Brief report on the capacity building actions of Dobra Zemja

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Background

Organic farming in Macedonia is an emerging sector, with the potential for creating new employment opportunities and new market perspectives for the agricultural producers. The number of organic operators in Macedonia increased in the last five years, from 344 in 2014, to 847 in 2019, showing the development trend. Few smaller processing operations invested in their own production of organic crops for raw material or developed contract farming with several leading organic farmers. Their processed products are present on the domestic market as finished products; however, there are not many products that satisfy the requirements for significant export arrangements. Although the domestic market for organic products is slowly growing, there is a need for a stronger trigger to encourage more producers to transition from conventional production as well as processors that will create an attractive product portfolio of branded products and wither export market window.

Good Earth (Dobra Zemja) is the first consumer cooperative in Macedonia, registered in 2015 with the support of the IME program. Dobra Zemja was founded by 3 women, and continuously has more women employed. The social processes in Macedonia, their impact on human health, the dispersal of local communities and the suppression of local initiatives were the basic motivations of the founders.

With its 5 years of experience in the distribution and sale of organic food and close contact with almost all local producers, Dobra Zemja is one of the leading promoters on the consumption and production of organic food in Macedonia. It currently has 5 full-time employees and 2 part-time collaborators. Through its shop for selling local organic food (fresh and manufactured), it has a secure base of regular customers and members of the cooperative receiving weekly organic baskets. The cooperative has a steady increase of membership and buyers by 25% and a slight increase of farmers suppliers every year. The concept of the organic basket makes a balance between the consumers' needs and the specific products that are produced by the producers.

To increase the offer of fresh organic products to the consumers, to decrease waste, extend the shelf-life of the products, and increase the number of farmers supplying organic products to cooperatives, IME supported Dobra Zemja to invest in cooling capacity, to support the farmers towards introducing good practices during the production process and to streamline the distribution process and promote products and services offered by the cooperative. The intervention will enable Dobra Zemja to organize delivery throughout the whole week (not only on the day of receiving the goods from farmers), thus ensuring operational space for adding value to products in terms of better cleaning and packing.

To overcome the current challenges with the distribution and packaging of the products in boxes and to increase their capacity, Dobra Zemja will focus on streamlining the delivery process. They will engage an external local consultant to improve the pickup and delivery model. In this process, they will introduce reusable packaging materials (paper and/or folding baskets).

IME Intervention

The objective of this activity is to support Dobra Zemja to improve the business model by investing in cooling capacity, offering capacity building services for the suppliers, streamlining the products distribution process and promoting products and services offered by the cooperative. The project will result in an expanded number of suppliers and consumers, that will ensure increased sales and income in the value chain.

Through this intervention, Dobra Zemja planned to create a cooling storage facility in order to double the number of farmers that they purchase products from, supported the farmers to prepare for the next season of production and increase their numbers, streamlined the distribution process and increased the promotion in order to increase the number of members of the cooperative

At the beginning of the year, Dobra Zemja worked with 30 producers, but because of the lack of a cooling storage facility, they purchased the products one day before, in order to distribute the weekly baskets the next day. With the creation of a cooling storage facility, they can purchase products almost a week in advance, and they can distribute the weekly baskets in a two day period. With this, they will double the number of farmers that they purchase products from. With the support of IME, Dobra Zemja installed a cooling storage facility in order to extend the shelf life of the products and increase the delivery time.

Dobra Zemja saw the need for their own standard of food production mainly through the fact that organic production is commercial and does not retain the environmental sustainability component and does not aim to develop local communities - two core values that they represent and without which, they believe, that the organic market is losing its meaning. For Dobra Zemja, organic production means local, small areas, a production that does not deplete resources. For these reasons, they establish our own system of social inclusion, development of local communities by retaining funds in them and supporting local producers. Dobra Zemja wants to use our standard to include more farmers in our supply chain and to double the number of farmers that they purchase products. Dobra Zemjaplan to make farm visits of more than 45 farms, train at least 30 producers for our standards and include them in our supply chain. The second delivery will train 30 producers and be included in the system of Dobra Zemja. Dobra Zemjawant to concentrate on small producers in undeveloped areas of the country, as our recent visit to the Porechje area (near Makedonski Brod), one of the least developed areas in the country, but with lots of resources and potential for organic production.

