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Catalytic Organization Needed to Facilitate Entry of Kenyan Goods into the US Market

Gaining access to the United States market is a daunting problem for Kenyan manufacturers and producers. The traditional approach for helping the Kenyans to gain access to the United States markets focuses on trade workshops, which educate local nationals about how to add value to their products to increase competitiveness in the marketplace.

The United States Agency for International Development (USAID), the United States Trade and Development Authority (USTDA), and similar governmental agencies are some of the agencies that traditionally sponsor training seminars or workshops, and trade-fairs. In the workshops, local Kenyans learn about marketing strategies, distribution networks, trade regulations in the United States, and the process of exporting goods to the United States. These government agencies also develop trade shows and food service tours in the United States to promote product exposure to brokers, distributors, retailers, and consumers. The United States government agencies also prearrange meetings with distributors and retailers.

This approach lacks a process for long-term knowledge emergence about international trade among the local nationals in Kenya. The process of getting goods from Kenya onto a supermarket shelf in the United States is complicated, which ultimately involves hard-nosed negotiation with the purchasing departments of the supermarkets. Details of such negotiations are not covered in the educational seminars, workshops, and trade tours. Furthermore, the workshops are not followed by any meaningful support structure, such as the one provided by a trade association that can help the Kenyan good manufacturers negotiate for slots in the supermarkets, or other distribution systems. Consequently, people in Kenya lack access to fundamental knowledge that would help them to break into this international market; their products do not find the way into the marketplace.

Kenyan nationals living in the United States could help local

nationals to connect with the United States markets, retailers, and product distributors. Such connections could be critical for facilitating trade and transfer of relevant knowledge and technical skills to local communities in Kenya. Kenyans in the diaspora cannot break into the vast market of the United States working as individuals, or in small disparate groups. The only way to overcome this problem is the creation of an organization that would help catalyze the collaborative process for engaging the diaspora, multinational corporations, and the local nationals in Kenya.

The Kenyan diaspora nationals are in a position to develop such a catalytic agency because they straddle the local and the international marketplace. This catalytic agency would provide continual representation in the United States market that would enable local nationals to remain connected with brokers, distributors, and retailers after the trade shows. The catalytic organization would help the local nationals to deal with budgets required to support marketing and placement of products in the supermarkets, and other retail outlets. Such a catalytic organization would create avenues for generation and distribution of knowledge resources that would enable the local nationals to create products that meet the standards of the international consumer market. The organization could also help the local nationals to overcome other problems that hinder market access



Fall in Maryland, United States of America.

LEADERSHIP

of goods from Kenya, including complicated logistics issues such as inland supply chain, warehousing, and order fulfillment. The participation of the diaspora nationals in trade programs would facilitate transnational linkages that would create sustainable presence in the United States target markets.

A catalytic organization created by the diaspora groups could build subsidiary formal organizations with synergistic trade interests. The diaspora organization could leverage its proximity to the United States market to generate timely information for Kenyans in Kenya about the market trends in the United States. Since the catalytic organization would be based in the United States, it could help its members to compete for government grants with United States based peers. Furthermore, the organization could help to organize trade delegations to the United States for trade shows. The established networks could notify diaspora members and about development workshop schedules in Kenya. The diaspora could serve as the overseas representation of local company interests for tax identification, marketing and connecting with trade associations.

The diaspora organization formed would lobby the United States government for preferential treatments and incentives for Kenyan products geared towards reducing the cost of entry into the United States market. Examples of such preferential treatments include the minority certification status, which provides an exemption to paying the high slotting fees charged to produce companies and manufacturers by supermarkets and retailers in order to have their products on the shelves.

The catalytic organization could provide direct connection between United States based business with related businesses in Kenya through personal and professional networks of its membership. Members

of the organization can be the target market of specific products from Kenya providing a direct consumer base. For example, Kenyans and friends of Kenyans in the United States are always looking for Kenyan tea, coffee, and beer. The diaspora can collaborate closely with associations of entrepreneurs in Kenya, building economies of scale and distributing the risks in the supply chain management including consolidated shipping, warehousing, and orders fulfillment.

Finally, the catalytic organization could work with embassies, missions, overseas marketing agencies to promote trade and industry in Kenya, and to create market intelligence, networks, and global partnerships. Ultimately, the maturation of a full-blown catalytic agency will go along way in helping Kenyan producers and manufacturers break into the market.

This catalytic agency could well be one of the Ustawi companies, including the not-for-profit KDNC. I have long known that the relationship between health and wealth is strong. The entire reason for the existence of KDNC is empowerment of Kenyans in the diaspora and at home in Kenya.

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