Photo from Microsoft Stock Images

Eleonora Escalante Strategy
presents
the Summer Saga of the year

Cacao and Coffee 101.

Success strategies for Small Farm Holders

Episode 8.

Value Propositions 2

www.eleonoraescalantestrategy.com

24/7/2026

Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Next saga:
Human Talent:
From Feudal Slaves to Digital Beggars.
As of October 1st

Outline Calendar *One Season: From May 22nd to September 11th, 2026*

22-May Episode 1 ✓ Introduction	29-May Episode 2 ✓ A new philosophy beyond circular economy	5-June Episode 3 Sustainability: Beyond caring for the land Part I	12-June Episode 4 ✓ Sustainability: Beyond caring for the land Part II	17-22 June Teacher´s week Pedagogical Pause El Salvador Happy Teacher's Day	26-June Episode 5 ✓ New Models of Ownership & Corporate Governance
3-July Episode 6 ✓ Customer Segments	10-July Episode 6A ✓ Customer Segments Version 2.0	17-July Episode 7 ✓ Value Propositions I	24-July Episode 8 ✓ Value Propositions II	31-July Episode 9 Distribution Channels	07-August Episode 10 We will work on vacations Certifications Quality Control FAIRTRADE
14-August Episode 11 Key Resources	21-August Episode 12 Revenue Streams Cost Structure	28-August Episode 13 Competitiveness, Research & Innovation	04-Sept Episode 14 Financing & Access to Capital	11-Sept Episode 15 Key Partnerships	18-September Episode 16 Epilogue Summary Conclusions Research Agenda

This outline is subject to change if the author considers it appropriate for your learning experience.

Eleonora Escalante Strategy
State of the Art Corporate Strategy

Value Propositions Part 2

AGENDA

Cacao and Coffee 101. Success Strategies for Small Farm Holders

1. Value Map 1: Cacao beans, Ecuador
2. Customer Value Proposition 1: Cacao Beans Ecuador
3. Value Map 2: Shift from Cacao butter to Cacao Paste-Perú.
4. Customer Value Proposition 2: Cacao Paste, Perú -> (case of not fit VP)
5. Value Map 3: Coffee Blend Central America
6. Customer Value Proposition 3: Coffee blend Central America

Photo Source: Adobe

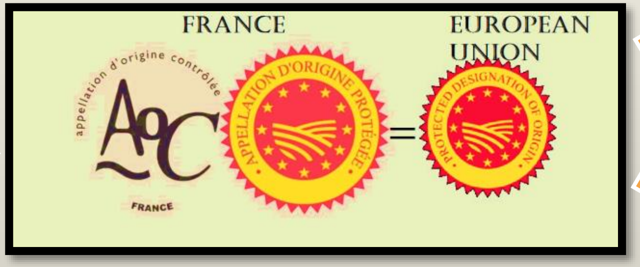
Value Propositions Part 2

The Fairy Godmother in Action

The Fairy Godmother in action:
Let´s assume that the whole process for obtaining the AOC* or PDO* for each cacao or coffee small farmer will be donated by the European Union as one element of the total financing deal. The requisite is that each small farmer must own a plantation of coffee or cacao in a plot of land of 10 hectares minimum to 30 hectares maximum. The small farmers should reside an operate the production business in tropical belt nations. Let´s not worry now about how much the AOC/PDO process will cost, nor how the sources of funds will be captured by the EU.

The Fairy Godmother in action:
Just know that the money to pay for the AOC/PDO expenses for each farmer will be granted in total and will be donated without asking for reimbursement. Only if the farmers agree to be part of the project and will commit to raise the quality of the beans with integrity.

$



Appellation D´Origine Controlée (AOC) in France, is the same called Protected Designation of Origin (PDO) PDO of the European Union

COFFEE

CACAO

Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Value Propositions Part 2

CACAO: Our goal for today´s masterclass is to create three value maps

The Fairy Godmother in action:
Let´s assume that the whole process for obtaining the AOC* or PDO* for each farmer will be donated by the European Union to all the small farmers with land < 10 hectares residing in tropical nations that harvest cocoa and coffee. Let´s not worry now about how much that process will cost, nor how the sources of funds will be captured by the EU.
Just know that the money is totally available for each farmer and will be donated without asking for any reimbursement.
Appellation D´Origine Controlée, is called PDO by the European Union: ***Protected Designation of Origin (PDO)***

Cacao

Customer Segment 1: Cocoa beans Specialty-High quality Ecuador

A MNC that wants to buy a mix of Ecuadorian Heirloom and Ancient Nacional and other varieties of cacao with Floral and Nutty flavors, fairtrade organic, with a Protected Designation of Origin (PDO) validated by the European Union.
The MNC wants to work with 300 small farmers (aggregated total land of 3,000-4,000 hectares).
The MNC wants all the small farmers to set a PDO program with the following elements: Air quality control, moisture control, rainfall management, waste residual management, sunlight-shade management, temperature control, wind mitigation, and testing of the mix of varieties for the flavor required.

Customer Segment 2: Cocoa butter, Peru

A cocoa intermediary wants to buy cocoa butter directly to 500 Peruvian small farmers associated in the production of cacao (aggregated total land between 4,000 to 6,000 hectares).
The company wants the cocoa butter coming from a mix of 5 different varieties: amelonado, Iquitos, Marañon; Nanay and Forastero. The prerequisite: All farmers must agree to set a PDO program with the same elements listed above.

Coffee

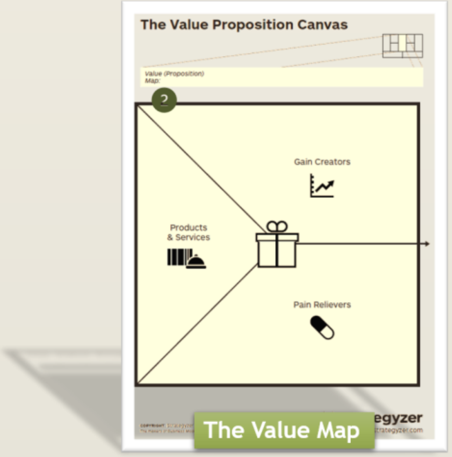
Customer Segment 3: Roasted Coffee-not decaf Central America

A MNC wants to buy a specific mix of coffee of at least 7 varieties from Central America, to help them to reach a PDO program.
The MNC wants to work with 300 small farmers (aggregated production from a total land of 3,000-4,000 hectares).
The MNC wants to build a matrix using different blends from the varieties to establish a relationship between 3 types of roasting and 5 types of flavors

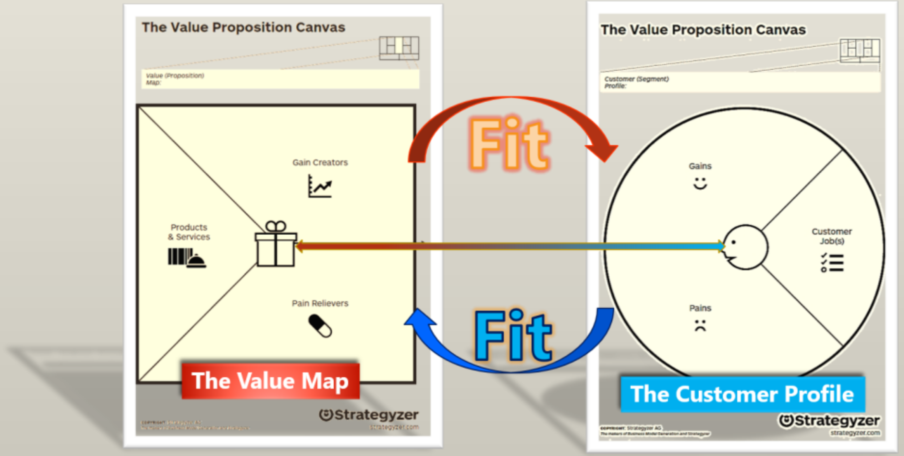
Blends Matrix of 7 varieties

Flavors
1. Nutty
2. Floral
3. Earthy
4. Fruity
5. Spiced

Roasted
1. Light
2. Medium
3. Dark



Let´s build the Value Maps (in version 1.0) for the 3 customer profiles of last week. Remember this is just the first loop.



Once finished the Value Map, let´s check the elements of value and if there is a fit between the customer profile and the value map.

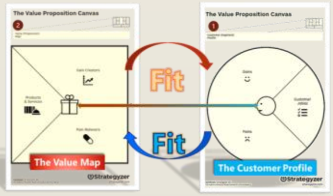
Value Map Creation Process

Value Propositions Part 2

Methodology to build a Value Map and complete the CVP

Let´s remember what are the steps for the Value Map

Placed in by EEStrategy.



Outline Pain Relievers

Stick each post-it or sticky note that you have written as removal of the pain (partial or total) or as a palliative remedy (mild, moderate or acute cure). Use only one sticky note per one pain reliever

Outline Gain Creators

Write in each sticky note how your products and services will create expected or desired outcomes and benefits for the clients. Use only one sticky note per one gain creator.

Identify a list of products and services

List the main product and/or service you had in mind before doing the CVP. Add new products that may have appeared during the process. There are several products or services at the end of the value map.

Identify potential negative consequences of each product/service

Consider the value: Love for your customers, that will immediately help you to filter the negative type of pain relievers and the opportunistic gain creators. List the wrong consequences for each and remove the negative product/service from your list. Do not proceed with wrong products that hurt people

Prioritize jobs, pains and gains

Once you remove the product/service that is the worst-nasty in terms of consequences for humanity; then rank the pain relievers, the gain creators, according to the relevance in each of tables provided. Don´t forget to prioritize your accepted products and services too!

Proceed to add elements of value and check if there is a fit between the customer profile and the value map

The fit occurs between the values assigned to the customer profile elements and the value map elements. If there is no fit, the VP should be modified with other customer profile and/or product. The potential client jobs should be analysed carefully.