Dobra Zemja noticed that there is interest among farmers to produce organic, but lack of information is a major problem. Thus, they want to bring the organic production experts and certifications to the potential farmers

The distribution process at the moment is not developed, they collect our products at the beginning of every week, and they distribute the weekly basket every Thursday. At the moment they have difficulties with the delivery chain and packaging boxes. In order to increase our capacity, they want to streamline the delivery process. Dobra Zemja would engages an external consultant in order to organise the pickup and delivery process. they would introduce reusable packaging materials (paper and/or folding baskets)

At the moment they are delivering 100-120 weekly baskets. With the increase of storage facilities, they want to double our capacity and they plan to increase the membership base by 50% till July 2021. In order to do that, they will need to make a marketing and promotional campaign.

With the only shop in the country designed only to sell local organic food (fresh and manufactured), it has a sure base of regular customers. Besides that, it has around 100 members who pick up their weekly organic baskets. Since the beginning of the year, the number has increased by 20%. Dobra Zemja has a steady increase of members and buyers by 25% and a similar increase of farmers every year.

The concept of the organic basket makes a balance between the wishes of the consumers and the producers. Whenever a producer has a surplus of a product, they put more of it in the basket, so they try to buy out as much as possible, so it won't be wasted and thus support the producer itself.

Good Earth was founded by 3 women, and continuously has more women employed.

With this intervention, Dobra Zemja wants to focus on a higher increase in sales, increasing the number of clients and members by 50% before the beginning of the spring (new season), increasing the number of farmers that they purchase from by 60% and increase people that are employed by the cooperative by at least 4 new persons. On the farmers level, they will increase the sales by 60% and create an opportunity for employment of new 10 workplaces on the farmers level (in the first year) that will be increased to 20 in 5 years.

Methodologies used

Business Engineering

Business Engineering (BE) is the development and implementation of business solutions, from business models to business processes and organizational structure to information systems and information technology.
Business engineering focuses on developing innovative business solutions that take a sociotechnical systems (STS) approach. Business engineering combines knowledge in the fields of business administration, Industrial Engineering, as well as information technology and connects it to all aspects of transformation, from means of presentation to process models to cultural and political considerations.

Business engineering focuses on challenges arising from the transformation of the industrial society into an information society, that is the digitization of enterprises, economy, administration, and society. Business engineering is often held to be a subfield of Business Informatics, although it is also sometimes regarded as a form of Organization Development for its emphasis on Change Management.

Besides the technical design, business engineering includes the political and cultural dimensions of a new business solution. The political and cultural dimensions and change management are crucial factors for the success or failure of a transformation. Therefore, business engineering is an interdisciplinary approach. It divides the design levels of a company.

Business engineering distinguishes between a strategic, organizational and technological design level. Contemplating different design objects on different levels enables a focused view of the individual dimensions of transformation. Segmenting tasks at hand into different levels provides for security and helps to reduce the complexity of the transformation process.

Business engineering ensures a holistic view of all dimensions. It supports not only the design of new business models, business processes and information systems but also their implementation. Therefore, it contemplates all dimensions (resources and processes involved) of the transformation.

Business engineering refers to the method and model-based design theory for companies in the information age. Business transformations along with their technical and socio-economic aspects are far too important and complex to be realized without applying methods and models. Methods and models not only provide for transparency during the process of transformation, but they also specify the division of labour, create a foundation for communication and enable the documentation of the company’s systematic reorientation. The division of labour and application of engineering principles differentiate the "construction" in accordance with business engineering from individualistic "creation.

