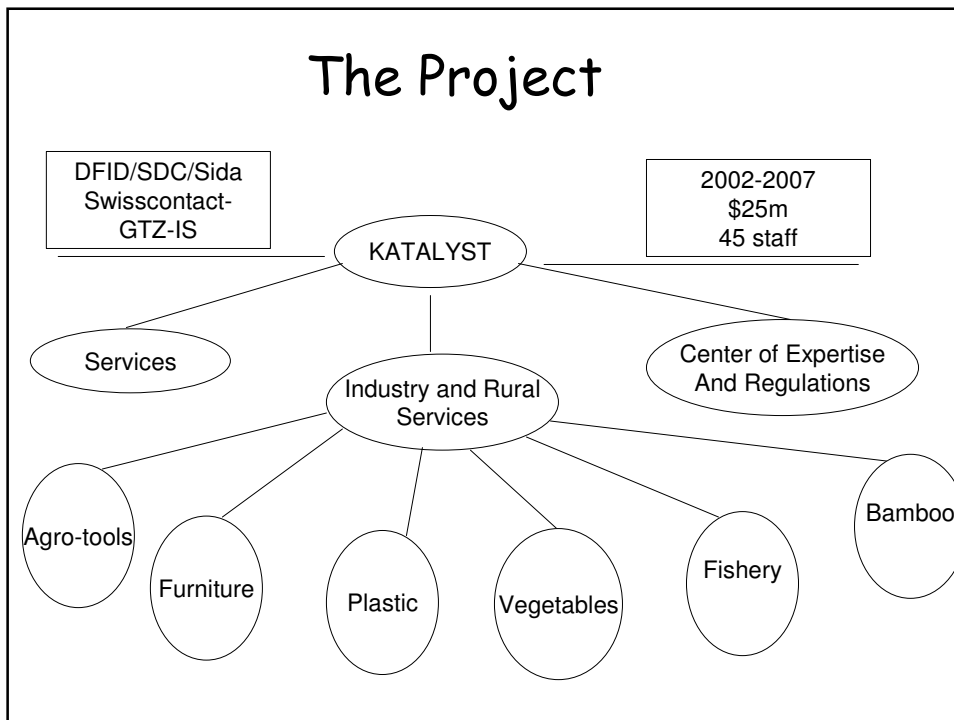


Building on What Exists: Working with Embedded Services

Prashant Rana & Sadruddin Imran
KATALYST- Bangladesh

BDS Seminar, 2004
Chiang Mai, Thailand

The Project

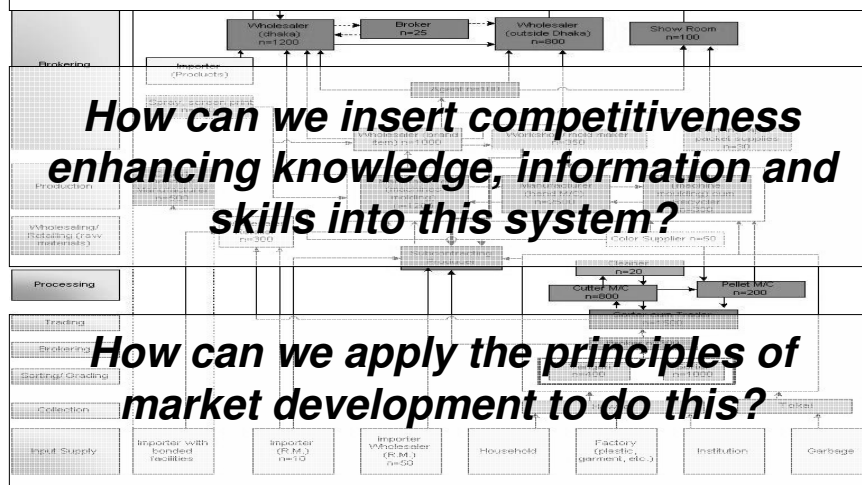


Plastics in Bangladesh

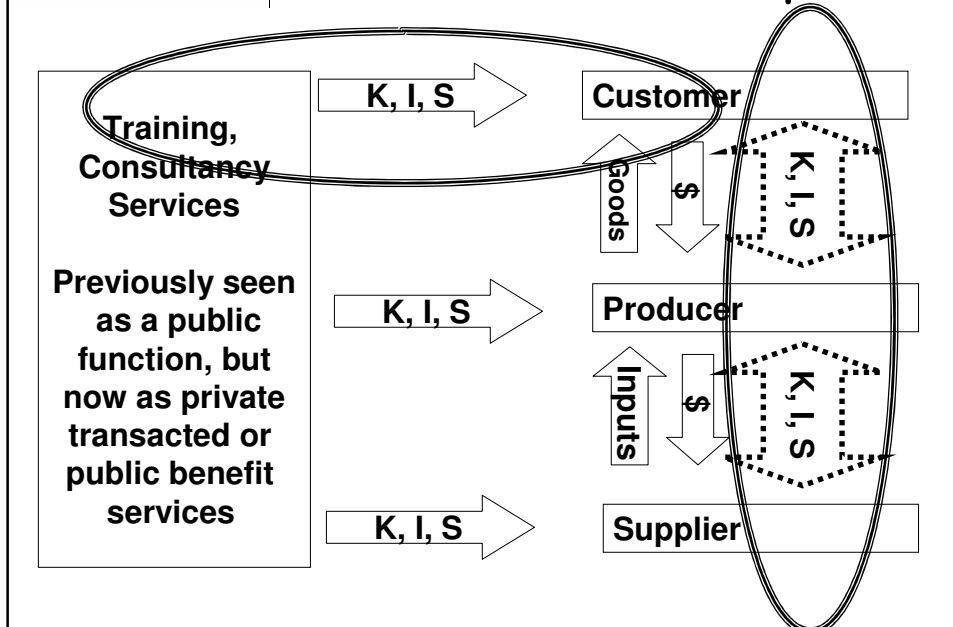
Enterprises:
Manufacturing: c3000
Related Units: c11000
Employment: c100,000

Market Size:
Internal Market – US\$ 13.5m
Direct Export – US\$ 1.7 million
Export through RMG – US\$ 8.5m
Growth Rate – 20% per annum

