



STRATEGIC PLAN 2014 - 2018



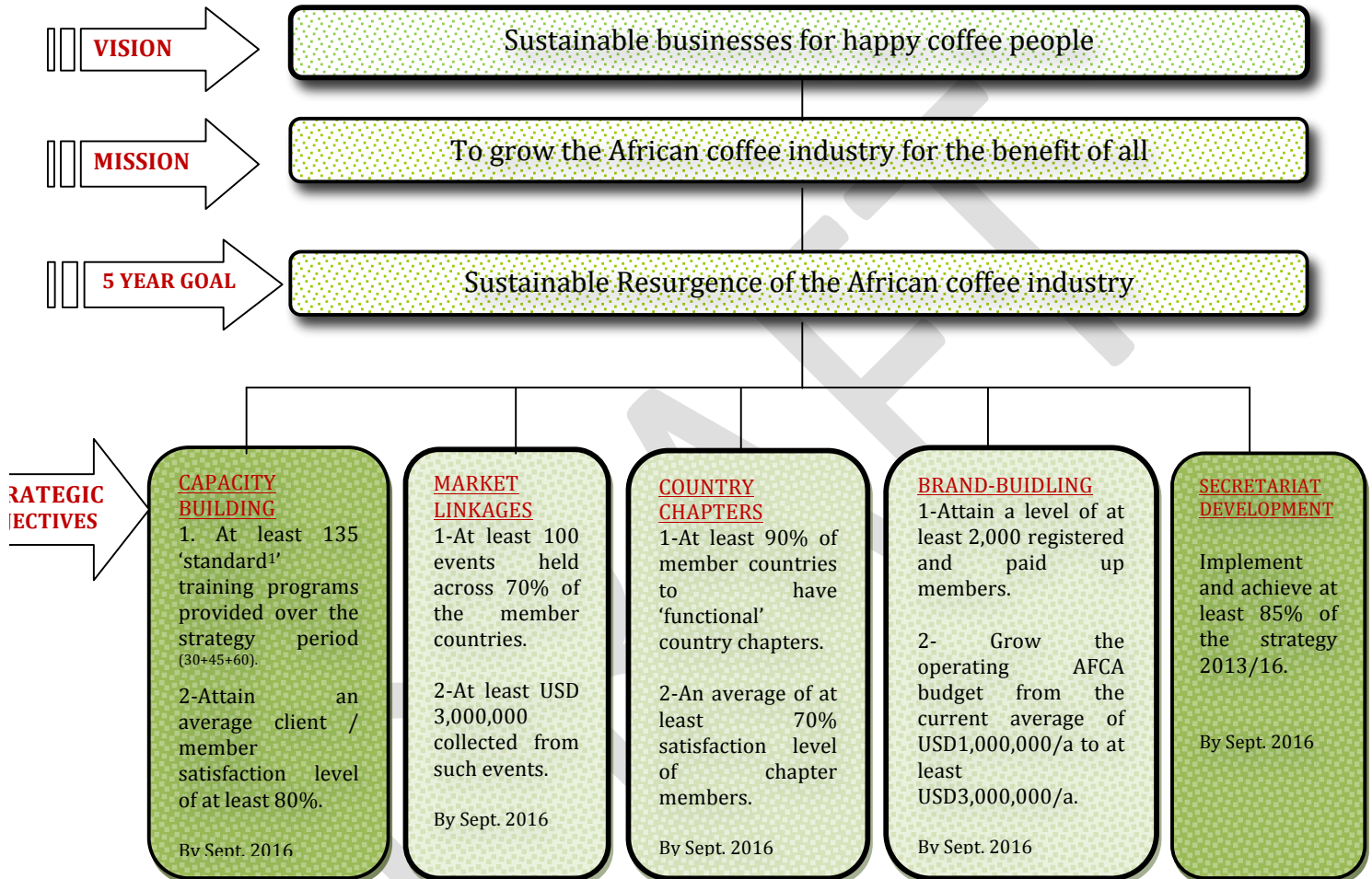
“Resurgence of the African coffee industry”

Executive Summary

Summary Of Strategic Direction

AFCA STRATEGIC PLAN FRAMEWORK – 2014/18

Figure 1: AFCA Strategic Plan Framework



Core values

- Integrity
- Professionalism
- Good governance
- Sustainability
- Collaboration
- Innovation

Unique Value Proposition

1. Apolitical Association with the ability to transcend borders within member countries to share and grow together.
2. Presents aggregate opportunities and resources (linkages, training and funding).
3. An origin with high variety and volumes

Key strategic issues and levers

1. Definition of the different structures and how they relate to each other: members, clients, the secretariat, partners and the board.
2. Sustainably meeting members' and clients' needs.
3. Image building.
4. Exploitation of the untapped potential.

