Steering Group on Promotion
25 January 2007
London, England

Proposal to implement the ICO network to promote coffee consumption

Background

1.   In September 2006, the Promotion Committee considered a proposal received from Brazil relating to the creation of an ICO network for the promotion of coffee consumption (circulated as document WP-Promotion 8/06). Exporting Members agreed to authorize the Executive Director in principle to use a sum not exceeding US$120,000 from the Promotion Fund to contract specialized firms to create an ICO network to promote coffee consumption as described in the proposal. The Executive Director subsequently invited the consultants to submit a detailed formal proposal which would be considered at the meeting of the Steering Group on Promotion on 25 January.

2.   The attached document contains a proposal to conceive, create, structure and implement the ICO network to promote coffee consumption. An abbreviated version has been circulated in French, Spanish and Portuguese.

Action

The Steering Group on Promotion is requested <u>to consider</u> this proposal and <u>to submit</u> a recommendation either to the Executive Board in January or to the Promotion Committee in May.

P&A INTERNATIONAL MARKETING

11 December 2007

Mr Pablo Dubois
Head of Operations
International Coffee Organization
22 Berners Street
London W1T 3DD
United Kingdom

Dear Mr Dubois,

**Subject: Proposal to Conceive, Create, Structure and Implement
the ICO Network to Promote Coffee Consumption**

I am attaching our Proposal to Conceive, Create, Structure and Implement the ICO Network to Promote Coffee Consumption.

The proposal was prepared in response to the decision of the Promotion Committee, which, in September 2006, approved an allocation of US$120,000 to implement the Brazilian proposal contained in Document WP-Promotion 8/06. On that occasion, the Promotion Committee decided that the proposal for Consultancy services should be analysed by the Steering Group on Promotion and, in addition, authorized the ICO to contract the services concerned once the Group had approved the proposal.

It should be noted that the Peabirus network management software developed by Radiumsystems at a cost of approximately US$500,000, is being made available to the ICO Network as part of our proposal without costs for the payment of royalties or technology transfer within the context of the open networks and information-sharing concept underlying the work of P&A and Radiumsystems.

We are entirely at the disposal of yourself and the Steering Group on Promotion to provide clarifications on any aspect of our proposal and any additional information required.

Kind regards,

Carlos H. Jorge Brando
Director

Enc.: "Proposal to Conceive, Create, Structure and Implement the ICO Network to Promote Coffee Consumption" prepared by P&A International Marketing and Radiumsystems.

**PROPOSAL TO CONCEIVE, CREATE, STRUCTURE AND IMPLEMENT
THE ICO NETWORK TO PROMOTE COFFEE CONSUMPTION**

1.   INTRODUCTION

This is an offer of consulting and information technology services to design and implement the ICO Network to Promote Coffee Consumption that is described in document WP-Promotion 8/06 containing a Brazilian proposal for the promotion of coffee consumption at the ICO.

Radiumsystems and P&A International Marketing bring together their respective experience in different but related fields to jointly make a comprehensive offer that fully responds to the Brazilian Proposal which we hereafter treat as the terms of reference for the ICO Network to Promote Coffee Consumption.

This offer describes our vision of how networks can be instrumental in promoting coffee consumption (Section 2), presents our detailed proposal, with objectives, scope of services, timetable for execution and schedule of fees (Section 3), provides information about our companies (Section 4) and closes with three appendices that provide additional information about what is proposed (Section 5).

2.   OUR VISION OF COLLABORATION, KNOWLEDGE AND BUSINESS NETWORKS AND THEIR APPLICATION TO THE PROMOTION OF COFFEE CONSUMPTION

From the onset of its involvement with coffee promotion in Brazil, P&A realized the importance of organizing complex institutional environments and coordinating the actions of different stakeholders to bring about results that could not be otherwise obtained by the stakeholders acting separately. This was confirmed in other promotion projects that P&A carried out, especially in the preparation of the ICO's Step-by-Step Guide to Promote Coffee Consumption and the subsequent regional workshops to disseminate the Guide held in Asia, Central America and Africa. Our final realization of the power of networking to bring together institutions and brands to promote coffee consumption came with the application of the Guide to develop promotion programmes in India, Mexico and Indonesia.

The beginning of P&A's relationship with Radiumsystems, when Radiumsystems invited P&A to be the mediator of the marketing community in the Brazilian Coffee Network that Radiumsystems was putting together, demonstrated to P&A that the virtual organic network approach was ideally suited for the promotion of coffee consumption at world level.