References: Slides 47-48

Value Map 1

Cocoa beans
Specialty-High quality
Ecuador

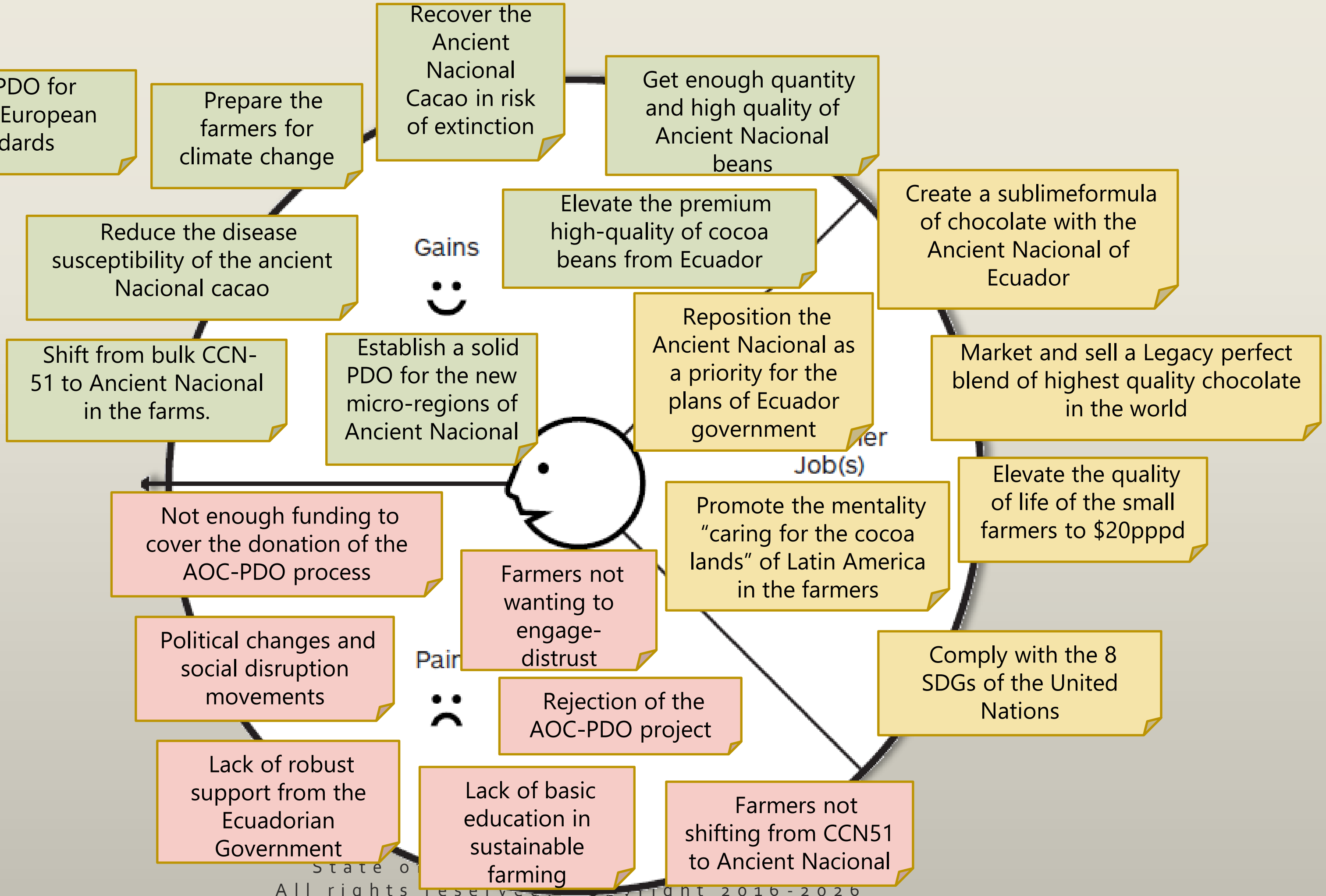
24/7/2026

Customer Profile 1

CACAO

Value Propositions Part 2

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0



Value Map 1

Value Propositions Part 2

Gain Creators

CACAO

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0

Functional-Baseline Advantages

Cacao Specialty-High Quality (CSHQ)

- CSHQ blend recovers the Original Ecuadorian Cacao Ancient Nacional as it was before 1926
- CSHQ will be the first cacao blend to upgrade from a DO (denomination of origin) to a PDO certification.
- CSHQ gains a premium product quality recognition in the chocolate portfolio of the MNC
- CSHQ meets the EU standards required by the MNC in terms of the environment and caring for the land (sustainability).

Social Benefits

- Affiliates the MNC as a champion role model “ever” to help upstream farmers to be sustained by themselves while recovering ancient Original quality of cacao as it was in the 17th century.
- The CSHQ blend represents an effort of all cacao producers from Ecuador to obtain the PDO. The MNC plays a pivotal role as an indirect agent third-party reassurer of transparency for obtaining the PDO for Ecuadorian cacao societies.
- The CSHQ supplied to the MNC helps Ecuador to keep its “current cacao high-quality branding” as a differentiation in new international markets
- The CSHQ blends recover the essence of the Ecuadorian society in relation to the cacao economic sector.

Emotional & Purpose Upgrading

- The CSHQ blend with PDO certification fixes the destruction and lack of original ancient cacao variety plantations. It offers the MNC the opportunity to share a legacy of purpose for Ecuador
- The CSHQ blend competes in delicatessen-flavors/aromas with top chocolates in the world
- The CSHQ makes the MNC a unique reservoir for chocolatiers
- The CSHQ offers growth and Development to farmers
- The CSHQ allows financial stability to farmers, at an acceptable price for the MNC.

Other Gain Qualities

At Ease of doing business level

- CSHQ quality control of the beans provides traceability (accurate information) and transparency
- The CSHQ decreases hassles for the MNC. It removes the intermediary
- The CSHQ reduces efforts of the MNC in its supply of unique cacao bean blends
- The CSHQ connects the farmers directly with the MNC
- The CSHQ reaches new markets through the omnichannel MNC strategy
- The CSHQ offers multiple flavors to bakeries and chocolatiers (variety)

Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Value Map 1

Pain relievers

CACAO

Value Propositions Part 2

Cacao Specialty-High Quality = CSHQ

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0

Reducing or Removing undesired functional concerns

- The CSHG beans remove the anxiety and hassles of the MNC about traceability of the supply of beans.
- The direct contract of the MNC to buy all the CSHQ blends with a PDO certification reduces the negative response from farmers to continue raising high-yield CCN-51 only.
- The CSHQ as a secure supply to the MNC cuts the commercial trade-off between high-quality and lower yields
- The CSHQ removes the lack of interest of the small farmers to obtain a PDO. Ecuador only has a DO (Denomination of Origin or Geographical Indication) with the European Union for Cacao Arriba, not a PDO for regions.

Diminishing or Eliminating Obstacles

- The stamp of approval of the EU for the PDO and EUDR (European Union Deforestation Regulations) for the CSHQ stops the confusion about the pricing of the beans.
- The CSHQ with PDO certification for one region elevates the pricing and reduces the rejection of the Ecuadorian Farmers to obtain their own PDO.
- The CSHQ high value with secure contracts from the MNC (not passing through the EIC-exchange price) diminishes the fear of the farmers to accept

Solving unwanted problems

- The CSHQ project decreases the unawareness and unfamiliarity of the small farmers in relation to their terroirs, sustainable farm management and caring for their lands while facing climate change and global warming.
- The CSHQ blends cut the uncertainty about international markets trying to push Ecuador into the bulk cacao market.
- The CSHQ blends PDO-sustainable farm management program reduce the deforestation of the cocoa lands of Ecuador
- CSHQ beans in other non-EU markets reduce the commercial risks of the farmers.
- Removal of lack of transparency about traceability of the beans

Weakening or Wiping Risks out

- The MNC contracts to buy the CSHQ blends while waiting for the PDO from the European Union, eliminate the risks of not complying with all the EU standards.
- The CSHQ blends high profits wipe out the refusal of the farmers in planting Ancient Nacional because of slower-growing and lower yield crops.
- The CSHQ blends contracts with the MNC trim down the lack of support from the Government to the Small farmers.

Value Map 1

Value Propositions Part 2 Cacao Specialty-High Quality = CSHQ

Products and Services

CACAO

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0

Functional Tangible

- The perfect CSHQ blend from Ecuador with a PDO certification in place and EU total compliance. The MNC provided with secure, stable, consistent supply of this exquisite cacao blend of top quality.

Emotional Intangible

- The ultimate delicate Ecuadorian CSHQ blend approved by the top chocolatiers of the world to perfection a unique flavor of origin. Elevating the sensorial tasting.

Environment

- The Cacao CSHQ blend is perfected from trees raising in equitable farms, which have been transformed in the best sustainable cacao farms, managed to protect the environment at a multidimensional level: soil quality security, rainfall and water-moisture-waste residuals-erosion-management. The cacao trees of the CSHQ blends hold a superb mix of shade-temperature and wind management.
- The cacao CSHQ blend is originated in fields of farmers ready to mitigate climate change.

Life Changing

- The CSHQ blend as a role model product that will be replicated in the future with other varieties' blends worldwide
- The quality of life of the CSHQ farmers is raised because the MNC is capable to buy their beans at an acceptable price that allows a $20pppd or more per worker.
- The CSHQ blend inspires the creation of the Chocolate Ecuadorian Academy for the completion of the cocoa ecosystem of the nation. The School will be totally funded by the MNC to compete at the level of Callebaut Chocolate Academy-Belgium or the Ducasse École from France.

Financial

- A financial restructuring for the cacao farmers will be offered with easy terms (% rates, grace periods, duration).
- The Beans are the collateral of financing that will include grants, non reimbursable aid to pay for the PDO certification from the EU, and further improvements for sustainable farming.

Social Impact & Love for Community Farmers

- The MNC ultimate interest is to recover the original cacao species of Ecuador: This is the corporate mandate as a legacy project to the next generations of the cacao industry.
- The MNC wishes to contribute to fix the wage issue of the cacao farmers (at the upstream level of the global value chain).
- The CSHQ blend is a first project of its kind in South America, a sign of hope for the farmers to raise to a middle-class income.
- The CSHQ blend project will attract intl donors to raise the infrastructure of the villages next to the farmers, as centers of development and integral growth.

Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Value Map 1

Value Propositions Part 2

Cacao Specialty-High Quality = CSHQ

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0

CACAO

Products/Services

Relevance Scale

+ The perfect fit

A Cacao Specialty High Quality Blend of Cacao from Ecuador with Ancient Nacional Original.
The PDO project for the Zones of origin of the Cacao varieties of the blend.
A financing facility to aid the Farmers for cultivation of Ancient Nacional and sustainable farming, financial restructuring, Working Capital and grants for training.
The first Chocolate Ecuadorian Academy sponsored by the MNC.
A Cacao High-Quality global Ecuadorian Identity

\- Other Products /projects adjacencies

Gain Creators

Relevance scale

+ **Essential**

CSHQ Blend of Beans recovers the Original Ecuadorian Cacao Ancient Nacional variety plantations
The Small farmers get a PDO certification from the EU
Affiliation of the MNC as a champion to help upstream issues of the global cacao supply chain
The CSHQ Beans help the farmers to raise from poverty
The Cacao Economic Sector is raised internationally

-**Nice** to Have

Pain Relievers

Removal of the pain

Relevance Scale

Alleviation or Palliative

Partial

CSHQ beans sold in contract to the MNC: Reduction of negativeness of the farmers to be part of the project
CSHQ blend beans expected high profits remove the refusal of farmers in planting ancient Nacional.
Removal of lack of transparency about traceability of the beans
The stamp of approval of the PDO and EUDR certification for the CSHQ beans eliminates doubts about quality of origin.
Direct contract of the CSHQ beans with the MNC reduces efforts to sell cacao as a commodity.

Total

Mild Relief

CSHQ beans removes the lack of interest of the small farmers to obtain the PDO
CSHQ beans in other non-EU markets reduce the commercial risks of the farmers.
Active Participation of the MNC ensure participation of the government in the financial structure.
CSHQ beans with PDO in place reduce deforestation

Moderate To Acute Relief

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Success Strategies for Small Farm Holders

Value Map 1

CACAO

Value Propositions Part 2 Cacao Specialty-High Quality = CSHQ

CACAO:
Cocoa beans Specialty-High Quality Ecuador version 1.0

Proceed to write each of your ideas in this template.
Please download and print the template from https://www.strategyzer.com/library/the-value-map
Please use sticky notes and stick each of them over the printed template with your own written ideas

Protected Denomination of Origin (PDO) Project for all the zones of the Ecuadorian Cacao CSHQ Varieties of the blend

Financing Package for Cacao farmers (including grants and non-reimbursable aid)

Sustainable farming for Small Cacao Farmers Project

Creation of the first "Cacao of Excellence Lab, Research Center and Chocolate School" for Ecuador. A "state of the art" modern cacao facility, twice in scope than the one in Perugia, Italy. Totally funded by the European Union in CAPEX. Donors will put the OPEX for 10 years.

Other products that were born through this analysis that will require separate CVPs

Regular Products

Total Recovery of the Ancient Nacional Variety of Ecuador (which was believed in extinction)

A micro laboratory for the CSHQ blends region for Quality Control, Physical Analysis, and Chemical/sensory Testing

Main Product

CSHQ beans supply with a proportion o Ancient Nacional with PDO and EUDR full compliance

Gain Creators

MNC helps to recover the Cacao Ancient Nacional as it was before 1926

The CSHQ exclusive contracts makes the MCE a unique reservoir high premium beans

The CSHQ high quality is recognized by top chocolatiers

Enhances the CSHQ beans with a robust EU certification of Origin (PDO) and a EUDR compliance

Affiliates the MNC as a champion to help small farmers to leave poverty

The Ecuadorian Cacao economic sector is raised internationally

Ecuador obtains first PDO for the Nation, upgrading from a DO

The CSHQ sublime quality is truly the best reward

All small producers knowledgeable in sustainable farming

Reassurance of transparency in cacao farming

Pain Relievers

Reduces hassles and efforts of the MNC about quality control

Removes fear and negativeness of the farmers

Reduce commercial risks of the farmers to diversify to other markets

Wipes off the fallacy that cacao farmers can´t earn $20pppd

Removal of lack of transparency about traceability of the beans

Reduces the worries of the MNC chocolatiers

Remove the refusal of the farmers to plant Ancient Nacional

Eliminates doubts about the high-quality of the cacao beans

Smashes the wrong expectations about lack of quality of Ecuadorian blends.

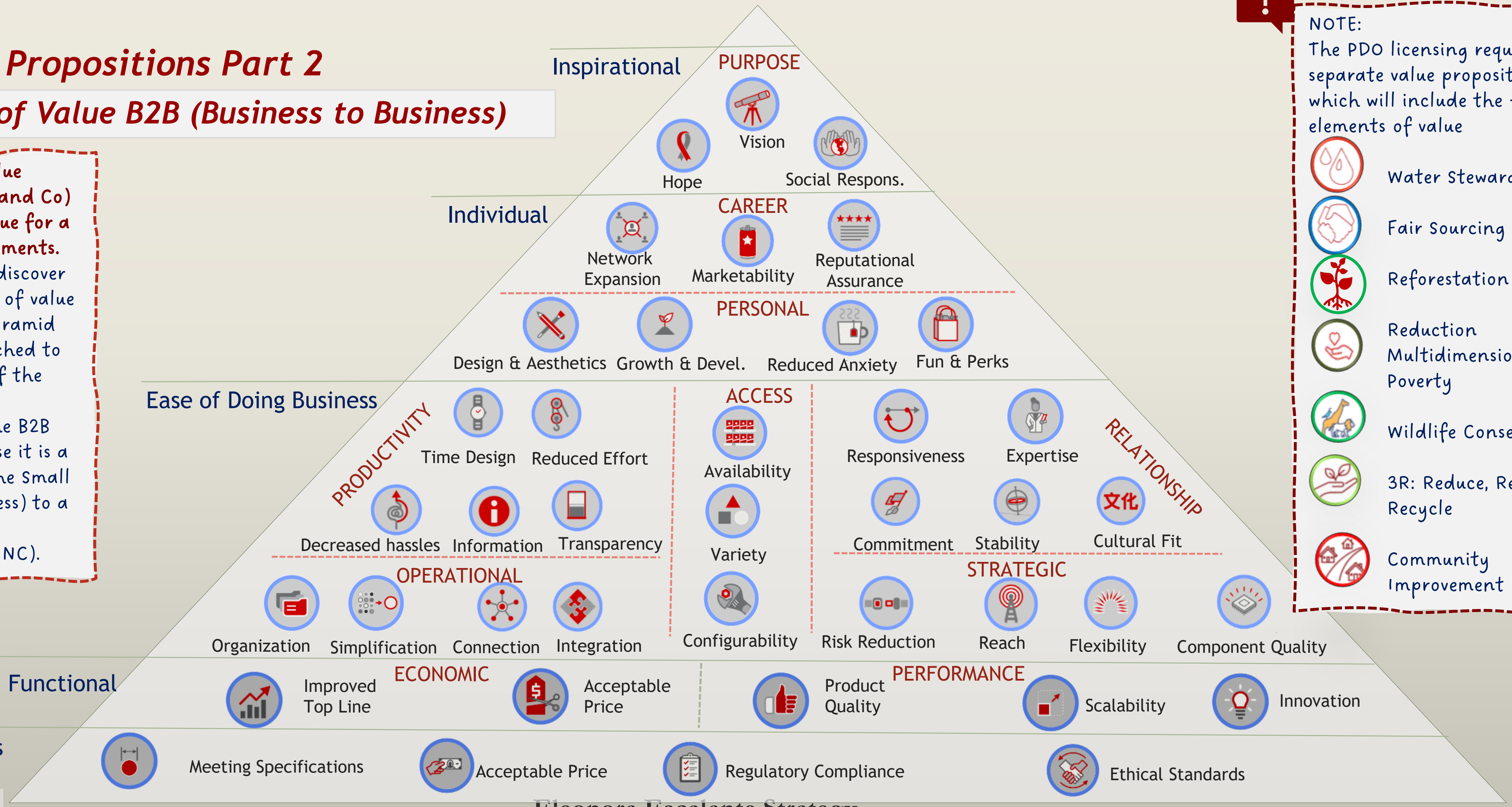
Reduces the marketing risk of Ecuador seen as a bulk supply of CCN51

Removes the lack of financing package to help the farmers

Value Propositions Part 2

Elements of Value B2B (Business to Business)

Elements of Value Pyramid (Bain and Co) Elements of value for a B2B with 40 elements.
Now is time to discover which elements of value of The Value Pyramid should be attached to each element of the value map.
We are using the B2B pyramid because it is a deal between the Small Farmers (business) to a Multinational Corporation (MNC).