Priority areas of focus and strategic objectives

Table 1: Illustrates the priority areas of focus and strategic objectives

	PRIORITY AREAS OF FOCUS	STRATEGIC OBJECTIVES (5 YEARS) <i>(Top-line indicators of performance)</i>
1	Capacity development (Knowledge, skills and attitude change). Also includes all other interventions towards increasing quality and quantity.	<ul style="list-style-type: none"> • At least 135 'standard'¹ training programs provided over the strategy period (30+45+60). • Attain an average client / member satisfaction level of at least 80%.
2	Creating market linkages and growing business relationships	<ul style="list-style-type: none"> • At least 100 events held across 70% of the member countries. • At least USD 3,000,000 collected from such events.
3	Strengthening chapters for implementation of the country programs.	<ul style="list-style-type: none"> • At least 90% of member countries to have 'functional'² country chapters. • An average of at least 70% satisfaction level of chapter members.
4	Brand building, advocacy and representation.	<ul style="list-style-type: none"> • Attain a level of at least 2,000 registered and paid up members. • Grow the operating AFCA budget from the current average of USD1,000,000/a to at least USD3,000,000/a.
5	Development of the secretariat as an institution.	<ul style="list-style-type: none"> • Implement and achieve at least 85% of the strategy 2013/16.

1.3 The changing mandate of AFCA

During the Annual General Meeting in Addis Ababa, Ethiopia, members moved to change the name of the organization from East African Fine Coffees Association to the African Fine Coffees Association allowing AFCA to embrace the rest of the continent rather than East Africa, further building market linkages as the world's leading origin of fine coffees.

¹ 'Standard' will refer to a defined (Board approved) check list of things that must be done, covered and achieved in order for a training session to be considered effective to deliver the required outcome.

² 'Functional' will refer to a defined (Board approved) check-list of things that must be happening consistently in order for a Chapter to be considered to offer adequate value to its members.

2.0 Review of Past Performance 2010-2014

2.1 Key achievements

- The annual conferences
- Field intelligence on high quality coffee from EA.
- Linking Coffee producers and Buyers
- Trade Fairs and Barista Championships
- Database of quality ratings
- Member of the month events
- Staffing of the secretariat

2.2 Key challenges / impediments

- Limited funding (CFC & Conference)
- Reduction in Coffee Production/Agenda among certain countries
- Staffing gaps in year 1 and 2
- Half Strategy Period spent in Organizational Recovery
- Weak tracking system of how impactful AFCA Projects are.
- Because of the declining coffee production, there is challenge in getting new membership

2.3 Strategic Questions

- What is AFCA really about?
- How will funding be significantly improved?
- How will the AFCA support innovation and creativity?
- What should be done about the training institute?

3.0 AFCA's Environment

3.1 The external environment

Analysis of the external environment was done using the PESTLE Model. Considering that AFCA is now a continental organization, the relevant external environment had to take a global and Africa perspective. It was considered necessary therefore to get a team of coffee professionals / practitioners who would contribute to the analysis of the industry at that level. Information was collected from a session facilitated by the consultant – Coach Africa. The team of Coffee professional composed of:

1. Samuel Kamau – ED AFCA
2. Robert Waggwa Nsibirwa – Director AFCA
3. David Barry – Kyagalanyi
4. Ishak Lukenge – Star Coffee
5. Hannington Karuhanga – Savannah
6. Norah Bwaya – Facilitator

Table 2: Summary of the SWOT Analysis

Strength	Weaknesses
<ul style="list-style-type: none"> i. Governance and management structures ii. Documented processes iii. Budgeting and financial management iv. Diverse member services v. Annual AFCA Conferences vi. A knowledgeable, young, diverse and vibrant team vii. Having a continental scope 	<ul style="list-style-type: none"> i. Weak link between AFCA and its membership ii. Ltd interaction between the BOD and the Secretariat iii. Policy gaps and inconsistent implementation iv. Weak human resource management v. Limited funding sources vi. Weak Monitoring and Evaluation systems vii. Loose/weak partnership arrangements
Opportunities	Threats
<ul style="list-style-type: none"> i. Gaps in coordination, standardization and advocacy ii. Potential in; TOH, ABC and Program Management iii. Development of the strategic partnerships iv. Big need for training, information and research amongst members and Governments v. Liberation of coffee markets around Africa vi. Importance of coffee to African Governments vii. Growing women and youth movements 	<ul style="list-style-type: none"> i. Reduced Government Funding and donor fatigue ii. Dwindling return on investment on coffee? iii. Unfavorable and varied rules, regulations, standards iv. Inadequate and uncoordinated research v. Underdeveloped infrastructure vi. Production challenges vii. Weak regulators