The Challenge

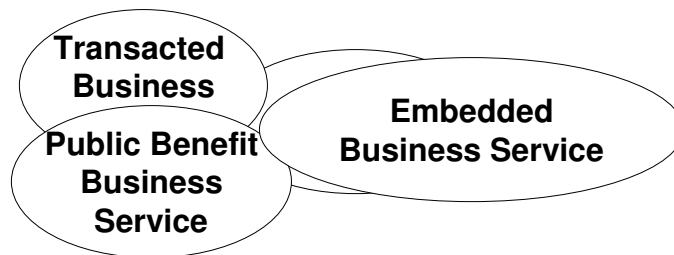


Service Market Options

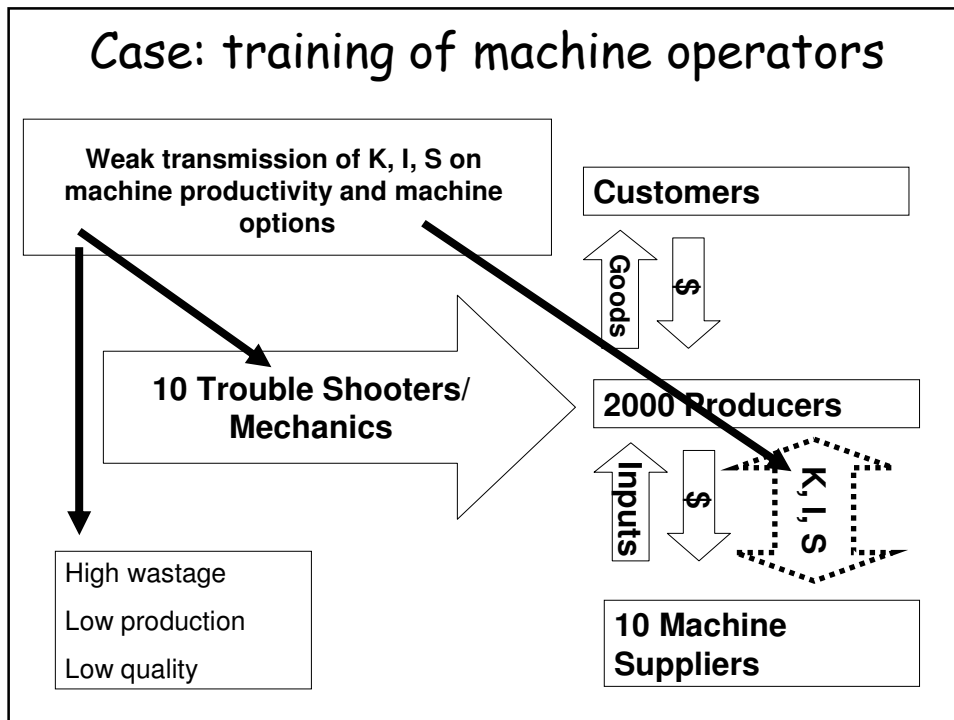


Why Are Embedded Services Important?

- The increased sector focus of projects
- The way the system works: the bulk of