BIRD

BANKERS INSTITUTE OF RURAL DEVELOPMENT, Lucknow

(Designated Nodal Training Institution at Central Level by
GoI under CSS on Formation and Promotion of 10000 FPOs)

MASTER TRAINING PROGRAM DESIGN

FOR

CAPACITY BUILDING OF BOARD OF DIRECTORS (BODs) OF FPOs

UNDER

CENTRAL SECTOR SCHEME ON FORMATION & PROMOTION OF 10000 FPOs

NABARD

german cooperation
DEUTSCHE ZUSAMMENARBEIT

Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

Master Training Program Design for Capacity Building of Board of Directors (BODs)
under Central Sector Scheme on Formation & Promotion of 10000 FPOs

Objective

Orientation of Board of Directors of FPO to understand opportunity and scope for FPOs and imbibing requisite knowledge and skill for governance, management and marketing

Program Mode	Online
Program Duration	3 days

Program Mode	Classroom Training
Program Duration	3 days

Broad Coverage of the Program

- Understanding the management and governence aspects in FPOs
- Understanding various business model and conceptualization of realistic business plan for FPOs
- Evolving a FPO - As member driven and participatory community based orgnization
- Importance of networking and covergence in FPO business
- Strategic Marketing
- Regulatory and Statutory compliance aspects for FPOs

Programme on capacity building of Board of Directors of FPOs	
Objective	Orientation of Board of Directors of FPO to understand opportunity and scope for FPOs and imbibing requisite knowledge and skill for governance, management and marketing
Duration	3 Days
Course Highlights	• Challenges and business opportunities for FPOs in present agriculture scenario • Enabling policy measures taken by the GoI for formation of 10000 FPOs • Concept of agriculture value chain – Gaps & business opportunities for FPOs • Role of different stake holders in governance and management of FPOs – Differentiated role of BODs & CEO • Business planning for FPOs – Role of BoDs in business diversification and expansion • Financial planning and understanding marketing dynamics • Regulatory and statuary compliances for FPOs – Role of BoDs in compliance management • Understanding the importance of record keeping, management Information Systems & internal rating systems in FPOs • Importance of networking and convergence in the FPO business • Strategic organizational and management skills for BoDs of FPO
Target Participants	Board of Directors of FPOs

Day-to-Day Schedule		
Day	**Session**	**Topic**
I	I	Farmer Producer Organisations – Need, status and past experience
	II	Governance aspect in FPO – Role & responsibilities of BoDs
	III	FPO management – Requisite skill set required for functioning as a Board member
	IV	Conceiving & drafting a business plan : An introduction
II	V	Understanding the Value Chain Concept - Assessment of business opportunities
	VI	Business segment, product planning and marketing – Demand and competition analysis, product mix planning, pricing, marketing strategy and business innovation
	VII	Undertaking Financial Planning for FPOs business
	VIII	Role of Board of Directors - Management Information system (MIS) & Internal performance assessment tool
III	IX	Managing regulatory and Statutory compliances
	X	Networking with the Government, technical, market promotion and private agencies & convergence for FPO business
	XI & XII	Exposure visit to a successful FPO / Online experience sharing by FPO / Audio- Visual display of a successful FPO
	Feedback and Valediction	

Session I

Farmer Producer Organization – Need, status and experience

Objective: Enabling participants to understand need for collective action for small holders

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Duration minutes	Methodology
i	Why FPOs	Describing the challenges for farmers in agriculture – Need for collective action through aggregation specially in case of small holder farmers	20	Presentation
iii	Need for FPOs	Exploiting synergy in addressing issues related to agri-inputs, technology transfer, credit availability, market access, risk mitigation, etc.	20	-do-
iv	Status of FPOs	Evolution of FPO approach and present status of FPOs in India	15	
v	Salient features of CSS on formation & promotion of 10000 FPOs	Key philosophy under the scheme for taking FPO concept forward including the support system available under the scheme	25	
	Discussion & Feedback		10	Discussion Mode
Relevant pages in Reading Material: Pages 1-18				

Session II

Governance aspect in FPO – Role & Responsibilities of Board of Directors

Objective: Imbibing professional, ethical and managerial approach in management of FPOs