3.3 AFCA’s Comparative Advantage and Customer Value proposition

Table 3: AFCA’s Comparative Advantage and Customer Value proposition

Key Client Needs	AFCA Claims
<ul style="list-style-type: none"> • AFCA to do client needs assessment. 	<p><u>Our Comparative Advantage</u></p> <ul style="list-style-type: none"> • Taste of Harvest • Annual AFCA Conference • Regional reach and influence <p><u>Customer Value Proposition</u></p> <ul style="list-style-type: none"> i. A political Association with the ability to transcend borders with the ability to transcend borders within members countries to grow and share together. ii. Presents aggregate opportunities and resources (linkages, training and funding). iii. An origin with high variety and volumes

3.4 Risk assessment

- Upcoming competitors that are likely to out compete AFCA
- Over reliance on the conference as a source of finance
- World prices of coffee fluctuate downwards
- Climatic changes

4.0 Critical Insights

Table 4: Strategic Performance from past performance, SWOT and External Factors

Strategic questions from Past Performance	Strategic questions from SWOT	Strategic questions from External Factors
<ul style="list-style-type: none"> • Does the current structure serve the strategic intentions of the organization? • How best can AFCA accommodate the currently missing (under-played) roles e.g. Marketing, Planning, monitoring and evaluation, Human resource management? • How is the secretariat detached from the Uganda chapter? • How do we entrench and build the Africa Barrister championship? • How do we get the Coffee institute operational? 	<ul style="list-style-type: none"> • 	<ul style="list-style-type: none"> • Does the current structure serve the strategic intentions of the organization? • How best can AFCA accommodate the currently missing (under-played) roles e.g. Marketing, Planning, monitoring and evaluation, Human resource management? • How is the secretariat detached from the Uganda chapter? • How do we entrench and build the Africa Barrister championship? • How do we get the Coffee institute operational?

4.1 Priority areas of focus

1. Capacity development (Knowledge skill and attitude change) including other interventions towards increasing quality and quantity.
2. Creating market linkages and growing business relationships.
3. Strengthening chapters for implementation of the country programs.
4. Brand building , advocacy and representation
5. Development of the secretariat as an institution.

5.0 Strategic Direction

Table 5: Shows the strategic focus areas, objectives and strategies to be accomplished

Area of focus : Capacity Development	
<p>Objectives:</p> <ol style="list-style-type: none"> 1. At least 135 standard training program (sessions of trainings) over three years, 30 in the first year, 45 second year and 60 in the third year 2. An average satisfaction level of 80%. 	<p>Strategies</p> <p><u>Capacity building quality</u></p> <ul style="list-style-type: none"> • Differentiate the AFC A training program; <ul style="list-style-type: none"> ○ -Focusing on heart and minds development, attitudes and functional benefits ○ CUP • Build the Capacity of In country trainers (certified trainers). • Accreditation of the AFCA training program.

	<ul style="list-style-type: none"> • Monitor and Evaluate effectiveness of the programs • 5.Establish a virtual coffee institute • Purpose of the Institute; To build capacity of training units along the value chain both in Africa the world on African Coffees). • Harmonize African standards that meet the various sector standards and have it validated by the key internal technical people. <p><u>Capacity Development-Quantity impact strategies</u></p> <ul style="list-style-type: none"> • Define and communicate the benefit of the individual programs (give the value proposition of each member and category) in terms of money. • Make the training programs accessible • Provide trainings during the most suitable times of the year(attract many trainers) <p><u>Capacity Development - Funding</u></p> <ul style="list-style-type: none"> • Actively sourcing for funding • Attract donors • Proper and transparent financial management • Offer paying services to members or partners • To tap into the growing investments to offer consultancy services to external \$Investors.
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Area of focus 2 : Market Linkages