Collaboration, knowledge and business networks aim to organize and strengthen connections between people and companies. They aim to develop new capabilities and forms of interaction using the opportunities and advantages offered by information technology and the electronic web. The purpose is to achieve specific objectives, like, for example, the promotion of coffee consumption.

This is the same concept of organic networks that is being developed by the Media Lab, the media laboratory of the Massachusetts Institute of Technology, among other think tanks.

Radiumsystems has developed and consolidated a relationship process backed up by concepts of collaboration, knowledge and business that uses the infrastructure of the Internet and open code software platforms to link business communities in their search for competitiveness. P&A's work to create the ICO Step-by-Step Guide to Promote Coffee Consumption, its subsequent application in India, Mexico and Indonesia, as well as other recent promotion activities indicate that Radiumsystems' networking platform can be applied to the ICO's environment and be customized by Radiumsystems and P&A to promote coffee consumption.

Companies and professionals need to know of and participate in virtual communication mechanisms and spaces. This means that there must be recognition and understanding of the advantages of the development of a culture of networks that leads to new competitive aptitudes.

From this stems a need to construct virtual interaction platforms, to establish virtual interaction among niche interests and to share these among companies and individuals. There is a need to create the ability to transfer information between different organizations and systems in a uniform and efficient manner. A transformation is required of traditional one-to-one relationships into many-to-many relationships to create and consolidate collective spaces of trust with secure accreditation and certification systems, exactly like the ones required to promote coffee consumption worldwide.

Solutions, systems and processes are developed not only from the perspective of the participants, individually, but also in their communities, in a new space and with new advantages, which coincides with the ICO's promotional objectives. We see the WWW as much more than a means of organizing and distributing information. We see the web as the infrastructure that will allow the realignment of all processes of human relationships, whether they are economic, political or social, promotion included.

Radiumsystems' collaborative networks support and consolidate business and professional practices as part of a scenario of growing interdependence. This requires the adoption of a repertoire of network tools and processes of interaction offered by the Internet and by electronic networks.

P&A's experience in coffee marketing and promotion provides the background for customization and operation of the networks in a way that is fully responsive to the ICO's and its Member countries' objectives of promoting coffee consumption. This requires knowledge of how the ICO operates, which promotional frameworks it envisages and, most importantly, of marketing and promotional tools and strategies that are coffee and non-coffee specific.

Because of its own experience as well as that of its professionals, Radiumsystems is capable of visualizing, stimulating, creating and consolidating networks capable of adding value for their participants and for society as a whole. P&A adds the marketing and promotional expertise, knowledge of the ICO framework and comprehensive relationships with coffee institutions and stakeholders in Member countries.

It is in the environment of relationship and communities to be designed by Radiumsystems and P&A, on the basis of the terms of reference, that the joint promotion projects will be discussed and developed for implementation. The business model is based on the commercial use of processes started by bottom-up relationships that use the Internet and open code software platforms as a means of organization and continuous monitoring.

Network users pay no fee. Companies' revenues are generated by suppliers who, with the support and management of Radiumsystems and P&A, use this environment to sell their products and services. The decision to buy is always made by the community of users in the business network. The purpose is to add competitiveness to innovation.

Appendix 1 contains comments about virtual networks, made by two leading world experts.

## 3.	THE PROPOSAL

Radiumsystems developed a web-based methodology to create and manage organic networks. This methodology consists of reorganizing value chains by means of the creation of a governance group that orients, according to a strategic plan, a group of communities led by mediators selected by the governance group within the respective chains. The application of this methodology enables value chains composed of several types of stakeholders to realign their interests in a network environment which maps individual interests in a bottom-up process.

Radiumsystems' standard approach to new clients is to host their specific networks in Radiumsystems' network environment called Peabirus. In the case of this ICO project, Radiumsystems and P&A propose to create a new network environment in the English language that is fully customized to the requirements of promoting coffee consumption worldwide.

The creation of an ICO network environment adds substantial value to our proposal because it may in the future be expanded to accommodate ICO's needs other than promotion and even to develop Member country networks, as Brazil has already done by itself, this time under the auspices of the ICO.

3.1   Objectives

Radiumsystems and P&A propose to work with the stakeholders in the ICO promotion process to design and implement a virtual environment where the participants in the value chain to promote coffee consumption relate to each other and to suppliers of products, services and knowledge in order to seek solutions to their common problems. Once the problems shared by the communities are identified, Radiumsystems and P&A will work to establish linkages with a wide range of possible partners, e.g., suppliers of products and services, other value chains with synergic interests, common interest groups, research institutes, universities, etc, that may or may not be participating in the network. The final goal is to build an ecosystem that works together to promote coffee consumption.