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Pillars of Corporate Governance	Describing the basic aspects of governance and management in FPOs – Democratic functioning, collective decision making, developing system & procedures, transparency, confidentiality, accountability, etc.	20	Presentation
ii	Role and rights of members or shareholders	Understanding the role, rights & responsibilities of a member of FPO	20	-do-
iii	Governance in FPO – Role of Board	Describing authority, functions & responsibilities of Board of Directors	20	
iv	Role clarity of office bearers	Role & responsibilities of other key functionaries in FPO viz. CEO, Accountants, etc.	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 19-29				

Session
III

FPO management – Requisite skill set for functioning as a Board member

Objective: Equipping with requisite skills as Director on the Board of FPO

Duration: 90 Minutes

Session outline

S. No.	Session plan	Objective	Time Minutes	Methodology
i	Skill set required for effectiveness as a BOD	Introducing the required skill set in managing an organisation - leadership qualities, communication skills, motivational skills, negotiation skills, networking skills, etc.	10	Presentation
ii	Negotiation skills	Describe how to reduce resistance and minimise conflicts to achieve a win-win situation in a workplace	10	-do-
iii	Networking Skills	Describe methods to build and maintain effective professional relationship with identified network of people/organisations related to FPO functioning	10	
iv	Effective use of delegation	Understanding importance of delegation of work/responsibilities in better functioning of an organisation	10	
v	An entrepreneur as a leader	Describing leadership qualities and development of leadership skills	10	
vi	Systematic approach to planning	Planning approach (Planning skills) – logical, step-by-step working towards achieving the desired goals	10	
vii	Managerial skills	Building on knowledge and confidence, managing employee, motivation, customer satisfaction, etc.	10	
viii	Inter-personnel skills	Emphasis on importance of soft skills like emotional intelligence, communication, reliability, positivity, openness to feedback, empathy, teamwork and active listening in managing a unique institution like FPO	10	
ix	Persuasion and use of influence strategy	Presenting elements of influence strategies	5	
	Discussion & Feedback		5	Discussion
Relevant pages in Reading Material: Pages 30-40				

Session IV

Conceiving & drafting a business plan: An introduction

Objective: Highlighting the importance of a business plan and delineating the constituents of a model business plan

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Business Plan - Rationale and steps involved	Understanding why a business plan is required and the logical steps involved in firming up a business plan	25	Presentation
ii	Aspects to be seen while finalising a business	Delineating aspects like technical feasibility, commercial viability, financial viability, bankability, risk analysis & risk mitigation strategy	25	-do-
iii	Examples of different business models adopted by FPOs	Using case studies show casing some successful FPOs business models	30	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 41-50				

Session V

Understanding the value chain concept – Assessment of business opportunity for a FPO

Objective: Illustrating the business opportunities for FPOs under input-output business and through participation in value chains with an objective of enhancing farmers' share in consumer price

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Understanding Agriculture Value Chains	Defining the concept, elements and functioning of the agri-value chains	20	Presentation
ii	Market Map	Describing the agri market structure, value chain actors, market practices, perceived inefficiencies and possible role and opportunities for a FPO	20	-do-
iii	Various business models for FPO	Collective input procurement, technology & mechanisation, collective marketing of produce, collective processing, marketing & exports	20	
iv	Business diversification & expansion strategies for FPOs	SWOT Analysis of available business opportunities, ranking & selection of appropriate business activities	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 51-55				

Session VI

Business segment, product planning and marketing – Demand and competition analysis, product mix planning, pricing, marketing strategy and business innovation

Objective: To understand scope of competitive advantage and strategic positioning of a FPO

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Enabling policy	Knowledge on agriculture marketing policy along with recent agriculture marketing reforms	20	Presentation
ii	Strategic positioning – Securing competitive advantages	How to gain competitive advantages - Price advantage, differentiation advantage and niche market advantage	20	-do-
iii	Market analysis	Customer segmentation - estimation of demand & supply – present players – competition level - alternate marketing channels	20	
iv	Developing a marketing strategy	Working out a marketing strategy - Product, price, place and promotion	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 56-63				

Session VII

Undertaking financial planning for FPOs business

Objective: Describing the process of financial planning

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Basic financial concept	Familiarity with basic financial concepts viz. capital budgeting, working capital, term loans, cash flows, fund flows, income – expenditure statement, balance sheet, breakeven analysis etc.	30	Presentation
ii	Working capital concept & term loan assessment	Items of investment and assessment of term loan, working capital cycle and methods for assessing working capital requirement - Important information required and general terms & conditions for bank finance	30	-do-
iii	Sources of funds	Providing information on equity, equity grant, bank loan, credit linked subsidy schemes and credit guarantee scheme	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 64-74				