NOTE:
The PDO licensing requires a separate value proposition which will include the following elements of value

- Water Stewardship
- Fair Sourcing
- Reforestation
- Reduction Multidimensional Poverty
- Wildlife Conservation
- 3R: Reduce, Reuse, Recycle
- Community Improvement

Source: https://www.bain.com/insights/explore-the-b2b-elements-of-value-interactive/

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Success Strategies for Small Farm Holders

Value Map 1

CACAO

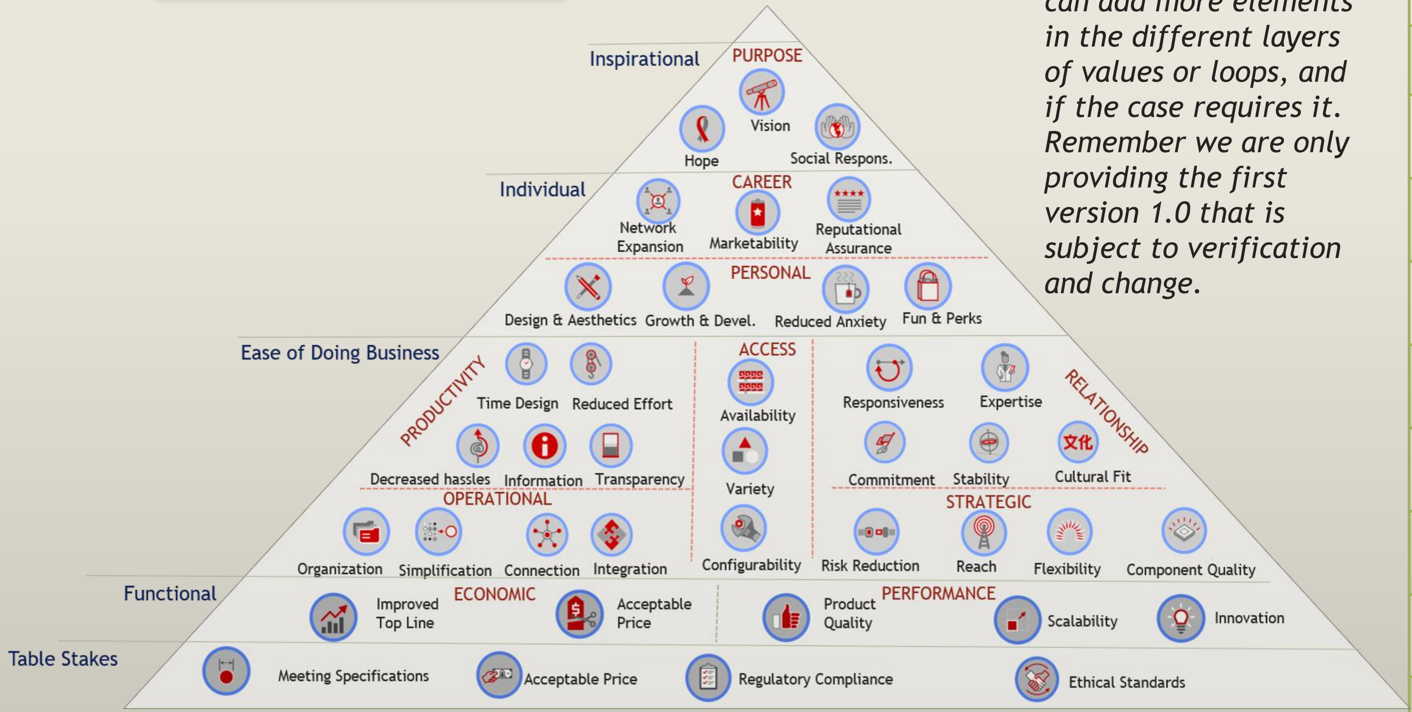
Value Propositions Part 2

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0

B2B Pyramid Elements of Value

BAIN & COMPANY

We use these elements of value as a standard pattern. However, we can add more elements in the different layers of values or loops, and if the case requires it. Remember we are only providing the first version 1.0 that is subject to verification and change.



Elements of Value		Each pain reliever or gain creator belongs to a category of Value.	Category Level
1		Meeting Specifications, Ethical Standards	Table Stakes
2		Acceptable Price, Regulatory Compliance	Table Stakes
3		Innovation and Scalability	Functional
4		Variety	Ease of Doing Business
5		Price Quality	Ease of Doing Business
6		Commitment, Reach, Risk Reduction	Ease of Doing Business
7		Decreased Hassles, Reduced Effort, and Transparency	Ease of Doing Business
8		Reduced Anxiety	Ease of Doing Business
9		Access - Availability	Ease of Doing Business
10		Growth and Development	Individual
11		Network Expansion, Reputational Assurance, Marketability	Individual
12		Vision, Hope, Social Responsibility	Inspirational

Elements of value by BAIN & COMPANY

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CVP1: Fit Analysis

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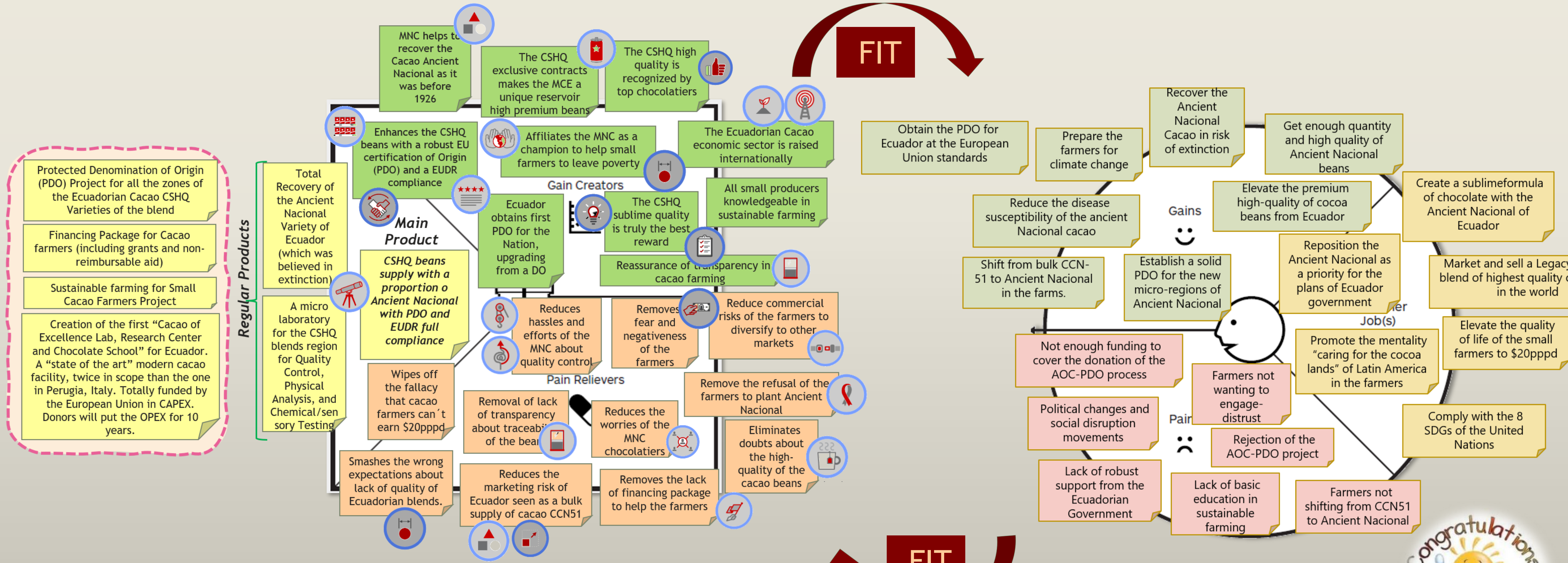
Value Propositions Part 2

CACAO: Cocoa beans Specialty-High Quality Ecuador version 1.0



Congratulations
Way to go!

Eleonora Escalante Strategy

State of the Art Corporate Strategy

Value Map 2

Cocoa Butter. Perú

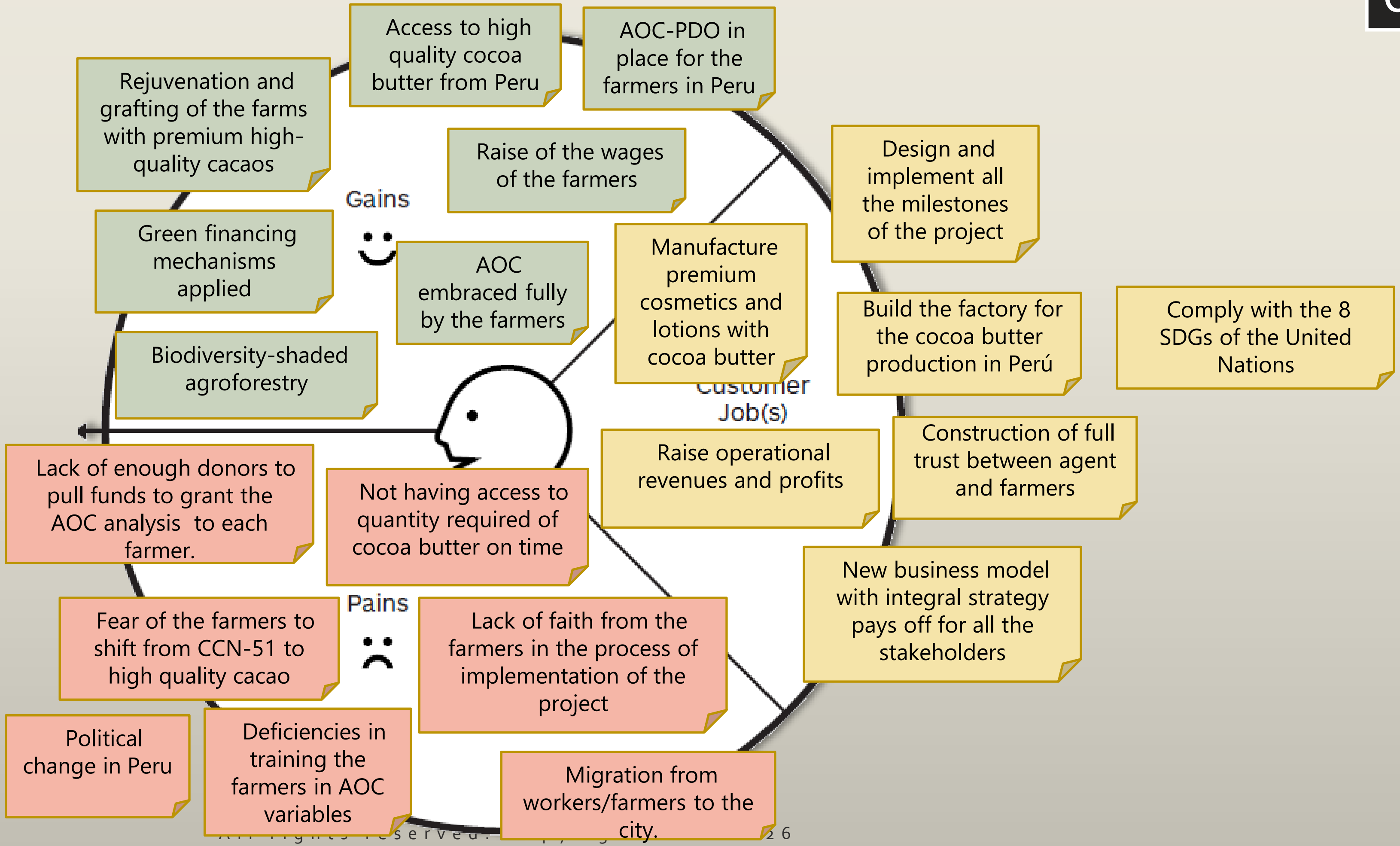
Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Customer Profile 2