business services fall in the category of embedded service
- Building on what exists: Based on market relations with potentially high outreach and sustainability

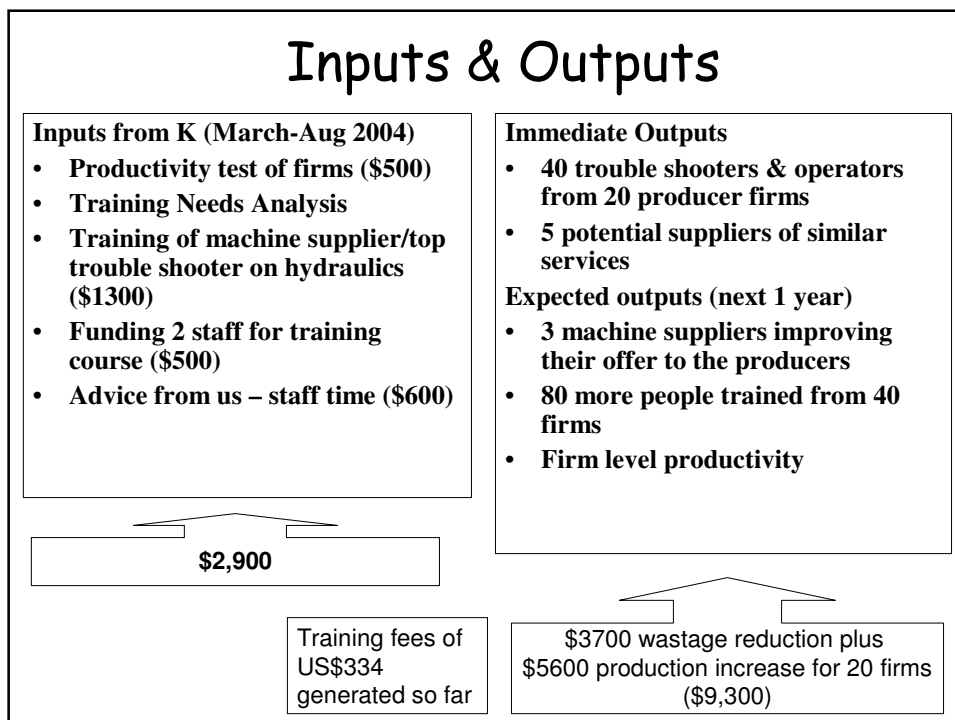
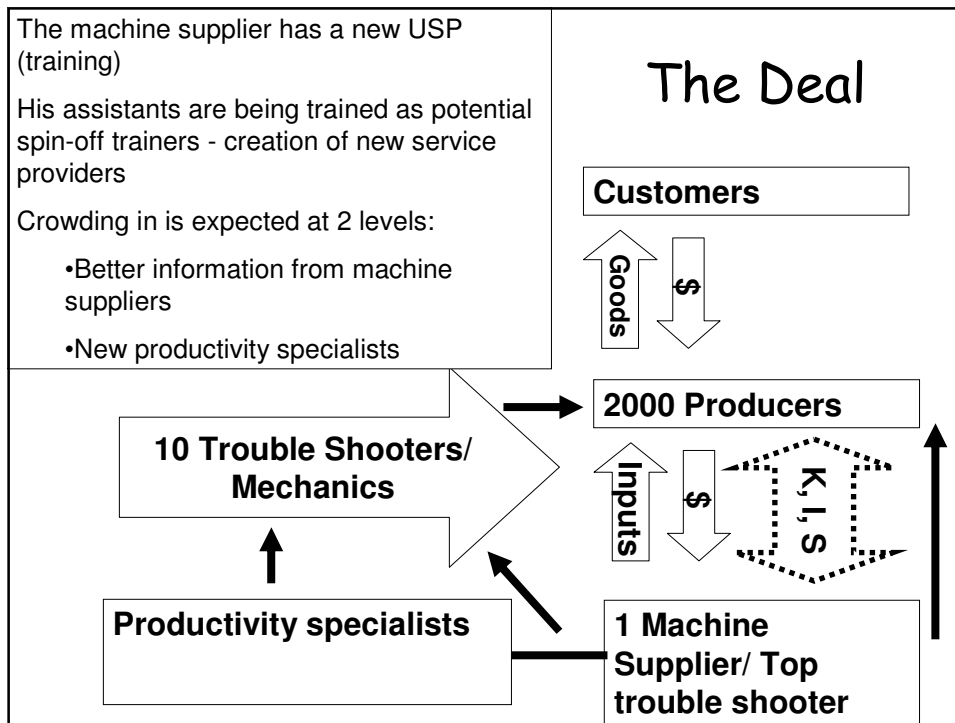


