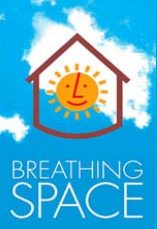


Shell Foundation

Breathing Space Toolkit

Overview





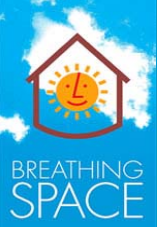
Agenda

Breathing Space Toolkit Objectives

Overview of the Toolkit

Toolkit in Action

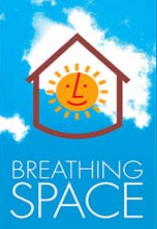
Next Steps..



Shell Foundation Breathing Space Toolkit

Objective

The Breathing Space toolkits provides a more robust **business strategy framework** with which to **evaluate, roll out** and **monitor** household cooking device programmes aimed at reducing the level of indoor air pollution in less developed countries.

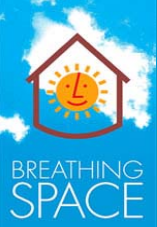


Shell Foundation Breathing Space Toolkit

What is the Breathing Space Toolkit?

The Breathing Space Toolkit provides:

- ◆ an **easy to use, step-by-step guide** to help the Shell Foundation and its regional partners evaluate and select the right household cooking mechanism based on customer needs and ensure that a self-sustaining delivery system is in place to support the programme scale-up
- ◆ a **consistent approach** and a **common vocabulary** to help the Shell Foundation and its regional partners to expedite comprehensive assessments of local markets and devise appropriate regional strategies for implementing IAP programmes
- ◆ tools and techniques to **develop and manage a sustainable business model** which can be scaled up throughout the region
- ◆ a mechanism to **share lessons learned** and helpful tools among project teams to support local market initiatives



Shell Foundation Breathing Space Toolkit

Who will use the Toolkit?

The primary audience for the toolkit is the Shell Foundation and its regional partners (co-ordinating organisations) which are involved in determining an appropriate IAP programme for the region.

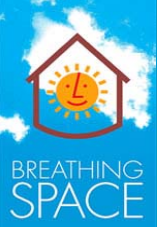
The primary users of the toolkit are as follows:

- ◆ **Shell Foundation:**

- Donor Agency
- Programme Co-ordinator

- ◆ **Regional Partners:**

- Co-ordinating NGOs (Regional project co-ordinator)
- Local Consulting Partners (if any)



Shell Foundation Breathing Space Toolkit

When will the Toolkit be used?

The Breathing Space toolkit can be used strategically to evaluate new regions and tactically to support local project implementations.

Strategic (Shell Foundation):

Current Programme Evaluation:

- ◆ Provide a neutral perspective to evaluate current projects and ensure that all factors are considered (e.g. customer needs driven programme, sustainable business model)
- ◆ Share lessons learned from other geographies to improve the chances of success in each region

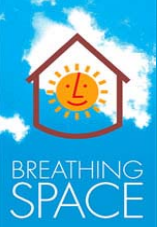
New Programme Evaluation:

- ◆ Evaluate new market opportunities and select the appropriate IAP market strategy for the region

Tactical (Regional Partners):

Regional Project Management:

- ◆ Ensure that the local project provides a customer needs driven solution supported by a sustainable business model in order to provide maximum benefit to the IAP affected households



Shell Foundation Breathing Space Toolkit

What are the Toolkit Principles?

The toolkit guiding principles ensure its **relevance** and **applicability** to project teams around the world.

The toolkit sets out to achieve the following:

- ◆ Easy to Use
- ◆ Common vocabulary across projects
- ◆ Logical flow
- ◆ Simple language – no jargon
- ◆ Repeatable & scalable
- ◆ Easy to customise for local market conditions
- ◆ Provide practical insight from previous experiences

Shell Foundation Breathing Space Toolkit

What topics will the Toolkit cover?

The toolkit is comprised of four modules which should be run sequentially.

Macro Environment

Module One – Macro Environment:

What is the local environment in which we are operating?

Customer & Demand

Module Two – Customer & Demand:

Who is our customer, how can we best serve them and what is the anticipated demand?

Supply

Module Three – Supply:

What is the best way to get the right product to the right place at the right price at the right time?

