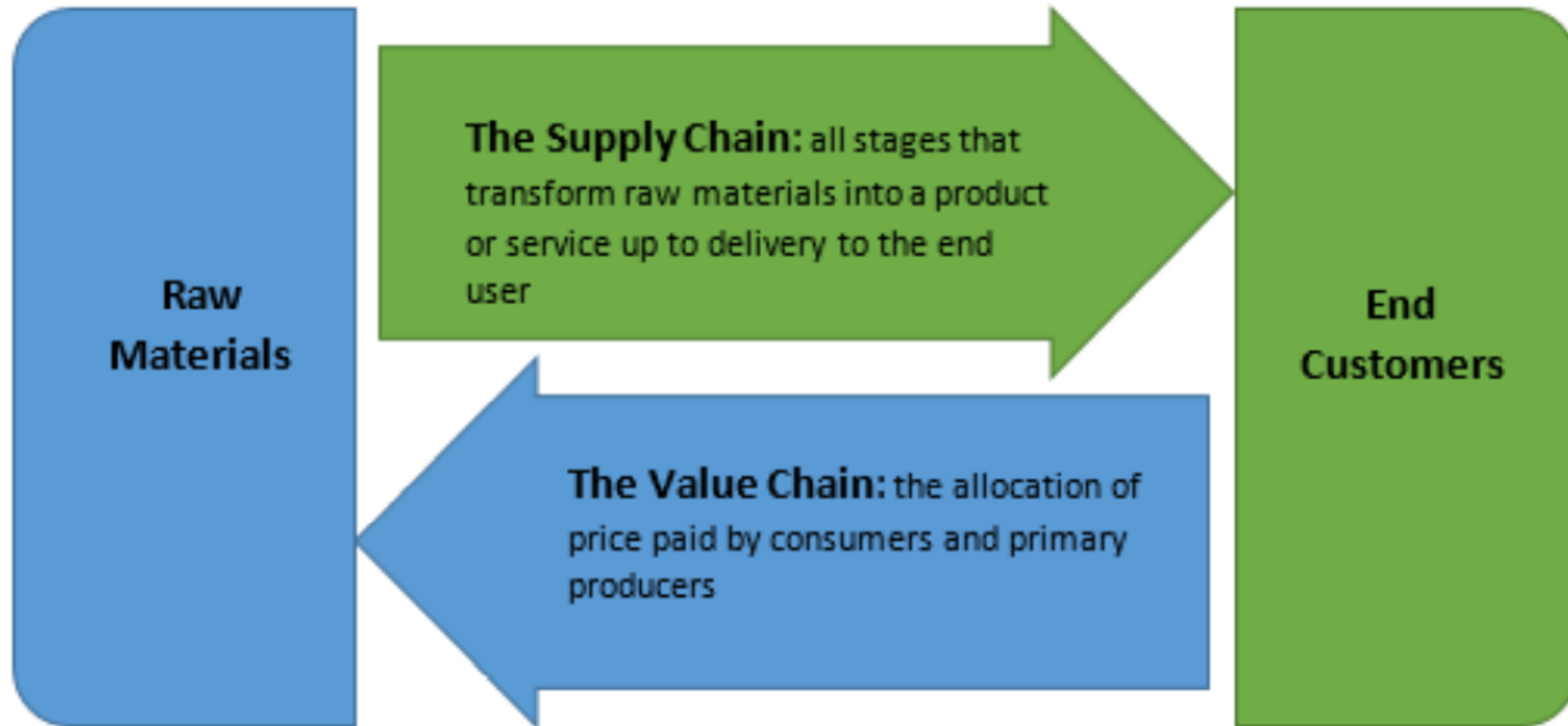
➢ A value chain is a chain of activities and processes that add value to a product or service for the market.

➢ The chain includes input suppliers, producers, processors and end users.

Value Chain

VC vs SC/M

Benefits Created by a Value Chain

- Lower current and future risks to your business (operational, reputational and regulatory).

- Provide a point of difference and a competitive advantage.

- Realize opportunities for innovation.

- Fuel top-line growth and enhance productivity through efficiencies.

- Create new markets for products or services.

- Reduce resource consumption and waste.

- Improve relationships and resilience through greater security of supply.

- Create shared value with communities.

- Improve access to finance and lower-cost insurance.

- Enhance stakeholder relationships

References

- Porter, M.E., 1985. Competitive advantage: creating and sustaining superior performance. 1985. *New York: FreePress*, *43*, p.214.

- Niemi, J., Bennett, R., Clark, B., Frewer, L., Jones, P., Rimmler, T. and Tranter, R., 2020. A value chain analysis of interventions to control production diseases in the intensive pig production sector. *PloS one*, *15*(4), p.e0231338.

- Roper, S., Du, J. and Love, J.H., 2008. Modelling the innovation value chain. *Research Policy*, *37*(6-7), pp.961-977.

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