Business engineering focuses on the consumer from a business perspective. As of now, this also holds true for the deep penetration of all spheres of private life with information

technology (consumerization), which is equally being treated from a business and not an individual point of view.

Business modelling

A business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts. The process of business model construction and modification is also called business model innovation and forms a part of business strategy.

In theory and practice, the term business model is used for a broad range of informal and formal descriptions to represent core aspects of a business, including purpose, business process, target customers, offerings, strategies, infrastructure, organizational structures, sourcing, trading practices, and operational processes and policies including culture.

IMPACT VENTURES use tools like Business Model Canvas, strategic management and lean startup template for developing new or documenting existing business models. BMC is a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.

Organizational Development

Organization development (OD) is the study of successful organizational change and performance. Key concepts of OD theory include organizational climate (the mood or unique “personality” of an organization, which includes attitudes and beliefs that influence members’ collective behaviour), organizational culture (the deeply-seated norms, values and behaviours that members share) and organizational strategies (how an organization identifies problems, plans action, negotiates change and evaluates progress). There are many possible intervention strategies from which to choose. Several assumptions about the nature and functioning of organizations are made in the choice of a particular strategy. Interventions range from those designed to improve the effectiveness of individuals through those designed to deal with teams and groups, intergroup relations, and the total organization. There are interventions that focus on task issues (what people do), and those that focus on process issues (how people go about doing it). Finally, interventions may be roughly classified according to which change mechanism they tend to emphasize: for example, feedback, awareness of changing cultural norms, interaction and communication, conflict, and education through either new knowledge or skill practice.

Activities

Business Model Canvas

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
Farmers Certificators Affiliate groups	Purchasing produce Distribution Sales Promotion	Organic and chemically untreated food produced in a sustainable way locally produced food and thus reduce our environmental impact, investing and caring for the community and promoting interpersonal relationships.	Membership Viber group Facebook group	People concerned about their health People that want to eat healthily People that support organic production
	Key Resources		Distribution Channels	
	Shop Storage facility Distribution vehicles		Direct distribution of weekly baskets	

Cost Structure	Revenue streams
Produce costs Staff Facilities Distribution Promotion	Weekly baskets Membership Produce selling

