Scale, Design, and Follow Through

Lessons on moving from a development project to a business in Vietnam's AloWeather Project

The History of AloWeather

AloWeather started with the Agro-Climate Information Services project which helped ethnic minority farmers in Vietnam access weather forecasts and advisories. The project was a success but difficult to scale, depending on direct service delivery.

This is how the idea of AloWeather emerged: to develop a social business model around SMS-based weather forecasts and advisories targeting ethnic minority farmers not served by the growing market of private climate services providers. Why? Because they have less spending power, live in the most remote parts of Vietnam and need products and services translated into ethnic minority languages.

From Development Project to Business Model

From 2017-2018, the AloWeather team participated in the CARE USA Scale by Design (SxD) innovation competition. The team did not win, but in 2018 won $100,000 from CARE Denmark's CARE to Innovate competition. By 2020, it became clear that the agricultural advisory messaging service was not a viable business model moving forward.

What have we learned about turning a strong development project into a business model?

Business Models Matter
It was an incredibly complex model, with many different actors, financial flows, and incentives. The implementing team never fully understood the business model.

Business Model	CARE Operating Environment

• Actual cost of the SMS-based weather forecast and advisory meant that AloWeather was never financially viable:
 	
  • Our initial promise: $0.18
  • The initial reality: at least $0.28
  • Customers willing to pay: $0.22-$0.43
  • Actual final cost: $0.95
 	
• It was an incredibly complex model, with many different actors, financial flows, and incentives. The implementing team never fully understood the business model.
 	
• The various competitions prioritized simplicity, so we sold the model as much simpler than was true. Ultimately, that compromised our ability to implement the model, because few people understood its complexity.
 	
• We never tested payment methods. CARE Vietnam could not directly accept payments, and it was never clear who would.
 	
• We overestimated the customer base, with an initial projection of 20,000 per province, which we ultimately revised down to 7,000.
	• CARE treated AloWeather like a development project, not a business. For example, we outsourced most activities to an implementing partner with few business skills. We never closely tracked how time was getting allocated to the project.
	
	• There was a lack of testing and iterating with end users.
	
	• We needed senior levels of sign-off for all decisions, which slowed things down.
	
	• Staff turnover and lack of clarity and continuity in project direction resulted in shifts and confusion with several staff changes. There were also issues with handover between staff.
	
	• Minimal support for the "owners" of the innovation. When they left, other staff were not able to follow through on the vision.
	
	• Weak bargaining power and quality oversight over the private sector partner
	
	• Little incentive for partners that were not getting paid to stay involved long-term.
	
	• SxD innovation accelerator required a very intense commitment, so only 2 key staff participated actively. They both left shortly after SxD ended.

Private Sector Partner	**Documentation**
• Delay in finding a private sector partner. • Partner was not able/willing to change its approach based on feedback. • The partner could not implement the model as initially defined (was supposed to be interactive text, but this wasn't possible). • SMS format could not support diacritical marks (tones) required to make the advisories legible. • Voice calls went out at inconvenient times, and the partner would not change them to times that would work for farmers. • Doubled the price of each text message halfway through the contract. • 53% of content went to invalid numbers, and there was little quality checking from CARE until after the project was completed.	• Lost documentation on user-testing and the business model, therefore advisory messaging service was developed in a vacuum without information on what users wanted. • The documentation emphasized simplicity and brevity—which meant there was not enough detail to actually carry out the work. • Agricultural advisories were all in Vietnamese, even though the end users were supposed to be minority language speakers. • No clear plan for MEAL, or ability to measure if project was on track. • There was no documentation on core assumptions or way to test them.

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