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Genesi BoP Project Morocco Engagement Framework

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Objectives

1. **Outline an engagement framework for identification of business opportunities in Morocco based on Phase I of the BoP Protocol**
1. **Identify opportunities for Genesi and Cornell's Center for Sustainable Global Enterprise to collaborate on the engagement**



Agenda

Resources and Capabilities

- CSGE
- Genesi
- Morocco overview

Preparation for Phase I

- Site selection
- Partner selection
- Team composition
- Conveying the message
- Pre-reading and budget

Advantages and Risks



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Resources and Capabilities of the CSGE

- The Base of the Pyramid Protocol:

BOP Protocol Structure





Resources and Capabilities of the CSGE

- **People:**

- Stuart Hart
- Mark Milstein
- Ph.D. candidates
- Post doctoral students
- Center staff
- MBA students



- **Network:**

- BoP learning lab
- Past clients
- Johnson School and greater Cornell community



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Resources and capabilities of Genesi

The EFIKA

Low-power, high-performance motherboard based around the Power Architecture™ System-on-Chip

Characteristics:

- Rugged flexible design allows breadth of implementation
- Low power consumption
- Can be assembled locally
- System maintenance can be performed remotely
- Low cost





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Resources and capabilities of Genesi

Network within the open source community:

- Allows Genesi to develop software solutions at low cost
- The open source community can be used to localize the software

Research and development expertise:

- Possibilities to upgrade the EFIKA to meet the specific needs of the community

Relationships:





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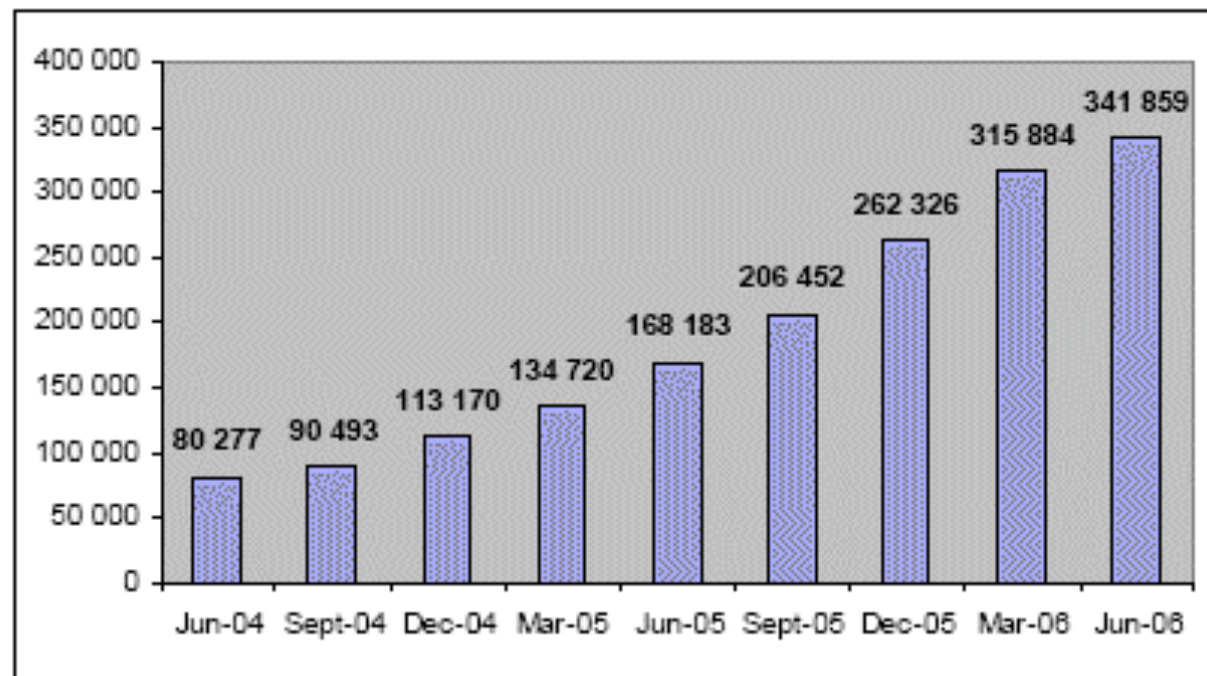
Morocco has a strong entrepreneurial culture

- **Entrepreneurs come from all social backgrounds**
- **Women have limited access to entrepreneurship due to cultural conflicts**
- **Moroccans are involved in a variety of business plan competitions**
- **Resources for entrepreneurs:**
 - CRI (Regional Center of Investment)
 - “Réseau Maroc Entreprendre” (Entrepreneurs Network)
 - FBPCE (Fondation Banque Populaire pour la Création d'Entreprises)