<p>Objectives:</p> <p>Strategic Objective1: At least 100 events across Africa.</p> <p>Strategic Objective 2: At least USD 4 million collected in 3yrs</p>	<p>Strategies;</p> <p><u>Annual AFCA Conference</u></p> <ul style="list-style-type: none"> • Departize the whole market linkages • Develop and communicate a strong CVP for each category • Develop strong partnerships/target long term arrangements • Create more avenues for Money generation before, during and after the conference. • Brand and Market the conference • Get pricing right(justify \$760) • Be innovative • Support country chapter(mobilizing for the annual and country events) • Same value chain specific activities <p><u>International Conference</u></p> <ul style="list-style-type: none"> • Be known by the strategic partners that hold strategic conferences • Managing costs • Keep AFCA members informed with the right
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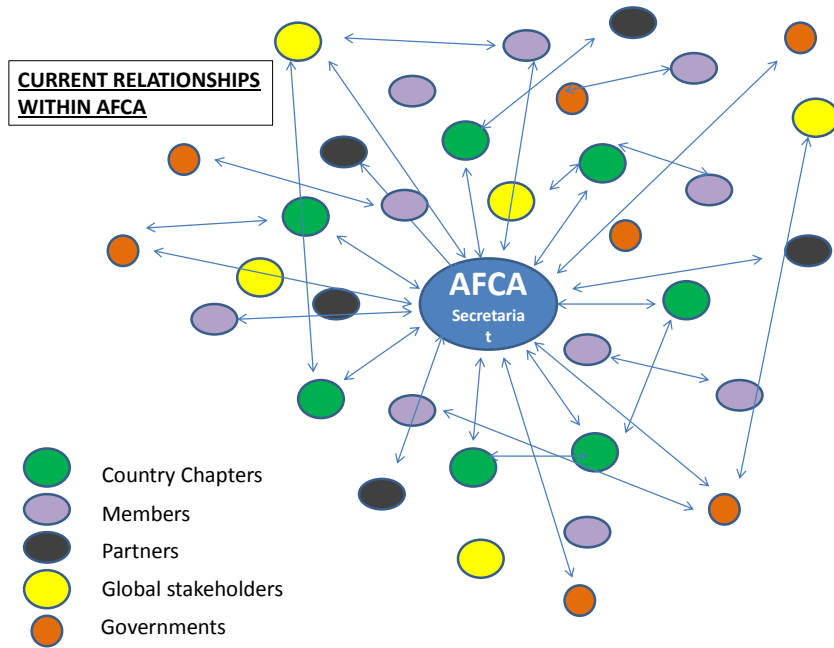
	<p>information.</p> <p><u>Taste Of Harvest</u></p> <ul style="list-style-type: none"> • Sustainable funding for TOH even at chapter level • Make use of the Portal • Implement the Taste Of Harvest Guidelines and Quality Standards. • Make the TOH valuable and the relevant to the producers <p><u>On line Foras that are relevant</u></p> <ul style="list-style-type: none"> • Be Courteous, relevant and respond to feed back • Use up to date tools • Use of webinars and other virtual discussion formats
<p>Area of focus 2 : Strengthening Country Chapters for implementation of the Country programs</p>	
<p>Objectives</p> <p>Strategic Objective 1: At least 90% member countries to have ‘functional’ country chapters.</p> <p>Strategic Objective 2: An average of at least 70% satisfaction level of chapter members (only members)</p>	<p>Strategies:</p> <ul style="list-style-type: none"> • Equip the chapters with a membership toolkit, sales pitch, answer the how question. • Develop a profile for each of the roles at chapter level. (structure, Job description, role of profiles) • Review/ develop a chapter guide. It should cover delivering of services that improve quality and quantity of coffee and also facilitation of other operations in the business. • Drive recruitment by motivating the chapters • Simplify reporting and responding • Equip chapters with tools and equipment that are required for implementation.
<p>Area of focus 4: Marketing and Advocacy</p>	
<p>Objectives:</p> <p>Strategic Objective 1; Attain a level of at least 2000 registered and paid up members</p> <p>Strategic Objective 2: Grow the operating AFCA budget from the current average of USD 1,000,000/a to at least USD 3,000,000/a.</p>	<p>Strategies:</p> <p><u>Advocacy</u></p> <ul style="list-style-type: none"> • Establishing causes for advocacy • Lobby effectively <p><u>Marketing</u></p> <p>Branding and publications;</p> <ul style="list-style-type: none"> - Magazine(relevant top notch) - Branded materials(sales and give away) - Awards - Coffee doctor of radio, newspaper - Optimize value of the websites - Carry out research - Essay competitions in schools - Maximize value/Blog - Collecting and publishing success stories across Africa