3.2   Methodology

The consultants Radiumsystems and P&A will use a specially designed network approach to organize the multi-stakeholder promotion processes in order to create a framework for promotion that encompasses the generation of promotional ideas, the development of promotion projects and the creation of the institutional arrangements required, with emphasis on young consumers and due regard to other audiences. The stakeholders will organize themselves in networks and establish a contract of network management that is always the property of the users, under the auspices of the ICO, which will participate actively in the innovative system of shared governance.

The working relationships in the promotion of coffee consumption will gain a new business-oriented architecture comprising the groups described below:

–   the Management Group, made up, for example, of ICO staff and/or representatives of the Steering Group on Promotion and the Consultants;
–   the Mediators, made up of country Member representatives (for example, indicated by the Members of the Steering Group on Promotion), institutional representatives, company professionals, consultants actives in the sector, etc;
–   the Collaborators, made up of institutional representatives, company professionals in the network, suppliers, NGOs, market research institutes, think tanks, etc; and
–   the Participants, made up of members of the promotion value chain, mobilized by the Management Group, the Mediators and the Collaborators.

A process of journalistic information management takes place simultaneously with the structuring of the collaboration, knowledge and business network. Its purpose is to contribute to the creation of the group's personality and mode of cooperation.

Initially, this process of information management seeks to give cohesion and objectivity to participation in the network through a journalistic coverage of the planning and strategy of cooperative projects to promote coffee consumption undertaken by the Management Group, the Mediators, the Collaborators, the Participants and the suppliers of web products and services.

With the maturation of the promotion project, the process of journalistic management widens to include the external information requirements of network users and the requirements of the network itself for relationships with traditional media. This means that over time the virtual environment that has been created becomes the main source of information from this community to the outside world, with a strong public relations multiplier effect.

3.3   Activities and Products

The activities to be developed are described below, wherein Radiumsystems and P&A are referred to as "Consultants". Communications, interviews, meetings, etc. will be by e-mail, MSN, Skype, or similar media, unless otherwise specified.

3.3.1   Project Launching

–   Introduction of the concepts of the collaboration, business and knowledge network.
–   Introduction and discussion of the business model.
–   Definition of Governance (Management Group) in discussions with Client.
–   Discussion (change, complement and/or validate) of the promotion sub-networks and communities found in the terms of reference (Brazilian Proposal in document WP-Promotion 8/06); refinement and customization of topics to be developed, with special provisions for the focus on young consumers.

3.3.2   Starting of implementation of network (infrastructure of information) in the Internet

3.3.3   Selection of Mediators

–   Indication of possible Mediators by Management Group.
–   Interviews and screening by Consultants of Mediator candidates:
  •   discussion of mediator's rights and obligations and
  •   presentation of draft contract
–   Validation of choice of Mediators by Management Group.

3.3.4   Development, discussion and signature of contracts with Mediators

3.3.5   Diagnosis

Identification of shared problems by means of specially designed questionnaires to be sent to institutions, companies and persons participating in the collaboration, business and knowledge communities.

3.3.6   Strategic Planning

–   Definition of Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) using information gathered by the diagnosis.
–   Preparation of the Strategic Plan.

3.3.7   Goals

–   Definition of priorities and preparation of the Action Plan.
–   Definition of goals to be pursued by Governance, Mediators and Suppliers.

3.3.8   Information System

–   Briefing of Consultants' information editors about goals agreed upon by parties.
–   Hiring by Consultants of a local information professional to report to the information editor.

3.3.9   End of implementation of network (infrastructure of information) on the Internet

3.3.10 Mobilization of Suppliers

Selection and mobilization of suppliers (companies and entities) that might participate in the achievement of goals, depending on their own business interests.

3.3.11 Mobilization of Collaborators

Mobilization of inside collaborators (professionals from the companies) and outside collaborators (representatives of supplying companies and entities) to participate in the communities.

3.3.12 Mobilization of Participants

Mobilization and development of the collaboration, business and knowledge network by means of the Consultants' methodology of information management and business articulation.

3.3.13 Retrofeeding and Beginning of Operation

With the network implemented, retrofeeding takes place by means of:
−   continuous mapping of shared problems and
−   inducement of network actors to seek solutions
using information management tools with a focus on innovation and market development.