Value Propositions Part 2

CACAO: Cocoa butter, Perú. Version 1.0

CACAO



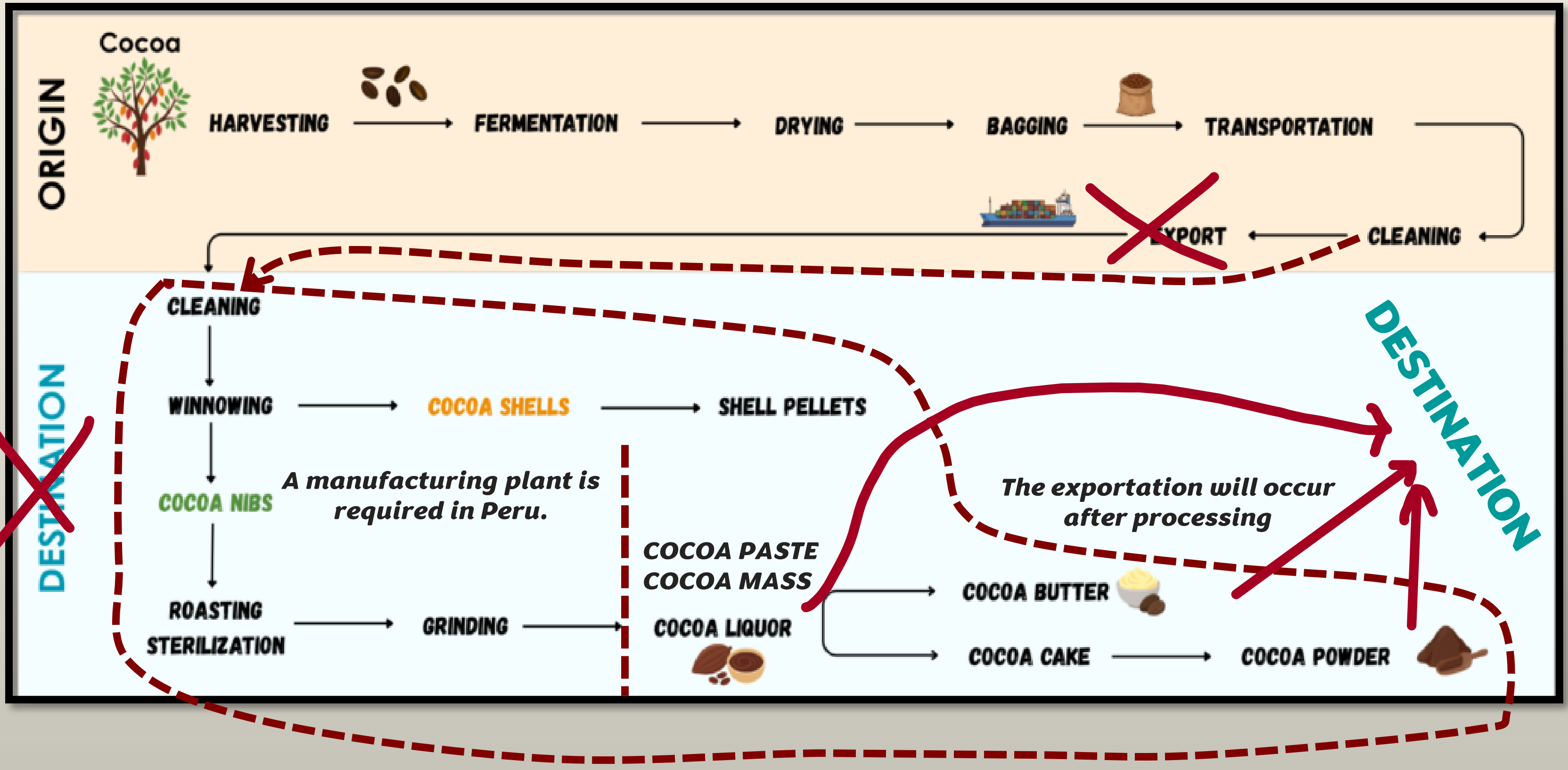
Value Map 2

Value Propositions Part 2

CACAO: Cocoa butter, Perú

Lesson for my students: To create value propositions, even if initially, these are not well- demarcated or blurry, it helps to discover new products and services.

Let´s review the process required to manufacture cocoa butter.



Source: https://www.eurococoa.com/cocoa-story/cocoa-story-the-production-process-from-cocoa-beans-to-semi-finished-products/

The Farmers require a manufacturing plant to clean, winnow, roast, grind, and convert into a cocoa mass (also called cocoa liquor or cocoa paste). Then the process continues to obtain the cocoa butter, the cocoa cake, which is then transformed in pure cocoa powder.

To invest in the manufacturing plant will require a whole new concept of the project, and additional investments that require a financial structure for the 500 farmers involved.

We will proceed to find out how the value map will provide to us a new configuration of the process, in which the initial product (cocoa butter) moves to become another sub-product, and the main product of the project the cacao bins from the 5 varieties, is the platform to request a manufacturing facility to produce cocoa paste, cocoa butter, cocoa cake, and cocoa powder: **4 products in one shot!**

Cacao and Coffee 101.
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Value Map 2

Gain Creators

CACAO

Value Propositions Part 2

CACAO: Cocoa butter, Perú

Functional-Baseline Advantages

Bare minimum gain creators: pre-requisite benefits, cost of entry.

- The cocoa butter of high-quality from Perú raises the quality of the cocoa beans' varieties: amelonado, Iquitos, marañon, nanay, and the famous forastero CCN-51
- The project for obtaining the PDO certification with the European Union establishes a pattern of reputational assurance beyond cosmetics-facial moisturizers. It validates the innovation of producing semifinished cacao goods through “a manufacturing process made in Perú for the first time ever within the little small farmers”.
- The cocoa-butter of high quality is the mechanism to put in place a regulatory compliance of the beans with the EU. The PDO will be granted to the beans of the specific regions of origin, not to the cocoa butter.
- The cocoa butter project allows scalability to other products that require the PDO high-quality: cocoa paste and cocoa powder.

Social Benefits

- The standard of living of the farmers will be raised enormously by creating a manufacturing process for semifinished products
- The cocoa butter (as a subproduct of cocoa paste) helps to organize, connects, and integrate the small farmers (upstream) with a local midstream processing.
- To make cocoa butter (as a sub-product of cocoa paste) raises human growth and business operational development in the farmers: there is a transformation from collectors and drier of cacao beans to manufacturers.
- The project will create a new manufacturing industry while pulling the beans, procuring economic stability, and well-being for the communities of the 500 farmers
- The PDO and the EUDR compliance promotes the “caring for the land”, enhancing biodiversity, surrounding landscapes.

Emotional and Purpose Upgrading

- The Cocoa butter project while offering solutions to the cosmetic-moisturizer companies inspires the farmers to look for a purpose upgrade: a manufacturing plant for processing the beans and sell 4 products in one shot: cocoa paste, cocoa butter, cocoa cake, and cocoa powder.
- The cocoa butter project is the kick-off reason to reduce multidimensional poverty of 500 Peruvian families. A social responsibility and hope elements of value are involved.
- The Cocoa Butter (as a residual of cacao semifinished products) opens doors to other international clients, decreases hassles, reduces efforts in the midstream new latin-American cacao companies, and it creates new availability

Other Gain Qualities

Ease of Doing Business, Individual

- The Cocoa Butter project is a subproduct, and mechanism to push the Peruvian regions to obtain a PDO where Native Amazonian Peruvian cacao pods thrive (Amelonado, Iquitos, Marañon, and Nanay).
- PDO and manufacturing plant will allow the farmers to diversify the offer beyond the butter: access to variety of products, not just cocoa butter (which is a residual of cocoa).
- The Cocoa Butter project is a derived process after the cocoa paste is done. To manufacture it in Perú will offer a network expansion to other companies.
- The Cocoa Butter project reduces the risks of losing the land of the farmers while facing climate change.

Value Map 2

Pain relievers

CACAO

Value Propositions Part 2

CACAO: Cocoa butter, Perú

Reducing or Removing undesired functional concerns

- The product Cocoa butter Perú project reduces the lack of access to it through the contracts established with the 2 corporations (cosmetics-facial lotions).
- The product Cocoa Butter Perú removes the lack of quality of the raw materials
- The Cocoa Butter Perú project eliminates the farmers fears to get into the manufacturing of other 3 products with better sales expectancies: cocoa paste, cocoa cake and cocoa powder.
- The Cocoa Butter Perú project eliminates the lack of regulatory compliance in place. The PDO certification by the EU for the cacao varieties is a crucial component of the project.
- The Cocoa Butter Perú project decreases the lack of financing for the manufacturing plant.

Diminishing or Eliminating Obstacles

- The cocoa butter Perú Project diminishes the barrier of the farmers to enjoy a reputational assurance of quality for their beans
- The cocoa butter Perú Project eradicates the negativeness of the 500 farmers to associate all together to innovate and jump into the manufacturing business of semi-finished products.
- The cocoa butter Perú Project eliminates the doubts about the lovely high quality of the Amazonian Peruvian beans.
- The cocoa butter Perú Project reduces the migrations to the cities. The sons-daughters of the farmers, see the raise of quality of life of their parents, and are committed to stay and work for a future of prosperity with hope in their lands.