	<p>Recruitment;</p> <ul style="list-style-type: none"> - Customer understanding Learn from other local and global membership associations (borrow best practices) - Learn from other local and global membership associations (borrow best practices) - Learn from other local and global membership associations (borrow best practices) - Pricing Strategy - Referral system linked to incentive program <p>Retention;</p> <ul style="list-style-type: none"> - Delivery of Customer Value Propositions as promised. - Innovation and creativity - Communication/client engagement - Feedback system - Involvement in product design, programming, events designing <p>Public relations;</p> <ul style="list-style-type: none"> - Good relationship with the media
Area of Focus 5 : Development of the secretariat as an institution	
<p>Objectives: Implement and achieve at least 85% of the strategy 2013/16</p>	<p>Strategies:</p> <ul style="list-style-type: none"> • Develop an institutional structure that is aligned to the strategy. • Have the right people in the right place • Understanding the strategy interpretation of the strategy • Staff motivation • Performance management • Equip staff(tools and resources) • Create an enabling working environment (work culture) • Provide effective leadership • Proper financial management

7.0 Governance And Management

7.1 Current management model and relationship structure with AFCA members.

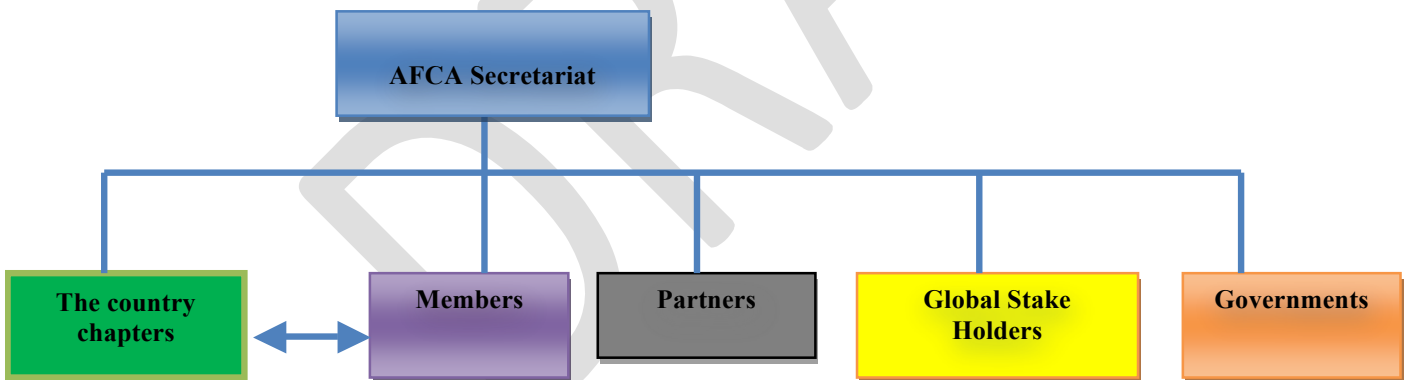
Figure 2: Illustrates the current management model and relationship structure with AFCA members



Challenge with the current structure: Management is not effective because it is too diverse

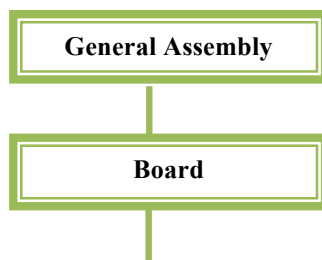
7.2 Proposed management model and relationship structure within AFCA.