Sustainability

Module Four – Sustainability & Scale Up:

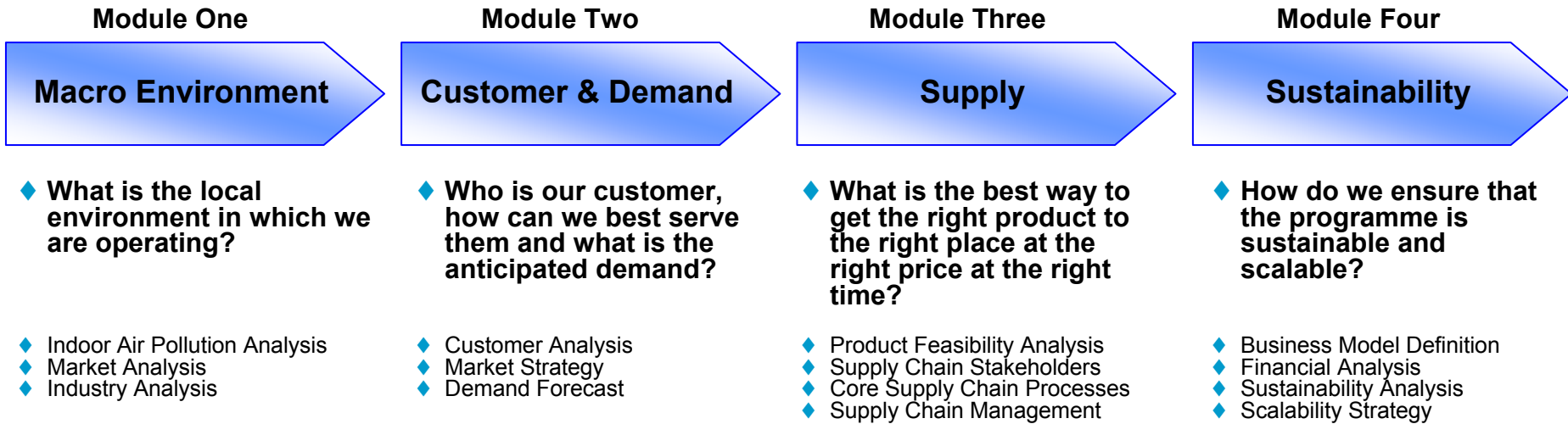
How do we ensure that the programme is sustainable and scalable?



Shell Foundation Breathing Space Toolkit

How is the Toolkit organised?

What is the right household cooking device and supporting operating model to sustainably support the programme scale-up throughout the region?



Breathing Space Toolkit Outputs

Module One:

- ◆ IAP Exposure Profile
- ◆ Market Context (Country & Region)
- ◆ Cooking Device Industry (supplier, product) overview

Module Two:

- ◆ Customer Profile (Needs/Behaviour)
- ◆ Customer Segments & Segment Sizes
- ◆ Product type selection
- ◆ Product price
- ◆ Marketing mix per segment
- ◆ Demand forecast

Module Three:

- ◆ Product/supplier selection
- ◆ Supply Chain stakeholder value propositions
- ◆ Supply Chain processes (Buy, Make, Fulfil)
- ◆ Product cost
- ◆ Production schedule
- ◆ Optimal supply model

Module Four:

- ◆ Business & financial model
- ◆ Stakeholder value propositions
- ◆ Financing requirements
- ◆ Sustainability checklist
- ◆ Scalability approach

Shell Foundation Breathing Space Toolkit

How is the Toolkit used?

A question-driven approach guides the user through each module.

Analysis

Step 1: Definition

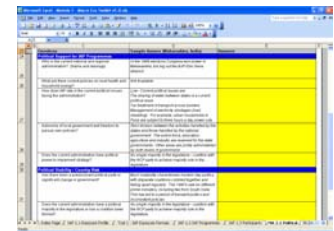
- ◆ Review and define the key questions to be answered by the toolkit based on the local context and any specific regional requirements.