Solving unwanted problems

- The cocoa butter Perú Project is the kickoff to solve a trouble of the upstream farmers who cannot raise out of poverty if they do not augment the value of their beans. The PDO for raising the quality of the beans and the integration of the farmers in manufacturing resolves the issue of committing into a project of a residual of cacao (cocoa butter) by expanding into different business lines: cocoa paste (liquor or mass), cocoa cake, and cocoa powder. These additional products will become the core business, and cocoa butter will be the adjacency in the value map.

Weakening or Wiping Risks out

- The cocoa butter Perú Project weakens the idea that 500 farmers are just destinated to the upstream part of the value chain: they can also manufacture with high quality for multiple new clients with at least 4 products
- The cocoa butter Perú Project wipes out the operational and productivity risks through the component of training for sustainable farming, and training for modern manufacturing of semifinished cacao products in Perú.
- The cocoa butter Perú Project is then replaced by a new project: the Manufacturing of semifinished cacao products in Perú, this weakens the doubts about the project completely.

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Cacao and Coffee 101.
Success Strategies for Small Farm Holders

Value Map 2

Value Propositions Part 2

CACAO: Cocoa butter, Perú

Products and Services

CACAO

Functional Tangible

- Cacao Paste of top quality from 5 varieties of Perú: Nanay, Marañon, Iquitos, Amelonado and CCN-51
- A Peruvian manufacturing plant for cocoa semifinished products: cacao paste, cocoa butter, cocoa cake, and cocoa powder.
- At least 4 PDO certifications with the European Union: for Cacao blends made with Nanay, Marañon, Iquitos and Amelonado (all Amazonian Cacao origin).
- A micro lab for quality control of all products at the manufacturing plant

Emotional Intangible

- Several Peruvian cacao blends with higher cacao excellent quality based on PDO, measured in cacao paste (first), and subproducts: cacao butter, cacao cake, cacao powder.
- The sensorial-emotional and flavor component of these cacao high-quality blends is at the premium segment.

Environment

- The cacao harvesting of the trees comes from farms with the best sustainable practices while facing climate change. In compliance with Environmental practices EU.
- The protection and caring of the land component is tied to the financing package for the soil quality security, rainfall-water-moisture-waste residuals-erosion management. Additionally, there is a component of fauna protection and shade-temperature-wind management.
- The manufacturing plant is also designed to comply with all environment regulations.

Life Changing

- Vertical Integration of the upstream Peruvian farmers with the midstream manufacturing process of semifinished cocoa products. This requires a change of mentality, with some members of the farmers fully dedicated to the manufacturing plant, while the rest will continue in the harvesting part.
- The PDO and EUDR is the mechanism to change the life of the farmers from poverty to middle-class
- Inspirational: building an association of 500 farmers in different Peruvian locations, all together working for the prosperity of their communities.

Financial

- Farming Financing Package 1: for the PDO and sustainability farming to improve the terroir (PDO expenses granted by the EU, and refinancing-restructuring-working capital on easy terms). Collateral: cocoa beans.
- Manufacturing Financing Package 2: For the CAPEX and OPEX of the processing plant. Partially donated, co-owned with the State who acts as guarantor.

Social Impact and Love for Community

- This project is full operational and financial innovation at the service of the Peruvian Farmers.
  It is born to honor and fix the issues of inequality by empowering the farmers to become the producers of their own prosperity.
- The component of training in financing, operational, marketing, manufacturing, etc. is essential for the accompaniment and success of the project.
- If the project fails, the farmers do not lose the land, nor the trees, and will continue exporting beans at low-cost as it is right now, with the added value of the PDO in place.

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Value Map 2

CACAO

Value Propositions Part 2

CACAO: Cocoa Butter, Perú. Version 1.0

Proceed to write each of your ideas in this template.
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Please use sticky notes and stick each of them over the printed template with your own written ideas

Manufacturing Plant for semifinished cacao products, with quality control lab included

Financial Investment Package for the manufacturing plant of the Government of Perú in co-ownership with the farmers (PPP)

Training and Operational Support for the manufacturing process

Financial package: Restructuring and refinancing of the farms with the collateral on the cocoa products

Other products that were born because of this analysis that will require separate CVPs

PPP: Public Private Partnership

Regular Products

Cocoa Cake high quality from a blend of Nanay, Amelonado, Iquitos, Marañon, and CCN-51

Cocoa Butter of different classifications for the 2 corporations: the Japanese cosmetics, and the American moisturizer-lotions

Cocoa Powder high quality from a blend of Nanay, Amelonado, Iquitos, Marañon, and CCN-51

Cacao Paste made from a blend of Nanay, Amelonado, Iquitos, Marañon, and CCN-51 cacao with PDO European Union, Environmental and EUDR compliance

Raises the high quality of the beans with the PDO European Union

Cocoa butter opens the door to cacao paste: winner product!

Reduces multidimensional poverty of the farmers

Incentive to the farmers to move from high yield bulk to specialty Amazonian

Promotes higher quality while adding value with more products

Raises human growth of the communities with practical training to integrate farming with manufacturing

Shift the nature of the initial project

Empowers the farmers to become midstream players

Reveals the structure of working under PPP in the manufacturing phase.

The PDO- UEDR compliance enhances biodiversity and protects the environment of the land

Reduces the lack of access to Amazonian Peru Cacao of high quality

Removes the lack of quality through the PDO

Eradicates the negativity of the farmers

Disregards the lack of regulatory compliance

Resolves the issue of committing time and efforts for a residual (cocoa butter)

Diminishes the barriers of the farmers to reach and diversify

Weakens the idea of not being good enough for manufacturing

Wipes out operational and productivity risks

Eliminates the lack of integration of the 500 farmers

Removes the fear of the farmers to join manufacturing: there is nothing to lose

Rejects the initial cocoa butter, and Repositions for a new one

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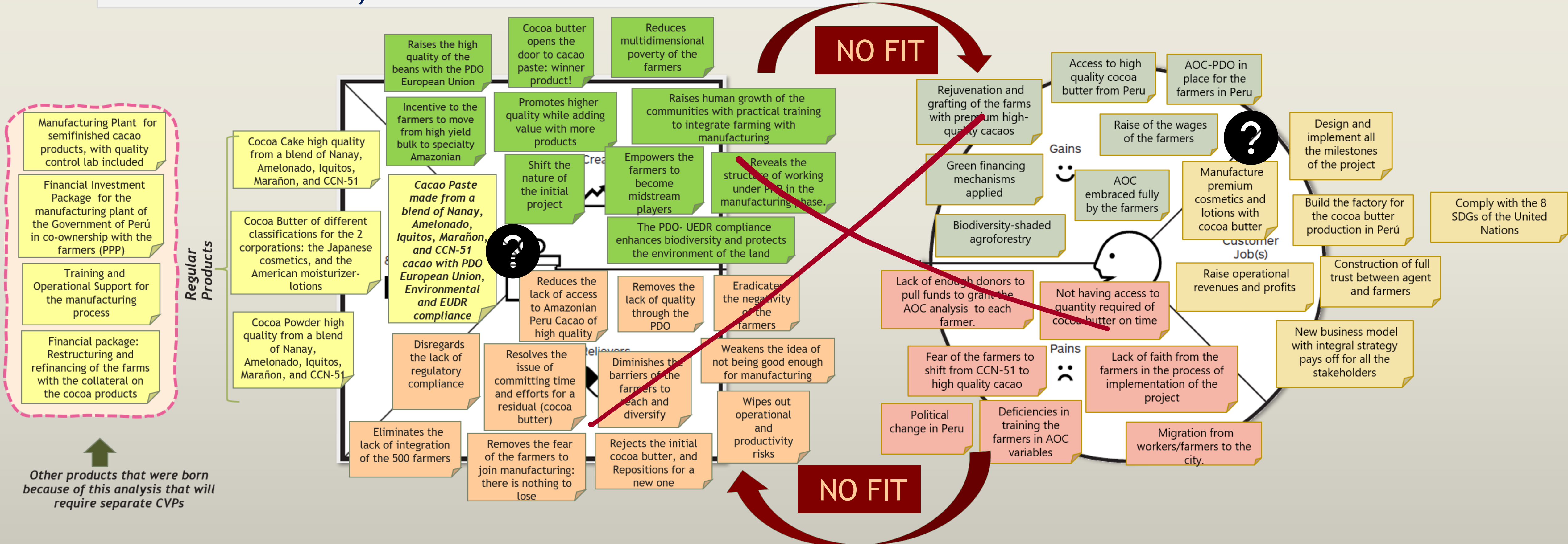
CVP2: Fit Analysis

CACAO

Value Propositions Part 2

CACAO: Cocoa butter, Perú



There is no fit. The cocoa butter is a residual sub-product of the cocoa paste manufacturing. A new version 2.0 is required. And separated autonomous VPs (Value Propositions) should be analyzed for the manufacturing plant, the financing packages, the PDO program, and training.