Appendix 2 shows the activities described above in the form of a flowchart.

3.4   Sustainability of Operation

After the virtual environment is created and the promotion network is designed, the Consultants will, along with the ICO, manage the system permanently without any costs to the ICO and, in fact, with the possibility of generating income for the ICO, depending on the sharing system to be adopted after discussions with the Client.

The model used to generate income from the operation of the network is based on the business generated by the network itself, using different remuneration systems that range from fixed and variable fees to commissions. This business model, that has been developed and perfected with the experience the Consultants gained from managing other similar networks, will be transferred by the Consultants to the Client as part of the execution of the contract.

The fact that the network may generate income for the ICO and that business transactions may develop from interactions at the network do not in any way imply any type of responsibility for the ICO. The network will not belong to the ICO, which will not be responsible for the network itself, for the exchanges that take place in it, nor for business that is generated and caused to be transacted by it.

Although uploading is not restricted, there are three levels of control of exchanges within the network: the governance, the mediators selected by the governance, and the management of the network, all of whom may eliminate content or persons not aligned with the objectives of the network. The network is a virtual environment where relationships take place. The content of the exchanges in the network is the sole responsibility of the person who uploads it.

A good analogy is possible between virtual networks, as the one proposed here, and trade fairs, where booths are leased by companies, workshops and seminars are held, opinions are expressed and business is transacted. The institutional sponsor of the trade fair cannot be held responsible for what the participants and attendees − companies and persons − state or transact. The sponsor simply creates an environment wherein people meet, exchange views, and do business.

The organizer of a trade fair sells space and services to exhibitors, conference registrations to attendees, sponsorship quotas to sponsors, etc. Though these sales generate income for the company or institution that organizes the event, the organizer is not responsible or liable for the content of the conversations that attendees hold or for the business that participants enter into in the event itself or outside of it as a result of contacts made therein. This situation is absolutely identical to that of a virtual network.

Going one step further, many of the services offered by organizers of trade fairs to exhibitors and attendees are supplied by independent companies and remunerated proportionally to the volume of services according to a sliding scale. The independent suppliers may share such income with the organizers of the event. This is often the case of services as diversified as leasing of furniture and other booth needs, leasing or sale of hardware, translation and press services, phone, internet and data base access, credit card payments and other electronic transactions, etc. The independent suppliers remunerate the event organizers which do not have any direct business transaction with the clients of the independent suppliers. As part of the agreement, the independent suppliers expect the event organizers to recommend their services and goods to exhibitors and attendees. Again, this is a perfect analogy to the way remuneration works in a virtual network.

If the ICO chooses to participate in the income to be generated by the network, which is highly recommended, it will be remunerated directly by the Consultants in proportion to the Consultants' own income, according to criteria to be discussed in due course. Payments to the ICO will be verifiable according to the criteria to be adopted. From an accounting perspective, such payments, for instance, could be treated as donations to the Promotion Fund.

The governance and mediation contracts, with the ICO and the mediators respectively, will be written in a way to protect the ICO and its Member countries from liability for future claims.

3.5 Timetable

The activities above can be implemented in a period of 90 to 120 days, depending on the Client's ability to support the Consultants in the validations required and in the engagement of Mediators.

3.6   Price

The fees for the execution of the complete project in items 3.3.1 to 3.3.13 above are described below:
–   Consulting time to:
  –   design network,
  –   define governance system,
  –   select, interview and screen mediators,
  –   draft contracts,
  –   develop questionnaires,
  –   perform diagnosis,
  –   perform SWOT analysis
  –   define strategies,
  –   create action plan,
  –   develop reporting system,
  –   mobilize suppliers, collaborators and participants, and
  –   start-up system (and perform initial retrofeeding),
at a total of 485 hours .... US$ 48,500.00

–   Customization of software: the existing Peabirus software will be redeveloped to reflect the specific conditions of the ICO network proposed, on the basis of the same operating philosophy that comprises:
  –   extensive use of open software, providing strong security and stability,
  –   self-definition and community control, based on invitation model,
  –   empowering the users, regarding definition and managing of their profiles and communities,
  –   auto-defence against spammers and marketing advertising tools,
  –   scalability,
  –   total control of the software development processes, facilitating new implementation/ features and bug correction, and
  –   translation into English,
at .... US$ 56,000.00
–   Travelling expenses .... US$ 10,000.00
–   Total .... US$114,500.00

3.7   Price and Payment Conditions

The total fees for the execution of the project, of US$114,500.00, are to be paid according to the following schedule:
–   30% upon signature of the contract;

–   35% upon completion of implementation of the network on the internet (completion of activity 3.3.9 above); and

–   35% when the network is ready to start operation (completion of activity 3.3.12 above).

