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The Role and Value of Buyer Agents

By

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About Me:

- Lived and worked in Africa in the artisan sector for the past 26 years, helping thousands of businesses grow and gain access to international markets
- Have led hundreds of buyer tours across Africa
- Created a design & export business in Mali working with 200 artisan groups
- Led the USAID West Africa Trade Hub Handcrafts Program for four years
- Now - Consulting Business working across Africa & beyond in handcraft development, often working with governments looking at country strategies



Buyer Agents - Why this topic?

After facilitating hundreds of buyer tours across the African continent, the one question I heard buyers ask most is:

Who can help me on the ground --- who can be my agent?

Usually there is no good answer as there are few agents in most countries.

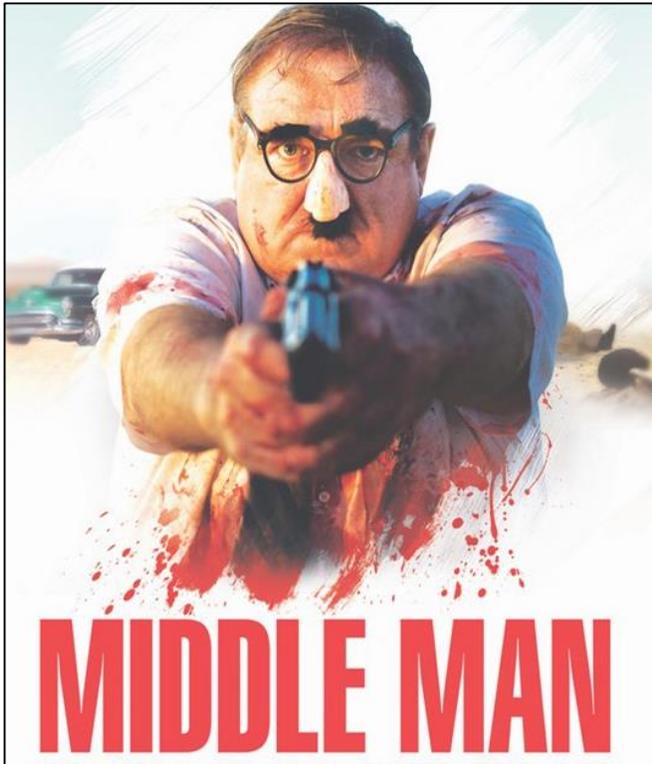
This issue is not addressed in Handcraft development projects, yet it is the single biggest gap in this value chain.

Ghana has numerous well trained agents because for decades it has serviced large retail-chains that require agents

Godwin Agbeko of Aid to Artisans Ghana is one, and he is on this webinar and will add comments and clarification from the agent's perspective

Buyer Agents/Coordinators

Kill the Middleman!!!



This has been the mantra for many decades

Yes, there have been less than honorable agents who have earned this reputation.

Today's agents are by and large honest brokers, but because of this lingering negative perception, now we often call them Coordinators.

Coordinators are the essential link between the buyer and seller that can stimulate growth and ensure sustainable and scalable BtoB relationships.

1. Buyer Agents/Coordinators – Who needs them?

Buyers who purchase products from export ready companies may not need an agent/coordinator

Coordinators are more important for buyers who want to build their presence in a country and:

- Develop new product collections to their own specs
- Buy from a variety of producers across numerous categories
- Buy from non-export ready companies that have specialized skills or great products
- Build their purchasing power to fill shipping containers and reduce costs
- Access large retail-chain clients with large demand



1. Buyer Agents/Coordinators – What they do

Coordinators serve as the "eyes and ears" of the buyer in country
Their activities can include:

- Coordinate orders from numerous production companies
- Source new products and artisans
- Ensure quality control
- Oversee deadlines and production schedules
- Manage payments and financial transfers
- Pack and ship from all companies to buyer
- Key communicator with buyer regarding issues and challenges that may arise during production
- "On the ground" problem solver

2. Buyer Agents/Coordinators – Administration

Agents are paid by and work for the buyer.

- They can have numerous buyer clients
- Usually they are paid on a percentage basis (7-15%)
- The percentage depends on how much work is involved
- In the first year, when a buyer is building scale, it is a good idea to offer a stipend plus percentage to an agent to cover costs

3. Buyer Agents/Coordinators - Transparency

Because of the often negative perception of agents it is crucial to have transparent systems

- Buyers send copies of an order, with financial details, to both the production company and to the agent
- Communications between production company/agent/buyer are sent to all
- Production company has access to buyer's email and phone so they can communicate directly if necessary
- Short contracts can be drawn up stipulating responsibilities, deadlines, and repercussions for all parties involved (producer/agent/buyer)

4. Buyer Agents/Coordinators – Who are they?

- Independent Agencies or Individuals
- Artisan companies with export experience that would like to expand their services to include smaller production companies that do not have export expertise
- Retail companies with strong country-wide purchase experience
- Buyers often hire and train an agent in a country that offer few other options

5. Buyer Agents/Coordinators – The Key Link



As the **Eyes and Ears** for the buyer in country, agents are the crucial link in sustaining existing orders and helping the buyer have the capacity to expand to more and more production companies.

“I have worked with and trained agents in every country where I work. Finding young entrepreneurs is often the key to finding an agent/partner that can grow with my business and this also helps them develop their own agency business at the same time.” Connie De Jong, Owner, World Peaces

Buyer Agents/Coordinators – How to find them?

If coordinators are so critical and there are so few, how does a buyer find agents/coordinators to work with?

- Ask export ready companies if they want to be coordinators, or if they know someone who could/would be interested
- Make inquiries at business schools, ministries, etc.
- Be willing to train smart, entrepreneurial people
- Translators often know a wide range of people who work with internationals
- Custom brokers know agents across many sectors

Buyer Agents/Coordinators

Questions?