Value Map 3

Roasted Coffee-not decaf Central America

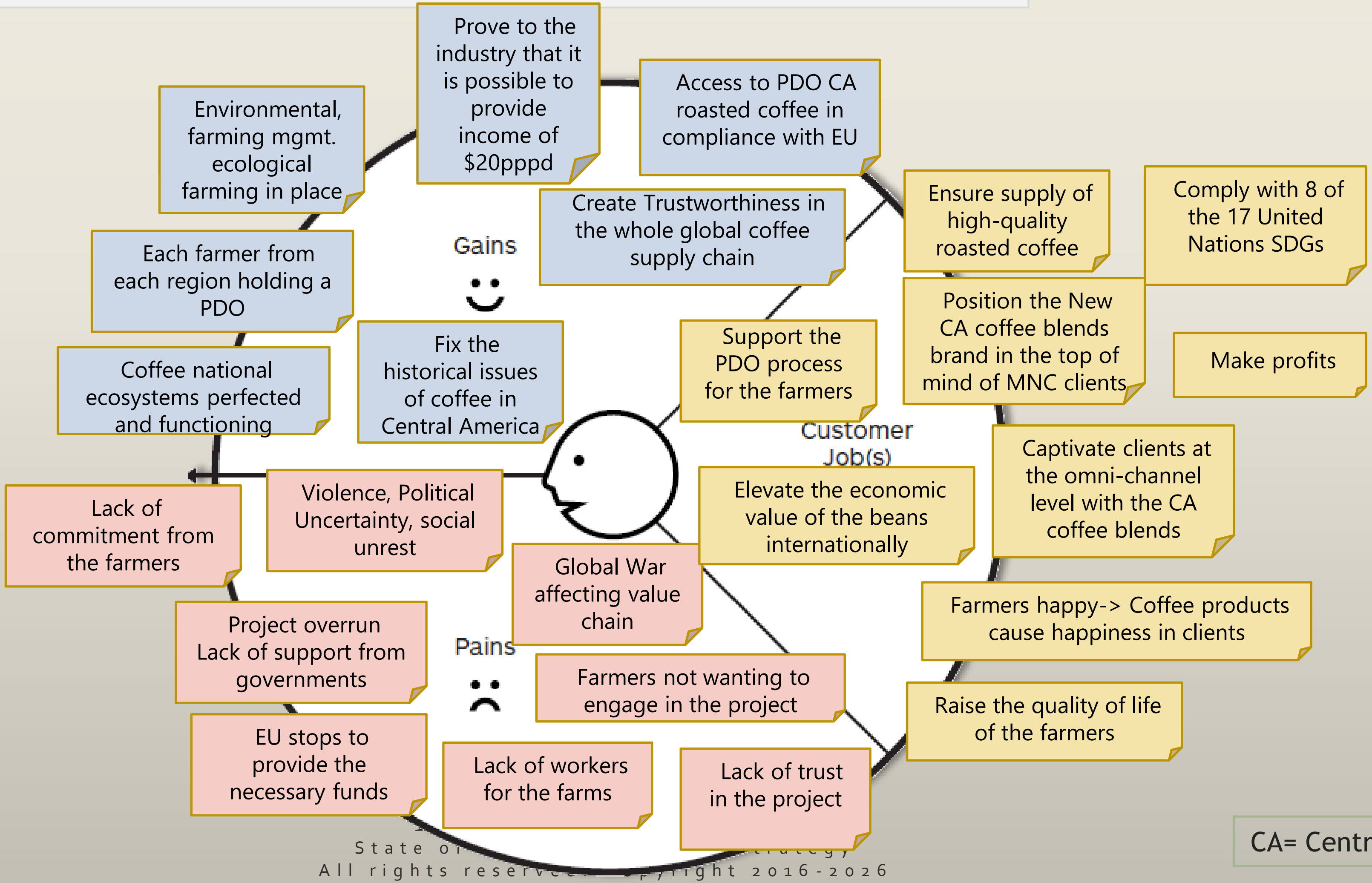
Blend Matrix

Customer Profile 3

Value Propositions Part 2

COFFEE: Roasted Coffee blends Central America. Version 1.0

COFFEE



CA= Central America

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Value Map 3

Gain Creators

CACAO

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America

Functional-Baseline Advantages — Bare minimum: cost of entry, prerequisite benefits

- Coffee blends meet all the PDO standards per coffee-region of origin
- Coffee Blends come from farmers that fulfill with all the protection for the environment of the land, particularly the subject of deforestation (EUDR)
- Coffee blends comply with Central American and EU Regulations in the manufacturing process (planting, traceability, harvest, de-mucilage process, recycling, roasting, and packaging).
- Coffee blends provide a high-end quality, never tasted before
- Coffee blends are priced with a higher value that the MNC can handle in their retailer points of sale
- Coffee blend is introduced in 7 terroir unique types, with unique flavor-aromas not replicable by any other coffee region in the world
- Coffee blends are the base future innovation for other segments/related products.

Social Benefits

- The Coffee blends assist in the image of the MNC to offer a unique terroir origin for a specialty exotic coffee coined with high-quality
- The coffee blends align the MNC with the United Nations master plan by complying with 8 SDGs
- The Coffee blends generate enough value to pay the farmers US$20pppd, raising their quality of life, and reducing multidimensional poverty.
- The Coffee blends honor a solution to an historic inequality problem in Central America. The social responsibility concept is applied at the core.
- The Coffee blends provide enough income to make the farmers happy.
- Coffee blends are coming from sustainable land that is prepared to face climate change for 2 generations ahead.
- Happy farmers produce happy beautiful coffee!

Emotional and Purpose Upgrading

- The Coffee blends trigger a desire in the MNC clients to help the farmers. Each high-quality coffee represents an excellent experience funneling a reward to the farmers for their hard work to make a living out of poverty.
- The Coffee blends are so well prepared that the MNC reduces its anxiety of monitoring and quality control of the final product arriving to their warehouses.
- The coffee blends are an element of sensorial/tasting uniqueness experience at every single channel retailing of the MNC.
- The coffee blends make the MNC outperform their existing quality standards.

Other Gain Qualities — Easy of Doing business & Individual

- The coffee blends hold all the information and transparency for the MNC clients
- The coffee blends reduce the efforts of the MNC in their supply of component quality beans
- The Coffee blends reach all the MNC points of sales
- The Coffee blends are available continuously
- The coffee blends build a network of captured clients that want to experience the flavor at home
- The coffee blends are built to the palate of each specific country where the MNC is established. There is a cultural fit of Central American coffee and the clients of the MNC.

Value Map 3

Pain relievers

CACAO

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America

Reducing or Removing undesired functional concerns

- Eliminate the lack of traceability of the coffee beans. Completely
- Remove the inconsistency of quality of the coffee blends
- Reduce the hassle and stress of receiving uneven roasted blends
- Eliminate the lack of access to a unique source of coffee blends not replicable in the whole world
- Decrease the absence of ethically-manufactured coffee brands
- Wipe-out the doubts of the MNC clients about the high-differentiation of the beans
- Eliminate in 90% all the doubts about regulatory EU compliance of the coffee of origin.

Diminishing or Eliminating Obstacles

- Decrease the uncertainty of production in the coffee nations farms through safe-nonviolence government programs
- Diminish social unrest and unhappiness in the farmers while producing beans
- Remove the risks associated with the flow of funds from the European Union to support the PDO process for each farmer
- Eliminate the lack of quality control at the roasting plant
- Decrease the lack of sustainability of the farms when facing climate change

Solving unwanted problems

- Reduce the lack of time and dedication of small farmers engaged in the project
- Diminish the lack of support from the government of each coffee nation
- Trim down the lack of faith in the European Union standards
- Drive down the concerns of the farmers about the financing component of the project
- Reduce the lack of knowledge about all the components of the project by constant training

Weakening or Wiping Risks out

- Reduce the risk of looking for markets in a B2C mode. The MNC already has built their coffee clients through an omni-channel downstream strategy
- Eliminate the concerns about migration of labor to the USA
- Cut the fear of future expropriation by not contemplating the land of the farmers as a collateral of the financing package

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Value Map 3

Products and Services

CACAO

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America

Functional Tangible

- Seven Coffee blends from Central America complying with the PDO and EU regulations/standards of high-quality, impeccably harvested, perfectly roasted, consistently delivered, and properly packaged.

Emotional Intangible

- An ultimate experience of coffee unique blends served at convenience of the client omnichannel strategy

Environment

- The Coffee blends are coming from farms that are working every day to re-establish the fauna and flora, protecting the environment in all its dimensions (air, moisture control, rainfall-stormwater management, waste residual mgmt., recycling, proper caring for the soil, temperature and wind, etc.)
- Each farm plants the correct variety (s) of coffee to excel the terroir in the quality of the bean.
- Beyond certifications, the coffee blends are the expression of sustainable land.

Life Changing

- **Quality Control lab-Roasting-Packaging Plant:** The production of the coffee blends are the result of a process of empowerment of the farmers as a force of sustainable land. (This adjacent project is crucial and should be analyzed in another CVP. However, the analysis of the CVP of the plant is autonomous, at the end it must be integrated for the success of the functional-table stakes product: roasted coffee blends).

Social Impact

- Farmers Community engagement in the project
- Create a culture of coffee nation again, with distinction and solidarity for the small-farmers
- Reduce inequality
- Honor the resurgence of an economic sector in extinction.

Financial

A project financial structure of 5 components:

1. EU grant for the PDO process of the farmers – non reimbursable aid.
2. Short-Term Debt: For working capital requirements of the farmers
3. Financial restructuring to all farmers, to remove the land as a collateral
4. Long Term Debt for paying Processing Plant: Quality Control-Roasting-Milling and Packaging. All the farmers are equity investors up to 50%. MNC retains ownership of 50% (it is a Joint-venture-project finance).
5. MNC and Government of El Salvador as Co-guarantors of the plant. In case of default, the farmers will keep their PDO, their land and their trees to continue exporting green-beans at low-prices.
6. Training-Accompaniment in all phases of the project- funded with Grants.