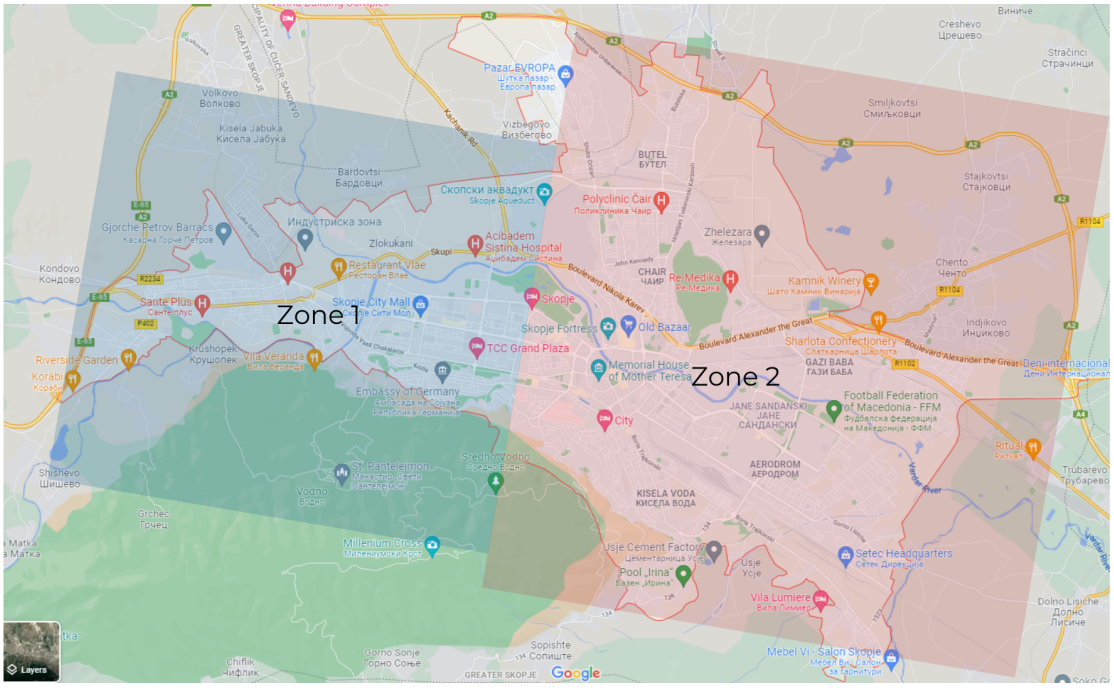
Organizational board

		Иво Бару	продавач и членови	Целан Велиу	продавач		
		Ивона Бару	нарачки и финансии	Горјан Дуковски	дистрибуција		
Управител	Ивона Бару	Ана Тодоровска	промоција	Никола Ефремов	дистрибуција		
				Александар Сандрески	дистрибуција		
	Комуникација 1				**Квалификација 5**		
Извршен одделл 7		**Ширење 2**	**Финансии 3**	**Продажба 4**		**Промоција 6**	
Ивона Бару	Ивона Бару	Иво Бару	Ивона Бару	Иво Бару	Ивона Бару	Ана Тодоровска	
Канцеларија на членови	**Одделение за рутирање и персонал**	**Одделение за промоција и маркетинг**	**Одделение за приходи**	**Одделение за услуги за продажба**	**Одделение за испити**	**Одделение за информации од јавен карактер**	
Ивона Бару	Ивона Бару	Ана Тодоровска - одговорен за маркетинг	Моника Трајкова - одговорен за финансиска документација за клиенти	Ивона Бару - одговорен за набавка	Ивона Бару - одговорен за квалитет	Ана Тодоровска - одговорен за имиџ	
Ги поставува производите и услугите на компанијата што треба да се размената со јавноста, Ги формулира или овластува политиките што треба да се придржуваат за да се гарантира успехот на организацијата, а кој ја обезбедува основната мисија и визија, постојано се почитува како дел од културата на компанијата.	Ангажира квалификуван персонал, правилно ги става во корист на индивидуата и организацијата и гледа дека сите вработени (нови и постојни) се обучени и школувани за да ги извршуваат своите индивидуални работи.	Создава голема побарувачка со ориентирање на потенцијалните клиенти кои производите и услугите на организацијата со правилно анкетирани и информативни промотивни и маркетинг кампањи, вклучително и пошта, билтени, списанија, веб-страници и други медиумски канали.	Ракува со приходите како влезни средства така што овие се правилно и безбедно применети и запишани. Прецизно ги одржува платите на сметките на клиентите и ги собира сите долгови што и се должат на организацијата.	Прецизно предвидува какви било суровини и опрема потребни за производство и гарантира дека тие се достапни и правилно организирани.	Го испитува резултатот од производството на организацијата за квалитет. Валидност и трајност на производите и ги предава на преглед или сертификација, така што секој производ е проверен, за да може да биде коригиран, за да може да биде заверен - како што го постигнал стандардот на квалитет на организацијата.	Обезбедува дека изгледот на организацијата, нејзините производи и персоналот е одличен, со што ќе се добие прифаќање од јавноста. Всведува нови потенцијални клиенти и клиенти во организацијата и ја прави организацијата и нејзините производи и услуги добро познати и добро испланирани кампањи за односи со јавноста.	
Канцеларија на управител	**Одделение за комуникации**	**Одделение за дистрибуција**	**Одделение за исплати**	**Одделение за активност**	**Одделение за преглед**	**Одделение за јавни услуги**	
Ивона Бару	Ивона Бару	Горјан Дуковски - одговорен за дистрибуција	Ивона Бару - одговорен за добавувачи	Иво Бару- одговорен за продажба	Иво Бару - одговорен за преглед	Ана Тодоровска - одговорен за јавно информирање	
Го води стратешкото планирање на организацијата и размислува за нејзино извршување, така што ќе се постигнат стратешките цели.	Воспоставува и одржува внатрешни и надворешни системи така што целата комуникација, внатрешна и надворешна е бесплатна брза и овозможува непречено работење.	Продажа и обезбедува дистрибуција и достава на производите на организацијата при што уништените производи од компанијата и нејзиниот основач се пренесуваат на јавноста, со тоа продолжувајќи ја желбата и достигнувањето за целите на организацијата, производи и услуги.	Го прави потребното прилагодување за да ги исплати средствата за набавка и исплатата на сите сметки и вработените, осигурувајќи дека се исполнети сите финансиски обврски, при што другите оддели имаат соодветно решение да ги произведат своите производи.	