Session VIII

Role of Board of Directors – Management Information System (MIS) & Internal Performance Assessment Tool

Objective: Highlighting the importance of concurrent monitoring through well evolved monitoring mechanism in FPOs

Duration: 90 minutes

Session outline

S.No.	Session plan	Objective	Time Minutes	Methodology
i	Why monitoring?	Importance of putting in place a sound monitoring and co-ordination mechanism for a FPO	10	Presentation
ii	Monitoring Indicators	Important parameters on assessing functioning & performance of FPOs, rating tools, structured monitoring systems for continuous measurement and improvement	30	-do-
iii	Management of compliance function	Listing the key compliances to external authorities with timelines	20	
iv	Designing Management Information System	Developing a robust MIS system for the FPO preferably on an IT platform	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 75-85				

Session IX

Managing regulatory and Statutory compliances

Objective: Imbibing legally compliant approach in management of FPOs

Duration: 90 Minutes

Session outline

S.No.	Session plan	Objective	Time minutes	Methodology
i	Statutory compliances under relevant legal acts	Describing framework & type of compliances	30	Presentation
ii	Regulatory compliances	Regulatory frameworks under various acts pertaining to performing businesses of a FPO	30	-do-
iii	Role of BoDs in compliance management	Instituting systems & procedures along with monitoring mechanism for compliance management	20	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 86-97				

Session X

Networking with the Government, technical, market promotion and private agencies & convergence for FPO business

Objective: Strengthening of business institution through convergence and networking

Duration: 90 Minutes

Session outline

S. No.	Session plan	Objective	Time minutes	Methodology
i	Networking	Undertaking the stakeholder analysis	20	Presentation
ii	Ongoing Schemes	Listing out the ongoing schemes relevant to FPOs	30	-do-
iii	Stakeholder & Scheme convergence	Convergence with the ongoing schemes	30	
	Discussion & Feedback		10	Discussion
Relevant pages in Reading Material: Pages 98-129				

Session
XI&XII

Exposure visit to a successful FPO / Online experience sharing by FPO / Audio- Visual display of a successful FPO

Objective: Experiential learning from the journey of a successful FPO

Duration: 180 Minutes

Session outline

S. No.	Session plan	Objective	Time minutes	Methodology
i	Experience sharing by members of a successful FPO	Acquaint the participants with successfully working FPOs to see for themselves the operations of a FPO. Showcasing the following aspects: • Members participation in the decision making and business operations of FPO • Book keeping and record maintenance leading to transparency and accountability • Business orientation of the FPO with an eye for making profit • Efforts being undertaken by FPO towards diversification of activities, member benefit orientation and risk mitigation strategies • Compliance to regulatory and statutory requirements for showcasing a formal and strong institutional mechanism • The effective role being played by the CEO and Board of Directors • Convergence with other development schemes	150	Interactive session
	Discussion & Feedback		30	Discussion

Bankers Institute of Rural Development (BIRD), Lucknow is an autonomous institute promoted by National Bank for Agriculture and Rural Development, the Development Bank of the country. It is a premier institute for providing training research and consultancy services in the field of agriculture and rural development banking in India and abroad. The Institute was established in 1983, for addressing the capacity building needs of stakeholders. BIRD, Lucknow is an ISO 9001: 2015 certified training Institute.

Clients

All Banks, Government agencies, MFIs, NBFCs, Financial Sector, NGOS and Civil Societies.

Coverage (Training, Consultancy, Research)

Project Lending-Agriculture and MSME, Climate Finance, Rural Banking, Farmer Producer Organization, Micro Finance, Human Resource, Financial Inclusion, Training of Trainers, Executive Development, Management Development Programme, IT based Banking, Green Finance, Responsible CSR, Group approach to Development, Women Empowerment, Organizational Development, Investment & Treasury Management, Risk Management.

Faculty

Faculty are drawn from NABARD, banks and scholars of respective fields and have pan-India level field experience. The faculty have specialization in Banking Finance, Financial Inclusion, Agriculture & Allied sector, Fisheries, Forestry and Human Resources, etc.

Infrastructure

43 acre green campus has world class infrastructure in terms of class rooms, simulation and AV Rooms, Board Room, Conference Hall, Auditorium, Library, Gym, Air-conditioned Hostel Rooms, Local and International cuisine.