If the completion of activities 3.3.9 or 3.3.12 is delayed by the Client, the corresponding payments will become due on the 60th and 120th day after the signature of the contract, respectively.

The fees above include one two-day meeting at the Client's office in London at a time to be agreed upon by Client and Consultants. If the Client requests additional meetings, the Consultants will not charge any additional fee for another meeting with a maximum duration of 2 days, but the Client will be responsible for international air fares as well as transportation to and living expenses at the place of the meeting.

Each of the three payments above will be apportioned between Radiumsystems and P&A and paid directly to each company according to a criterion to be included in the contract.

4.   OUR COMPANIES

4.1   Radiumsystems

Radiumsystems was founded in 1999 by a group of professors and students at the Federal University of São Carlos, UFSCAR. Its main project at the time was the first auction site B2C in Brazil, called Ebazar. This site, acquired by the Argentinian company De Remate and renamed Arremate, reached 1 million active users at the time of the internet bubble.

The company was bought by the current owners in 2000 and renamed Radiumsystems. In the first year of this new phase the company concentrated in the implementation and management of collaboration, knowledge and business networks in companies and both public and private entities. Its clients included the world's third largest airplane maker Embraer, Brazil's leading newspaper O Estado de São Paulo, one of the country's largest banks, Itaú, and other companies and institutions shown below.

This diversity of projects enabled Radiumsystems to create a network platform that develops and articulates business mobilization and change with focus on economic development and innovation. Through these processes Radiumsystems has stimulated deep re-articulation of previously scattered businesses in the following cities of the State of São Paulo, Brazil: Biriguí, Jaú and Franca (shoes), Santa Gertrudes (ceramics), Marília (food), Jundiaí (textiles), São José dos Campos (aviation technology) and Votuporanga and Mirassol (furniture). In the past years Radiumsystems has brought to these cities loyal partners such as Bank ABN Amro, Nortel, Intel, European Design Institute, Unisys, São Paulo's Commodity Exchange BM&F and leading institutions like SEBRAE (Brazil's Small Business Development Agency), FIESP (the powerful Federation of Industries of the State of São Paulo) and others.

Radiumsystems is today active in the coffee supply chain, together with the National Coffee Council (CNC) and Embrapa. The original coffee network, covering a region comprising 20 cooperatives, 40,000 growers and 200 municipalities, is now being enlarged with the entrance of roasters, led by ABIC, exporters, led by CeCafé, and the Coffee Intelligence Center (CIC) to create what will be called the Cafés do Brasil Network.

Other Radiumsystems networks cover education (the students and teachers who belong to the value chain of bank Bradesco's Foundation), the environment (the NGOs and environmentalists who belong to the chain of value of S.O.S Atlantic Forest Foundation), free software (the users and developers who belong to the free software chain of value mobilized by ITI and the FISL Management Committee) and the naval sector (the users and suppliers of the Brazilian naval operators in domestic and foreign waters).

Radiumsystems has solid associations with renowned educational institutions in Brazil and abroad, such as, Integrated Systems Laboratory LSITEC of São Paulo University's Engineering School (Poli/USP), MIT's Media Lab and a number of partners in the private sector.

The results achieved by Radiumsystems' projects − planning, employment, value addition, competitiveness, technological innovation − have had major repercussion in the media, with positive impacts on the image of its institutional sponsors.

The curricula vitae of Radiumsystems' directors are found below.

	Rodrigo Lara Mesquita
	Studied History at the University of São Paulo (USP) and was a research assistant on the Ecodevelopment Course at École de Hautes Études de Paris. In 1976 he began working as a journalist in Jornal da Tarde newspaper. In 1988, he created and developed the project for Agência Estado, Brazil's leading electronic information service. In this same period he started his association with M.I.T's Media Lab, where he established a close relationship with scientists such as Nicholas Negroponte, Walter Bender, David Cavallo, among others. He is a research affiliate at the Media Lab. He is one of the founding partners and was once chairman of the Fundação SOS Mata Atlântica (SOS Atlantic Forest Foundation), one of Brazil's most important and active non-government bodies. He joined Radiumsystems in 2000.