Case: training of machine operators



The Analysis

- K's study shows substantial productivity gains are possible
- There is demand for more information on machine productivity and machine options
- 2 potential sources of better information are:
 - The trouble shooters/ mechanics
 - Machine suppliers
- Both require capacity building measures
- But how can a business case be made?
- How can the intervention become sustainable?

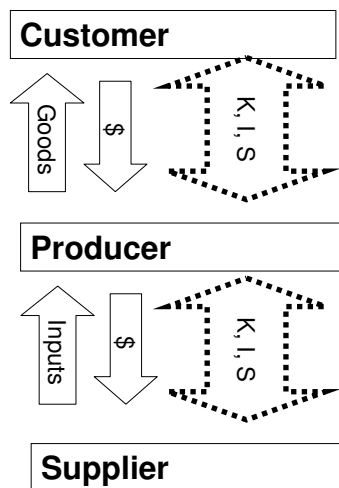


Embedded Services in Different Sectors

<i>Plastic</i>	<i>Agro - Tools</i>	<i>Furniture</i>
Training of retailers on new additives and benefits	Traders provide information on new agro-tools and machines to local manufacturers	Manufacturers of modern wood working machines give service on how to operate these machines
<i>Vegetables</i>		<i>Fishery</i>
Improving the information flow on the use of inputs from retailers to farmers		Nursery owners transmitting pond management knowledge to farmers



Common Themes



- Identifying:**
- reasons for it not happening
 - the business case
 - provider and processes
 - opportunities for facilitation
 - measuring impact

Building on what exists!

Learning & Challenges

Assessment

- difficult to isolate the business service in a commercial transaction
- Need to adapt /develop BDS assessment tools

Implementation

- It is essential to identify the “business case” which is essential for a market development intervention
- Need to prove relevance of small measures to donors
- Private sector in the driving seat – unpredictability of processes

But in terms of market development, sustainability, cost-effectiveness and outreach/impact, embedded services hold the key