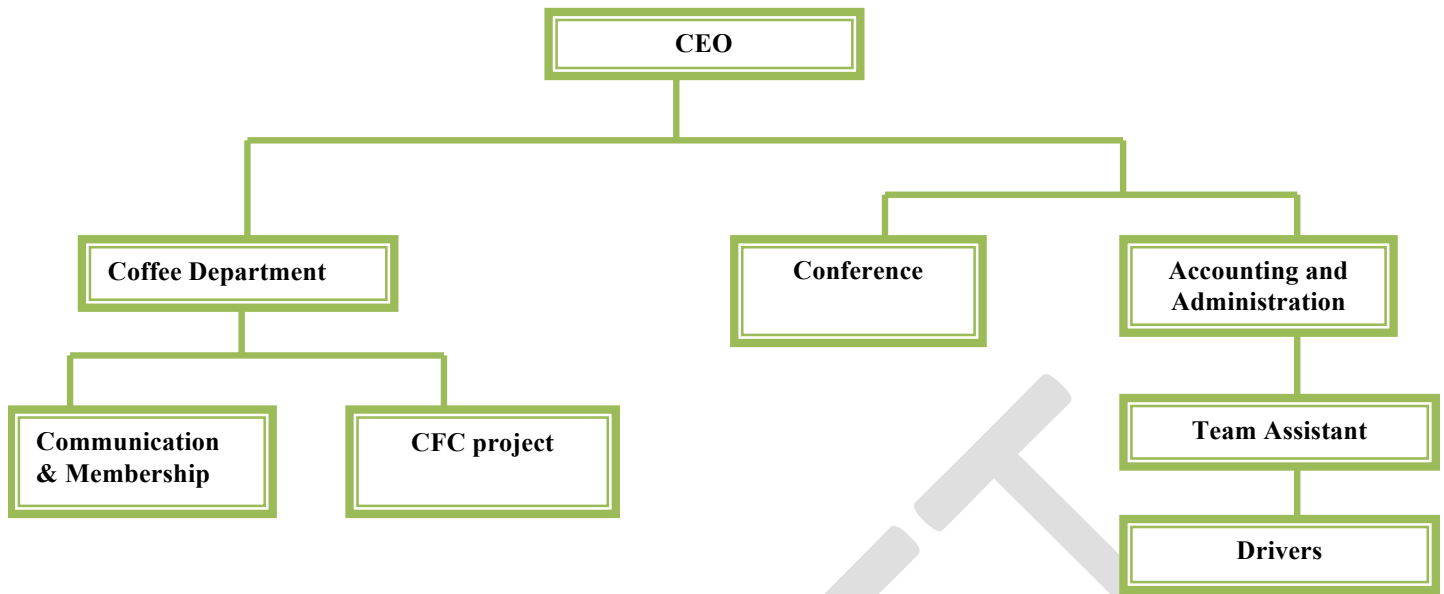
Figure 3: Shows the proposed management model and relationship structure within AFCA



7.3 Current Governance Structure

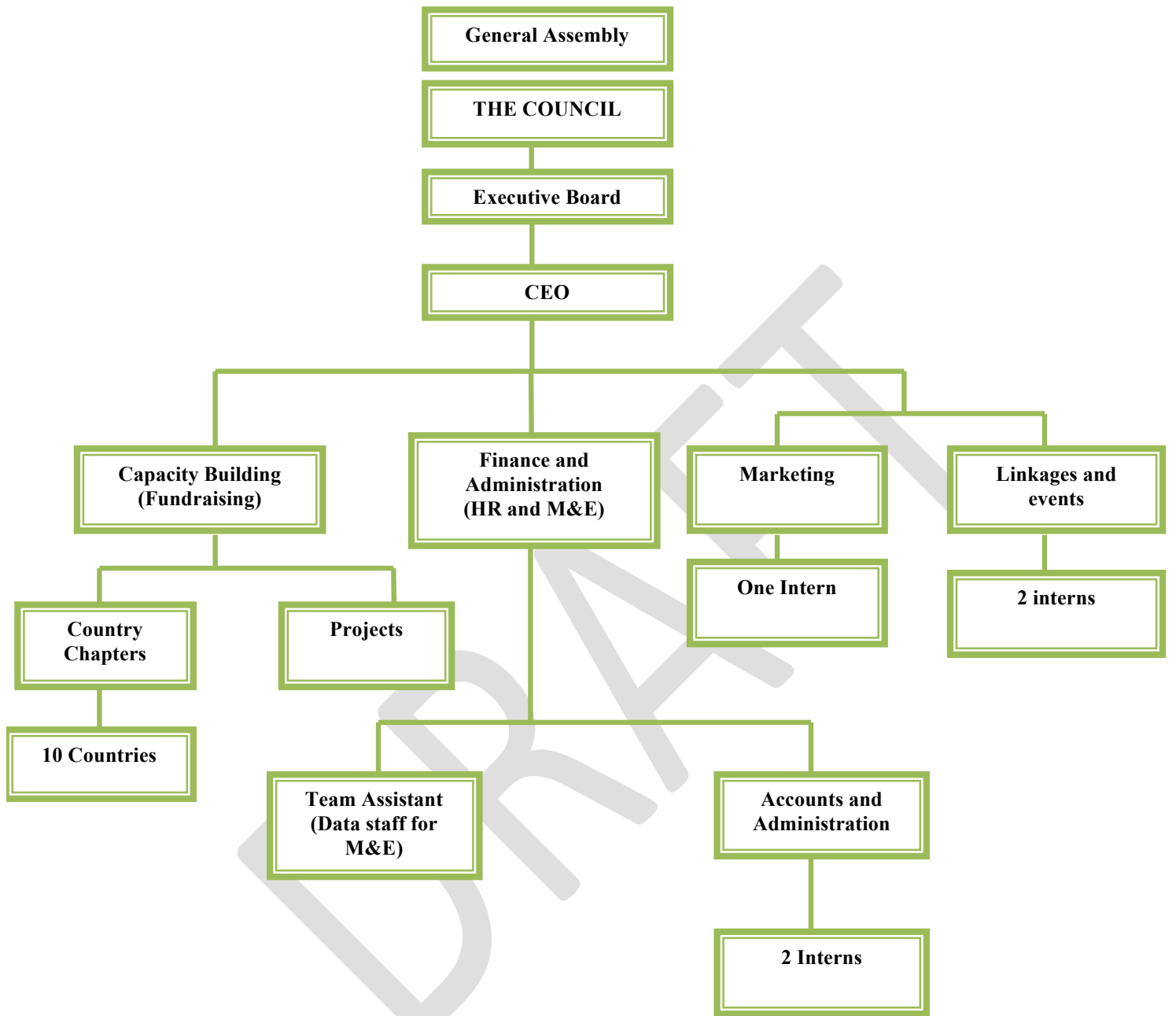
Figure 4: Shows the Current Governance Structure





