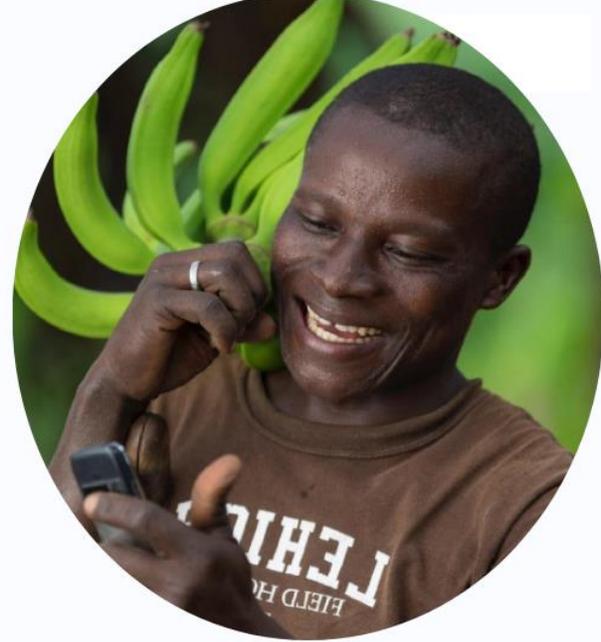# Pledge 2

We join the collective to make digital agrifood solutions *viable*

Our organisation [insert name], as a member/endorser of the **Digital Agrifood Collective**, acknowledges that we can play an important role in realising commercial viability for digital agrifood services and will therefore commit to explore the following strategies and principles (more details about the principles can be found on the next page).

As a digital service provider, we commit to explore our role in:

1. Value enhancements

2. Reliable revenue models

3. Service bundling & mergers

Signed on [write date]

by

[Insert name and leadership title] [Name of Organisation]

The **Digital Agrifood Collective (DAC)** is a collective of organisations that exchange learnings and align strategies to collectively remove barriers that stand between newly developed digital services and the thousands of agribusinesses and millions of low-income producers (and consumers) that could benefit from these. By removing barriers together, we aim to accelerate an inclusive digital transformation of agrifood value chains in Sub Saharan Africa and Southern Asia. https://www.nlfoodpartnership.com/food-systems-transformation/comm-of-practice/digital-agrifood-collective/

Pledge 2 details

To help you realise proposed strategies in this pledge, consider the following principles that were co-created with DAC members that attended the member workshop on October 6th, 2021.

Digital service providers (D4Ag startups, financial institutions, telcos, etc.)	
Strategies	**Principles**
1. Value enhancements	Service providers need to look critically at the value proposition underlying their business model. A service offering that lacks value or desirability for paying customers and end-users, needs to be enhanced to make the offering commercially viable. Use Human Centered Design principles to create a value proposition that is desirable, distinctive, and trustworthy for your customers. .
2. Reliable revenue models	Service providers need to identify revenue models that provide a large enough and steady flow of incoming cash. This might mean moving away from smallholder farmers being the (only) ones paying for the services. Commercially viable business models often rely on B2B offerings for larger value chain actors (such as aggregators, food processors, input suppliers) that become paying customers.
3. Service bundling & mergers	Service providers need to provide holistic services to improve the experience for their paying customers and end-users. For example, by offering farmer advisory services in combination with financial input financing. The integration of multiple services can be established through strategic partnerships between different service providers (use APIs or other tactics for integration). Services providers that struggle with commercial viability, might want to explore the possibility of acquisition by large companies such as telcos or banks. These larger players are often better equipped to make the services commercially viable and scalable.

Other strategies from the survey and workshop that are less prioritized by members, and therefore not included in this pledge are:

1. ***Cost optimisation:*** *Service providers should find ways to reduce the costs of their business by, for example, using cheaper technology and open data, reducing costs of staff., or share costs through strategic partnerships.*
2. ***Alternative revenue models:*** *Service providers need to explore novel revenue models by, for example, selling the data and insights collected from farmers (with the caveat that farmer data is used in a fair manner).*
3. ***Entrepreneurship*** *Service providers need to boost their entrepreneurial excellence and recruit talented team members such as people with proven sales competences.*

Social media package

DIGITAL AGRIFOOD COLLECTIVE

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— DIGITAL AGRIFOOD COLLECTIVE

Pledge: We join the collective to make digital agrifood solutions *viable*