Обезбедува соодветна и правилно подготвена работна сила и закажана за максимална активност, ефикасност и услуга на јавноста.	Ги прегледува производите, услугите, персоналот и организациските процеси на организацијата за да ги изврши основните причини за какви било супстандардни нивоа на квалитет и спроведува корекција кога е потребно, така се постигнуваат доследно одлични резултати.	Воспоставува продуктивни канали за дистрибуција надвор од организацијата за широко пристап до општата јавност.	
Канцеларија за деловни работи	**Одделение за инспекции и извештаи**	**Одделение за продажба**	**Одделение за записи, средства и материјални работи**	**Одделение за производство**	**Одделение за сертификати и награди**	**Одделение за успех**	
Ивона Бару	Ивона Бару	Иво Бару - одговорен за продажба	Иво Бару - одговорен за средства	Иво Бару - одговорен за производство	Ивона Бару - одговорен за потврда на квалитет	Ивона Бару - одговорен за успех	
Ракува со корпоративното откружување на организацијата одржувајќи соодветни односи со владини агенции и се грижи за сите правни и корпоративни работи, дозволувајќи и на постојан развој на компанијата	Овозможува управување со интегрирано согледување и раскажување со податоците со постојано собирање и прецизно графикување на индикаторите за мониторинг кои го мерат здравјето и производството на организацијата.	Просветлува потенцијални клиенти кои изразиле интерес за производите и услугите на организацијата и смета дека тие се добиени од нив. Одржува целосни и точни датотеки и бази на податоци на сите луѓе кои некогаш купиле нешто од организацијата за да можат да се промовираат и да се продаваат други услуги.	Ги зачувува сите трансакции и води прецизна евиденција за сите финансиски трансакции, вклучително и сите потребни книговодствени книги, ревизии и финансиско известување, со цел зачувување на сите средства и резерви.	Визуелно го произведува производот на организацијата и ги дава своите услуги брзо во голема количина и со одличен квалитет, така што клиентите се многу задоволни од резултатите.	Сертификати, врз основа на резултатите од инспекција и испитување (и корекција каде што е потребно), за овие производи се покажа дека се со одличен квалитет.	Собира и ги прави широко познати успесите во активностите на организацијата и нејзините производи. Врши контрола над областа на организацијата со поттикнување на постојните клиенти да ги упатуваат другите на добрите работи и услуги на организацијата.	
Солвентна и остварлива растечка организација	**Поставена организација со ангажирани, поставени, обучени и продуктивни вработени**	**Довољен обем на продажба за да се обезбеди дека приходот е поголем од расходите плус резерви**	**Зачувани и вредни средства и резерви**	**Правилен квалитет на производи и услуги доставени до потрошувачите со вотената навременост, цена и квалитет**	**1. Добро обучен персонал кој е ефикасен и ефикасен 2. Корегирана организација и нејзините квалитетни услуги и производи**	**1. Заинтересирани и проспективни клиенти кои достигнуваат и нарачуваат понатамошни производи и услуги 2. Клиенти кои лесно ги упатуваат другите заради нивниот успех**	
Вреден финален производ на компанијата: Конечен вреден и разменлив производ што се разменува со јавноста и што е резултат на визијата на основачот / сопствениците на компанијата која се реализира"							
Бруто маржа	Раст на приходи	Број на нови договори Реализирани состаноци со потенцијални клиенти	Основни средства и резерви	Количина на соодветно набавена влезна роба Број на испорачани производи / кошнички Број на фалшливи производи	Процент на повраг Број на фалшливи производи	Нови нарачки од постоечки клиенти Број на референци	