Moroccan Internet connectivity is growing fast

Internet Subscribers Evolution*



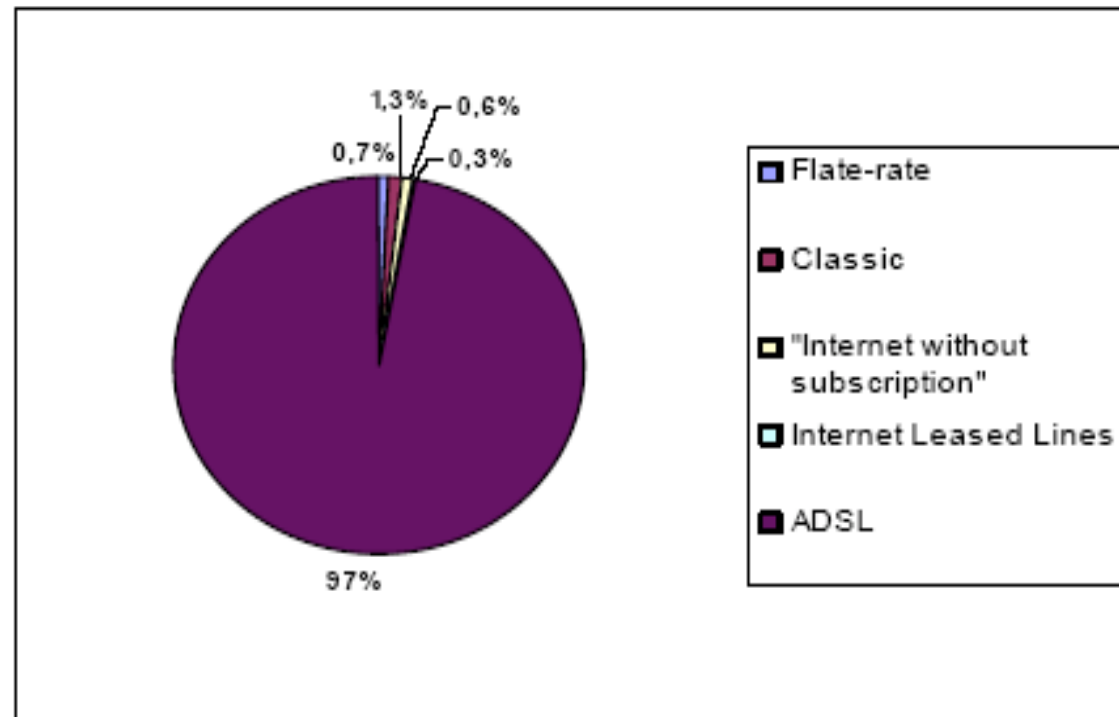
* The number of ADSL subscribers was calculated by adding up The ISP's ADSL subscribers

Source: Agence Nationale de Reglementation des Telecommunications



97% of subscribers are ADSL, so connections are fast

Internet Subscribers per Mode of Access June 2006*



* The number of ADSL subscribers was calculated by adding up The ISP's ADSL subscribers

Source: Agence Nationale de Reglementation des Telecommunications



Media in Morocco

- **Written media is not very popular in Morocco**
- **Media was deregulated in 1994**
 - Two main television channels and a handful of radio stations
 - Little change since 1994
- **Access to international media through satellite television (2.5 million satellite dishes)**
- **International media appeals to younger generations, but does not reflect local culture, traditions, and sensibility**



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Opportunities for Genesi in Morocco

- **BoP Protocol engagement in poor communities**
- **Internet Cafe model**
- **Partnership with Moroccan Universities**
- **Business plan competition**
- **Copy and replicate an existing model**



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Site selection

Criteria

- Poor, underserved region
- Urban and rural
- Manageable logistics
- Limiting constraints

Recommendation

- Salé
- Khemisset





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Partner selection

Criteria

- Deep local roots
- Entrepreneurial skill
- Focus on the people rather than the institution
- Relationships with international donors may bias expectations

Possible partners

- Amal Salé: youth focused local NGO in Salé
- Amappe: Rabat based NGO developing entrepreneurship in BoP communities
- Lamrissa: youth focused NGO encouraging city development

See report Appendix A for more partner leads



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Team composition

Characteristics of team members



- Enthusiastic about BoP markets
- Facilitation skills in community engagement are necessary
- Able to move beyond social conventions and traditional status
- Willing to work long hours during the engagement
- Foreign members of the team should have local language capability
- Humble

Team structure

- 6 people split between 2 sites
- Site teams of 2-3 people
- Emphasis on team dynamics and member skill set
- Better to have a small team with tight fit
- At least 1 representative from Genesi
- At least 1 representatives from the local partner
- Include people who speak the local language fluently