7.4 Proposed New Governance Structure

Figure 5: Proposed New Governance Structure



8.0 Appendices

Appendix 1: AFCA'S External Factors Analysis

AREA	OPPORTUNITIES	THREATS
<p><u>Political factors:</u></p> <ul style="list-style-type: none"> • Liberalization of the Coffee industry globally. • Government Policies: no direct support to some industries while others e.g. Brazil, Vietnam, India, Colombia and others protect and support their industries. Trend to continue. • The main consumers will get even stronger in their resolve to maintain the status quo i.e. pay for low value imports from producing countries. 	<ul style="list-style-type: none"> • Considering the vast scope and variety of countries, AFCA has an opportunity to make strategic decisions around who to work with and in what format. • Finding benchmarks for countries with similar structural settings. • Playing the 'god-father' for members in countries with no support. Differentiation of services to members in different conditions. • Supporting members in getting together to gain bargaining power. • Coffee issues are important enough to the Governments so it is possible to get audience with the offices that matter. • Lobbying for Government intervention 	<ul style="list-style-type: none"> • Consumers investing in keeping the status quo. • Lack information regarding the mapping of countries in order to identify and agree specific and relevant interventions for each environment / country. • AFCA not yet recognized as the chief advisor to governments on coffee policy matters. • No mechanism of picking and sharing best practices and information with stakeholders and partners. • Dying cooperative systems in some countries like Uganda.

AREA	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Coffee is a main foreign exchange earner. There is growing world demand for coffee and other agricultural products. 	<p>and support in coffee production, research and negotiations in the markets.</p> <ul style="list-style-type: none"> Building a case for domestic consumption of locally produced coffees. Still have redundant potential – Africa can still grow the production significantly. New world trends and best practices to introduce to Africa e.g. Coffee is good for your life. 	<p>Quality, price and quantity compromised.</p> <ul style="list-style-type: none"> Africa losing market share. Research inadequately funded in Africa. Even the little done is not shared. AFCA conference resolutions not followed up.
<p><u>Economic factors:</u></p> <ul style="list-style-type: none"> All African countries have had budgets cut since the 1990s. Demand and supply dynamics. Governments more interested in export rather than local consumption. The business case for coffee to investors is getting harder to justify. 	<ul style="list-style-type: none"> Lobbying governments and funding agencies for support. Developing a resource centre Identifying new markets within the emerging world markets. Helping members to manage the local consumption Vs. export balance. 	<ul style="list-style-type: none"> Limited / reducing funding of coffee / agriculture. Limited and uncoordinated research. Reducing production Vs growing market. Pests and diseases. Food security
<p><u>Social factors:</u></p> <ul style="list-style-type: none"> Demographics – population growth, urbanization and a growing middle class. New trends i.e. Impact of social media e.g. Face book, twitter, etc. and coffee shops driving coffee within the younger generation Women movement and women considerations in coffee production which has not been articulated and given priority. 	<ul style="list-style-type: none"> Youth and women specific programs. Leverage the trends and life style of the youth and the role of women in determining production and consumption of coffee. Can engage youth in promoting coffee growing and using creative ways to interest them in consuming more. 	<ul style="list-style-type: none"> Possibility of negative publicity / campaigns on the social media. Urbanization
<p><u>Technological factors:</u></p> <ul style="list-style-type: none"> Ease of information flow Genetically modified coffees 	<ul style="list-style-type: none"> Applying technology in sharing learning, information and best practices. Providing a platform for AFCA 	<ul style="list-style-type: none"> Relatively high cost of technology in Africa. Inappropriate technology Technology phobia among