Analysis

Step 2: Analysis

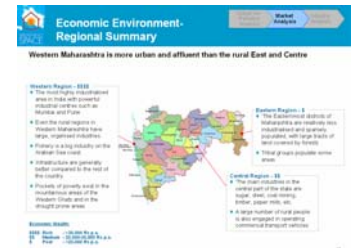
- ◆ Answer each of the questions, by gathering data and populating the analysis spreadsheets for each module.



Conclusions

Step 3: Conclusions

- ◆ Interpret raw data and populate report presentation templates with decisions, key facts and analysis to support conclusions



Shell Foundation Breathing Space Toolkit

The Toolkit in Action

The Breathing Space Toolkit was developed in collaboration with the Appropriate Rural Technology Institute (ARTI), the regional IAP project co-ordinators in Maharashtra, India to ensure the toolkit’s relevance and applicability in the field.

The following are but a few of the results and key findings achieved from the application of the toolkit to the Indian context:

Output	ARTI Learnings	Influence on Implementation
<p>IAP Problem Sizing: Estimation of the size of the problem within the region.</p>	<p>The problem is faced by nine million households in Maharashtra State. The project addresses just about 1% of the problem.</p>	<p>There is a need and a scope for expansion of the NGO-entrepreneur network. Capacity building in that direction is now part of the action plan.</p>



Shell Foundation Breathing Space Toolkit

The Toolkit in Action

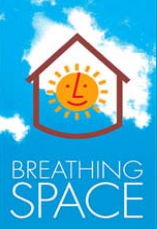
Output	ARTI Learnings	Influence on Implementation
<p>Customer Characteristics: Identification of distinct groupings of customer requirements whose unique needs must be satisfactorily addressed by different products, pricing and promotion strategies in order to achieve success.</p>	<ul style="list-style-type: none">▪ The main group of customers is families from all income groups, residing in rural areas away from urban centres.▪ For one product (Sarai Cooker) low and medium income urban families are potential customers.▪ Within the main group, about 15% of the customers are not in a position to pay the price of the cheapest of our products.	<p>There is a range of products, and needs of various customer groups have been addressed. Promotion strategies are in place, addressing different priority issues for different customer groups. The toolkit helped us understand better what we had done intuitively!</p>



Shell Foundation Breathing Space Toolkit

The Toolkit in Action

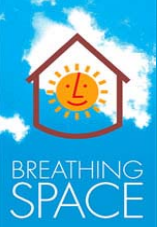
Output	ARTI Learnings	Influence on Implementation
<p>Supply Analysis: Clarification of the multiple supply chains which get the right product from the right manufacturer to the right customer at the right time (e.g. channel partner selection and their interactions – suppliers, manufacturers, distributors, retailers).</p>	<p>Each product has a complex supply chain and every link in the chain must play a specific and well-defined role.</p>	<ul style="list-style-type: none"> ▪ The clearer understanding of the role of each player has helped in assigning tasks in phase with the expected role. This has increased efficiency of implementation plan. ▪ Understanding the supply chains helped us in identifying potential bottlenecks and quality problems, and also suggested position, Remedial actions. As a result, the supply is now well geared to meet the growing demand.



Shell Foundation Breathing Space Toolkit

The Toolkit in Action

Output	ARTI Learnings	Influence on Implementation
<p>Sustainability: Evaluation of each product's self-sustainability (i.e. Will the maximum price that customers are willing to pay cover all of the costs?); Recommendations of strategies to make non self-sustainable products financially sustainable prior to scaling to new regions.</p>	<p>Criteria to be satisfied in order to ensure sustainability are now set up in measurable terms.</p>	<p>Periodic assessment of the current status against a 'sustainability checklist' ensures that the implementation plan stays on the right track. This will eventually translate into a successful scale-up.</p>



Shell Foundation Breathing Space Toolkit

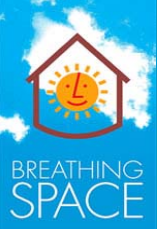
Next steps...

Dissemination of toolkit to all IAP partners on CD-ROM (February 2005)

Roll out of toolkit in Guatemala and other states in India to help shape scale up strategy (February – July, 2005)

Use of toolkit in new market entry in two – four selected countries (end 2005)

Audience request: dissemination ideas!



Shell Foundation Breathing Space Toolkit

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