Value Map 3

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America

CACAO

Products/Services

Relevance Scale

+ The Perfect fit

- Excellent coffee blends of Unique Central American Small Farmers complying with a PDO and EU regulatory/standards in place
- Other projects subject to adjacent value propositions but crucial for this value map.
- Quality Control lab-Roasting-Packaging Plant
- Financing package to rescue coffee small farmers of CA
- PDO project for small farmers of Central America

- Other projects or products adjacencies

Gain Creators

Relevance scale

+ **Essential**

- Coffee Blends (CB) meet all PDO standards according to the EU
- CB come from farmers that fulfill practices for the protection and caring of the land
- CB comply with CA and EU regulations in harvesting, processing the beans, roasting and packaging
- CB create enough value to raise quality of life farmers
- CB originate desire to help the farmers as a reward for good job
- CB honor a final solution to historic inequality

-**Nice** to Have

Pain Relievers

Relevance Scale

Removal of the pain

Partial

- Eliminate the concerns about migration of farmers to USA
- Remove the fear of funding
- Eliminate lack of access to high quality blends of Central America.
- Eliminate the lack of traceability of the coffee beans
- Remove inconsistency of quality
- Eliminate the lack of quality control at the farming and roasting level

Total

Alleviation or Palliative

Mild Relief

- Diminish the lack of support from the governments to the coffee sector
- Reduces the hassles and stress of not receiving good quality
- Reduce the risk of looking for new markets in B2C mode
- Diminish potential social unrest
- Decrease the absence of ethically manufactured coffee

Moderate To Acute Relief

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Value Map 3

COFFEE

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America

Proceed to write each of your ideas in this template.
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Please use sticky notes and stick each of them over the printed template with your own written ideas

Protected Denomination of Origin Project for Small Farmers of Central America

Financing Package Coffee Small Farmers of Central America

Modern Coffee Quality Control-Roasting and Packaging Plant for Small Farmers (one per nation)

Other products that are crucial for the success of the main VP of this analysis that will require separate CVPs

Regular Products

- CA coffee Blends Roasted in whole beans for espresso/ultimate sensorial experience at coffee shops, high-end restaurants.
- CA Coffee blends Roasted ground/whole 340g for clients looking for convenience (coffee at home)
- CA Coffee Blends Roasted and Ground for On-line Sales
- CA Coffee Blends Ground roasted in pods (Keurig and Nespresso)
- CA Coffee Blends Roasted in other formats

Seven Central American Roasted Coffee Blends with PDO/EU standards compliance.

Gain Creators

- Farmers fulfill all the environmental aspects and EUDR
- Compliance with EU regulations in harvesting & manufacturing
- Raise the image of the MNC as contributing for farmers happiness
- Meet all the PDO standards per region of origin
- Honor a solution to an historical inequality problem in CA
- Alignment of the MNC with 8 United Nations SDGs
- Reduction of the MNC stress and anxiety about quality
- MNC contributing to help farmers to face climate change
- Provide a top of the top high-end quality never tasted before
- Reduction of multidimensional poverty of the farmers

Pain Relievers

- Remove the inconsistency of quality of coffee blends
- Eliminate lack of traceability
- Eliminate the operational risks associated with lack of quality
- Decrease the absence of ethical manufacturing in CA
- Eliminate the Lack of Access to CA blends
- Decrease the uncertainty of production because of violence
- Wipe out the doubts of the MNC about high-differentiation
- Drive down the concerns of the farmers about the future cashflows
- Remove the risks of financial funding for the project
- Diminish the lack of support from the Government to the coffee export sector

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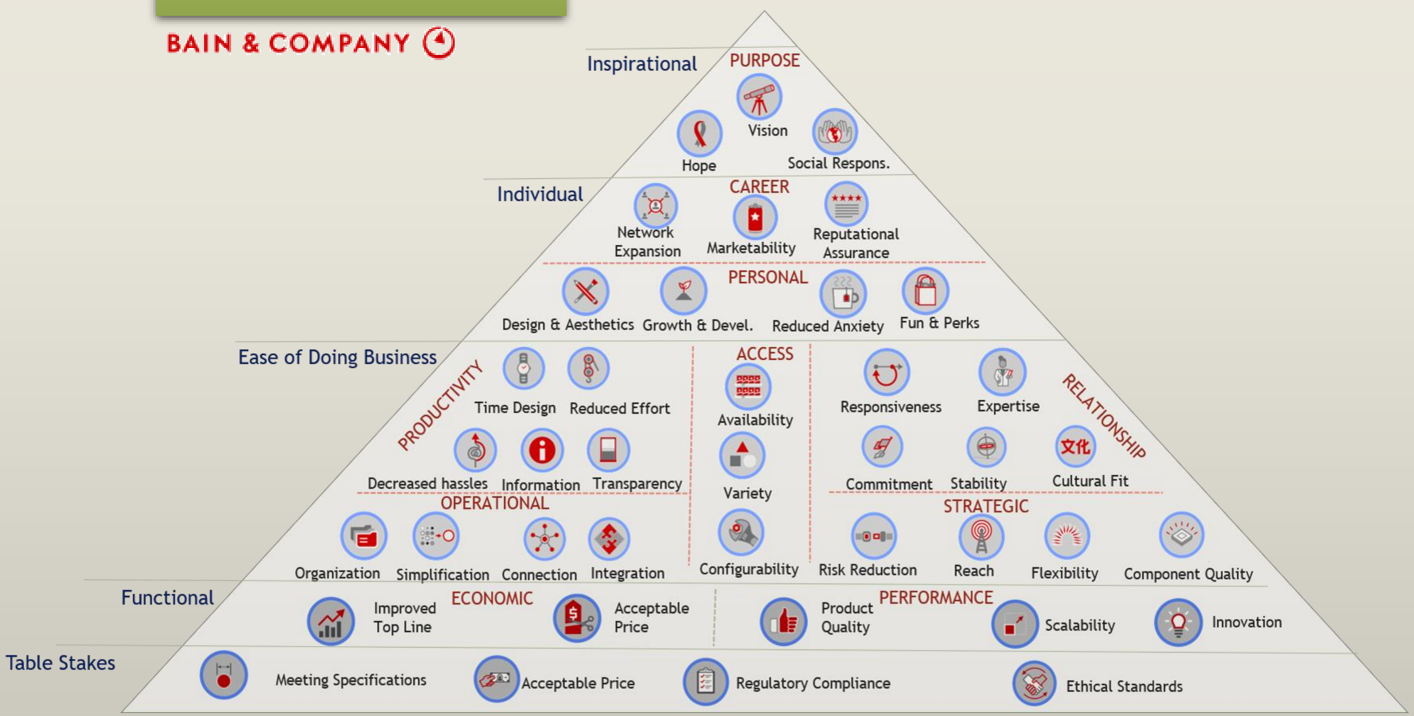
Value Map 3

COFFEE

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America



Elements of Value		Each pain reliever or gain creator belongs to a category of Value.	Category Level
1		Meeting Specifications	Table Stakes
2		Regulatory Compliance	Table Stakes
3		Ethical Standards & Innovation	Functional-Table Stakes
4		Product Quality and Component Quality	Functional
5		Availability	Easy of Doing Business
6		Variety	Easy of Doing Business
7	文化	Cultural Fit - High quality demanding	Easy of Doing Business
8		Decreased hassles, Information, Transparency	Easy of Doing Business
9		Reduced Effort	Easy of Doing Business
10		Reduced Anxiety, Growth and Development	Individual
11		Reputational Assurance	Individual
12		Hope, Vision and Social Responsibility	Inspirational

Elements of value by BAIN & COMPANY

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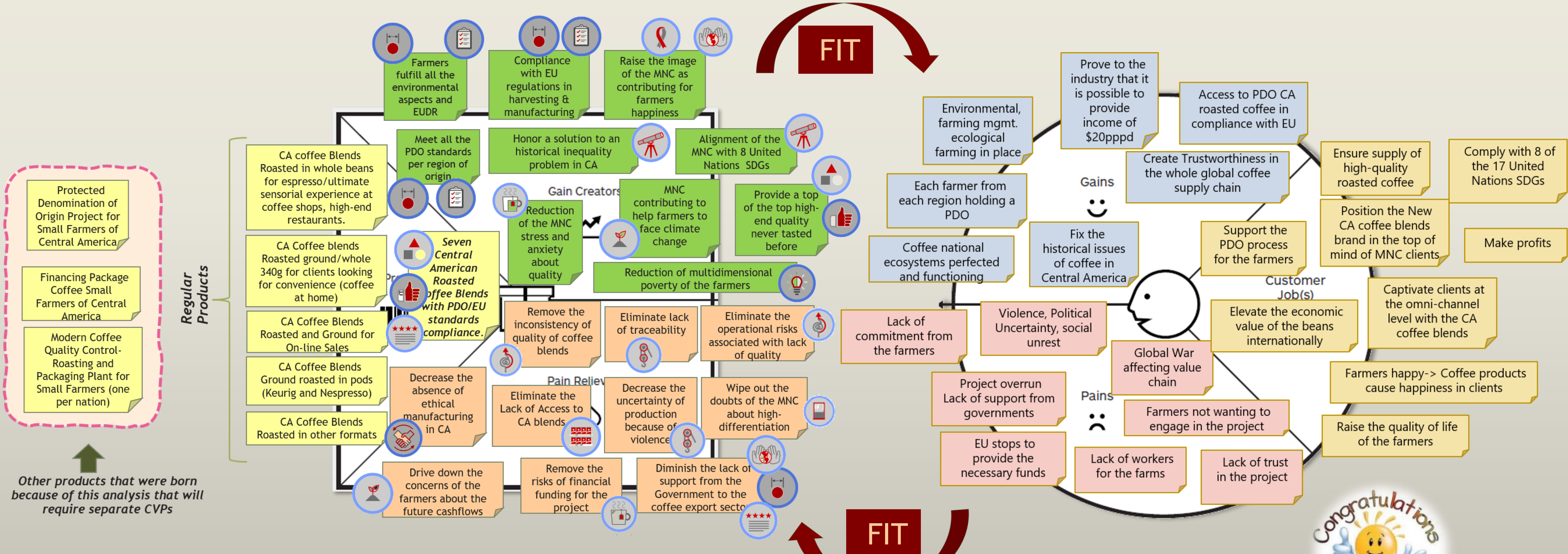
CVP3: Fit Analysis 3

COFFEE

Value Propositions Part 2

COFFEE: Roasted Coffee Blends Central America



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Value Propositions 2

Bibliography

This episode has been built using all the theoretical explanations about value propositions that we exposed in the saga “Value Propositions: Theory and cases”.
Please read the following chapters and their respective slides.

1. Customer Value Propositions.
2. Value Maps.
3. Fit between CVP and Value Map

All the variables measured by the AOC (Appellation origin controlee) terroir assessment are sources of projects that will require climate change financing. Can you see the link that connects the harvests with possibilities of green finance?

Photo from Microsoft Stock Images

Thank you

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https://eleonoraescalantestrategy.com/