Team composition – Analysis of member groups

Group	Strengths	Weaknesses
	<ul style="list-style-type: none">• High degree of exposure to the Protocol's implementation• Ready access to thought leadership• Near neutral party for negotiating co-creation between Genesi and the community	<ul style="list-style-type: none">• Likely to steer away from options that may be near term profit centers• Focus on BoP may lead team to forgo non-BoP opportunities
	<ul style="list-style-type: none">• Understanding of the company's capabilities• Contacts within organization• Ability to make decisions	<ul style="list-style-type: none">• Preconceptions (company, BoP)• Swayed by management expectations• Jargon can hinder communication
Expatriates	<ul style="list-style-type: none">• Extensive network of contacts• Possible language fluency• Cross cultural expertise	<ul style="list-style-type: none">• "Development fatigue"• Willingness to try new approaches from naïve team
Host country nationals	<ul style="list-style-type: none">• Implicit understanding of Moroccan culture• Language fluency and local contacts	<ul style="list-style-type: none">• Ethnic, class, regional, and religious tensions must be factored into selection• Past experience may color expectations



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Team composition – Host country recruiting

Networking

Moving through a community through personal introductions and slowly broadening the circle the company can contact

Peace Corps

Peace Corps training staff has extensive experience in working with the BoP and facilitating cross cultural interaction. As contractors they are available 6 months out of the year

Business plan competition

Advertised via the Tanmia site and at Moroccan Universities. This could be used not only to identify prospective team members, but also to identify possible target ideas and partners



Team composition – Recommendation





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Conveying the message – Don't address technical specifications

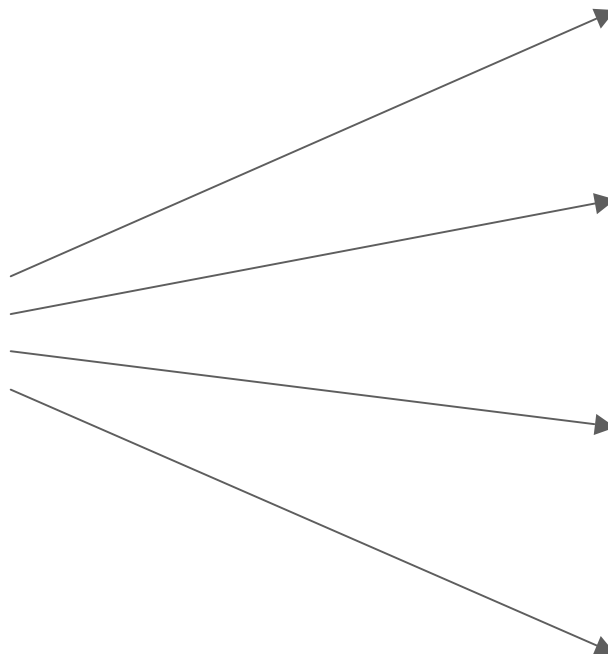
- Firmware and open architecture
- Freescale [MPC5200B](#) PowerPC SoC up to 400MHz
- 118mm x 153mm x 38mm
- 128MB 266MHz DDR RAM
- 44-pin IDE connector
- 10/100Mbit/s Ethernet
- 2x USB ports
- 1x RS232 Serial port
- Stereo Audio out, Microphone and Line-input
- 33/66MHz PCI with optional 90° AGP riser slot
- RoHS Compliant



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Conveying the message – Address tools and capabilities in a disaggregate manner





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Conveying the message – Encourage community members to combine base services



+



=

Video phone



+



=

News read to you by
computer



+



=

Ability to post your own
newscast for other to hear
(pod casting)



Defining the value – Community selects their own basket of services and values components

100 D



150 D



10 D



750 D



Top 5 services

Aggregate value = XX.xx





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The team should go into the engagement with a common foundation of knowledge

- **Morocco background**
- **Theory of business at the Bottom of the Pyramid**
 - Business strategy and development
 - Critical perspectives
 - Engaging the BoP differently
 - Development-based methods
- **Examples of connectivity models in the developing world**

Sample reading list in Appendix B of report



Budget

Based on past projects, the typical budget for Phase I is \$250,000

Key factors in budget estimation

- Size and composition of the team
- Number of sites
- Project leadership
- Faculty involvement
- Length of engagement



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Assessment – Advantages and risks of collaboration with the center

Advantages of collaboration

- New business model potential
- Expertise
- Networks
- Deep community connections
- Prestige and validity

Risks of collaboration

- Goal alignment
- Following the Protocol explicitly
- Partner selection
- Timing and availability of CSGE
- Team leadership



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Discussion