AREA	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Research and technology have led to new coffees that mature in less than 3 years. • Using technology to predict, weather, prices and production. 	<ul style="list-style-type: none"> • members to gain bargaining power to make technology acquisition and application possible. • Providing a platform for technology companies to show-case new inventions specifically for Africa. • Lobby for funding for appropriate technologies. And lead the adaption of technology. 	<ul style="list-style-type: none"> • members.
<p><u>Legal factors:</u></p> <ul style="list-style-type: none"> • Non-tariff barriers to trade • Health, Safety, Security and Environment issues and regulations. • Child labour issues • Supply chain management issues 	<ul style="list-style-type: none"> • Addressing East African integration issues. • Recognizing and working with Regulatory authorities e.g. KCB, TCB, UCDA, and ICO to manage the effects of liberalization. • How does AFCA help in the protection of the markets? • How do you balance liberalization with regulation of standards? • How do we harmonize the regulations, tariff, etc.? • Developing a resource centre • Being the chief advocate for coffee and coffee chain issues. 	<ul style="list-style-type: none"> • Weakness in enforcement of standards in terms of inputs – counterfeit fertilizers, pesticides etc. related to control and management. • Responsible authorities not always known.
<p><u>Environmental factors:</u></p> <ul style="list-style-type: none"> • The global green movement • Climate change issues • Sustainability issues • Stringent standards being imposed in more and more countries. 	<ul style="list-style-type: none"> • AFCA leading the implementation of standards; making them available, interpreting them, building a business case to promote them. • Harmonizing standards across Africa • Being the resource centre for information about coffee – know about global coffee requirements, frequently asked questions and other necessary information about coffee. • Lobbying for fair requirements/standards for Africa. 	<ul style="list-style-type: none"> • Very high food and drug standards. • Bio terrorism - an issue with the specialty coffee association. • <i>Poisoning</i> in the supply chain. • High and growing demand for food security

Appendix 2: AFCA's Internal Environment Analysis

Critical Strength	Critical Weaknesses
<p>1. Governance</p> <p>AFCA has a lean organizational structure, with clear roles for BOD and Secretariat.</p>	<ul style="list-style-type: none"> • There is limited interaction between the BOD and Secretariat.

	<ul style="list-style-type: none"> • Need for strengthening the governing rules and regulations and definition of working protocols between the BOD and secretariat. • No definite plan for strategic alliances / partnerships. • A weak link with membership across the continent. • Limited funding sources.
2. Programs and activities	
<ul style="list-style-type: none"> • A wide scope of operations – covering the whole continent. • Management of ICO/CFC projects • Great service – Taste of Harvest is a competitive advantage to AFCA • Africa Barrister championships gives AFCA a competitive advantage • Presents big opportunities for AFCA 	<p>No definite plan for strategic alliances / partnerships</p> <ul style="list-style-type: none"> • Slow execution of the programs which has led to loss of money. • Inadequate system for measuring impact.
Administrative systems and human resource	
<ul style="list-style-type: none"> • Secretariat staffs have a good understanding of the market. • Well documented systems. • Proper financial management and controls. 	<p>Weak human resource management in terms of i.e:-</p> <ul style="list-style-type: none"> - Policies: - No formal structures and systems to implement policies, reflected in the policy gaps and haphazard or inconsistent implementation. - The process of identifying staff needs, recruitment, induction and deployment as well as managing and motivating staff needs is not effectively managed and implemented. - Ineffective communication and management of staff related issues. - Over reliance on limited funding; the annual conference and donor funds.
Marketing	
African Fine Coffee's conference; its popular it publicizes the organization.	<ul style="list-style-type: none"> • Low cost Branding strategy.
Strategic Questions	
<ul style="list-style-type: none"> • Does the current structure serve the strategic intentions of the organization? • How best can AFCA accommodate the currently missing (under-played) roles e.g. Marketing, Planning, monitoring and evaluation, Human resource management? • How is the secretariat detached from the Uganda chapter? • How do we entrench and build the Africa Barrister championship? • How do we get the Coffee institute operational? 	
Staff Recommendation	
<ul style="list-style-type: none"> • Engage independent consultant to make recommendations on organization and systems development. • Consider getting professional Human Resource management services. • Look for alternative funding sources and increase the search for funding through aggressive resource 	

mobilization.

- Evaluate prospects for strategic partnerships as a possible source of funding.
- Reinvestment of surplus in income generating opportunities for cushioning against future uncertainties
- Develop a stakeholder management strategy
- Develop marketing strategy
- Develop M&E strategy

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