Weekly basket

The concept of the organic basket makes a balance between the wishes of the consumers and the producers. Whenever a producer has a surplus of a product, we put more of it in the basket, so we try to buy out as much as possible, so it won't be wasted and thus supporting the producer itself.

Streamlining the delivery process



Delivery of Weekly baskets

At the moment the delivery is organised on Thursdays, with two distribution vehicles.

By joining the membership model and picking up a weekly organic shopping cart, the client get access to 30% lower prices.

Delivery of produce

All orders made on shop.dobrazemja.mk can be paid with the payment cards listed at the bottom of the website. There is no possibility of a payment in cash.

Delivery of products costs 100 denars. Delivery for orders over 800 denars is free.

The order and delivery of products through the store dobrazemja.mk are currently available only in the area of the city of Skopje, up to the entrance of the residential building. The cooperative deliver to the following settlements: Center,

Karpos (1,2,3 and 4), Taftalidze, Kozle, Zdanec, Vlae, Gjorce Petrov, Chair, Butel, Zelezara, Aerodrom, Novo Lisice, Kisela Voda, Vodno, Crniche and Przino.

Time of delivery

Thursday is for delivery of members' baskets.

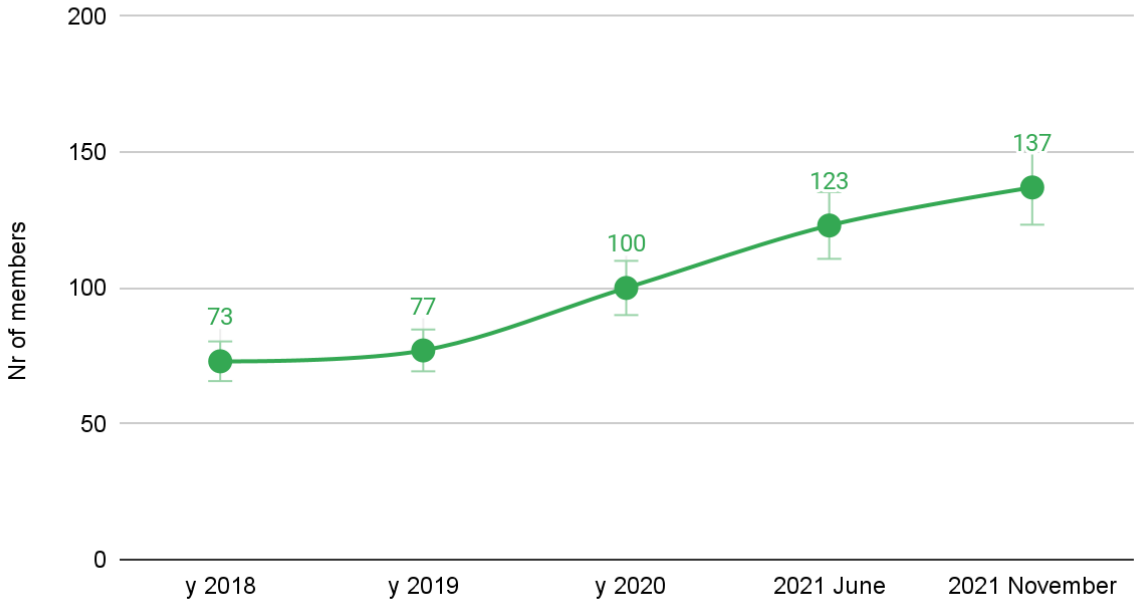
Periods for delivery of orders are Monday, Tuesday, Wednesday and Friday between 17.00 and 20.00. To receive the products the same day, the order must be made by 2 p.m. Depending on your location, you will receive a text message during the day informing you of the exact time of arrival at your location. The time may be changed in agreement with the supplier. In case you are not available upon arrival of the supplier at the specified

delivery location, we expect you to pick up the order from our store yourself. The means of delivery are non-refundable.

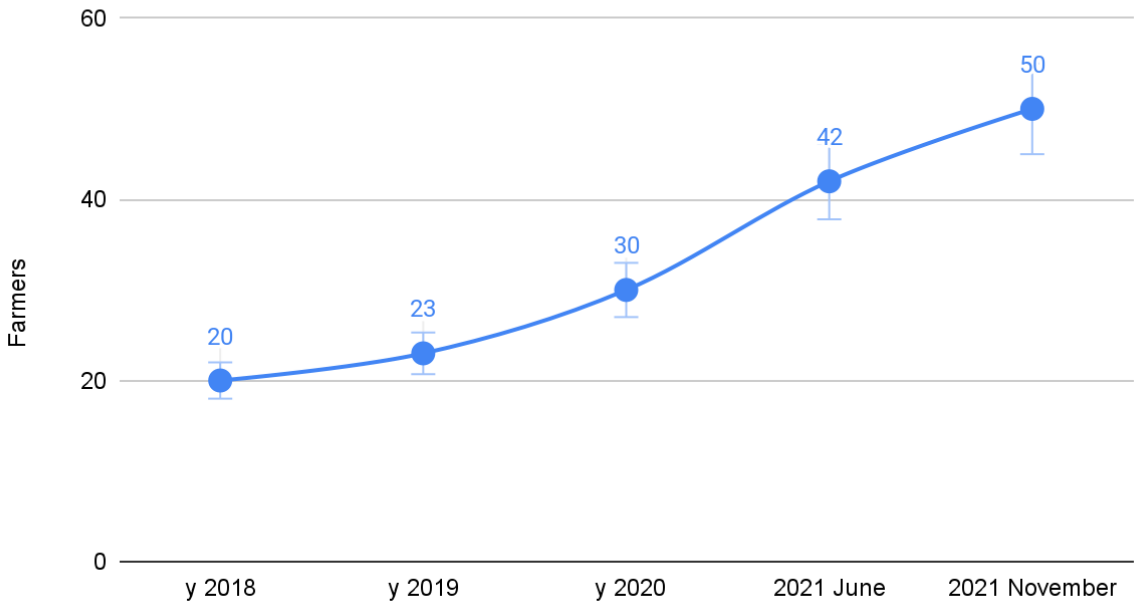
For any delay due to unforeseen reasons, the client will be contacted directly by the supplier by phone. If the delay is not announced, the client can contact the listed contact phone number for more information on the status of the cliens torder.

Results

Members



Farmers



Recommendation

Improve the pickup and delivery model

In order to Improve the pickup and delivery model, Dobra Zemja should implement a model of mapping the routes and streamline the delivery process. This can be done in two ways.

- Developing a graph of delivery based on history of delivery for improving the delivery based on traffic
- Categorise members that choose to pick up the baskets in separate groups

Introduce delivery two days in the week

With the growth of membership database with 200 members, there will be a bottleneck for delivery only in one day

The recommendation is to Introduce delivery two days in the week (Tuesday/Thursday or Thursday/ Friday) based on the needs of members. The week days should be fixed per member in order to avoid overlapping and interference.

Introduce reusable packaging materials

Dobra Zemja reuse the minimal packaging and do not use plastic bags. Return of the plastic baskets sometimes create problems in distribution due to their volume.

Therefore, it is recommended in the near future to introduce reusable branded packaging materials like folding baskets. In addition, there should be a fee for not returning the basket in this case.