	Oswaldo Gouvêa de Oliveira Neto
	Economist with experience in the treasury and credit areas in multinational companies and financial institutions such as Banco Nacional, Cargill Agrícola, Cerâmica Portobello, Grupo Saint Gobain and Fináustria Financiamentos (Grupo BBA Creditanstalt). Between 1992 and 1997 he was chairman of CSS – the Shopping Center Service Association, a partnership between the La Fonte and Socimer groups that has been acquired by BBA Creditanstalt group. He was at the forefront of the marketing and products department of Fináustria Financiamentos until the end of 1999, when he left the BBA group to dedicate himself full-time to the Radiumsystems project.

4.2   P&A International Marketing

P&A was founded in 1995 to be a consulting, marketing and trading company in the field of agribusiness with emphasis on coffee. From its original focus on coffee processing technology, P&A accumulated a wealth of experience and solid know-how in many areas of the coffee business over the years. Promotion of coffee products and coffee consumption itself has gained increased participation in P&A's activities in recent years.

P&A's unique background brings together hands-on experience in many aspects of the coffee business: marketing, promotion of consumption, certification, logistics, trading, technology, processing and growing. Its well developed consulting capabilities draw on actual experience, analytical techniques and knowledge of the field where it operates and a profound understanding of the organizational and economic environments where the coffee business thrives.

Whereas most consulting companies choose to specialize on a specific field of management science, say finance, and to provide services in that field to companies in many types of businesses, P&A chose to concentrate on one product − coffee − and to provide many types of services for that single product. This strategic choice endows P&A with singular powers to address complex issues in the coffee business.

Together with its associated companies GSB2 (advertising agency) and QualicafeX (specialty coffee exporter), P&A has a unique pool of coffee experts in post-harvesting processing, sensorial analysis, coffee quality, graphic design, creative work, trading and, specially, marketing. This diversified blend of talents has greatly facilitated P&A's activities in the field of promotion of coffee consumption.

P&A has developed a network of contacts and representatives that covers over 50 countries. This structure enables the quick evaluation of business opportunities, the performance of trend, cost-benefit and market studies, and the development of strategies in the areas of market development, branding and institutional promotion of consumption always with strong emphasis on the coffee industry.

Promotion of coffee consumption takes place in complex organizational environments such as the ones of most clients below, that commissioned P&A for projects in the areas of strategy, marketing and promotion throughout the years.

Many of P&A's past and present activities contributed to place the company in a favourable position to carry out programmes to promote coffee consumption. For example, the development of the export market for Brazilian coffee machinery manufacturer Pinhalense granted privileged access to decision makers in the coffee business in as many as 75 countries. P&A's technical coordination of the Cafés do Brasil Marketing Program from 1999 to 2002 gave the company important insights about institutional programmes in domestic and foreign markets and the collaboration between institutional and brand promotion.

The Step-by-Step Guide to Promote Coffee Consumption that P&A developed for the ICO already recognized the power of networks to promote coffee consumption. P&A's applications of the Guide in India, Mexico and Indonesia have further demonstrated how networks can bring stakeholders together, help to identify obstacles to coffee consumption and create the conditions required to promote the product. The obvious next steps are to lower the costs of networking by using the Internet and to extend the networks across country borders to profit from economies of scale and to benefit from larger and more diversified pools of ideas. This means creating the virtual organic networks that are the aim of this proposal.

P&A's activities in the field of promotion of coffee consumption have been widely publicized in Brazil and abroad as shown by the clippings below.

P&A's professionals make regular visits to most coffee producing and consuming countries in the world with frequent trips to the main coffee growing, trading and research centres to develop projects as well as to the main consuming markets to identify consumption trends and promotional needs. These professionals speak often at symposia, conferences and workshops in Brazil and abroad, such as the ones promoted by the institutions below. Most presentations made in recent years have covered subjects related to coffee consumption.

The curriculum vitae of P&A's director is found below.

	Carlos Henrique J. Brando
	Civil Engineer with graduate work at the doctoral level in planning and business at the Massachusetts Institute of Technology. From 1984 to 1994 he led the international expansion of Brazilian, coffee machinery maker Pinhalense, first as Export Manager and then as Commercial Director. During his tenure, Pinhalense's exports grew from 3 to 35% of sales, the products reached 75 countries and the brand gained worldwide recognition. In 1995 he founded P&A International Marketing, a trading, consulting and marketing company. He subsequently created two associated companies: advertising agency GSB2, in 1997, and specialty coffee exporter QualicafeX, in 2002. He is today active in the three companies. He speaks often at international coffee events around the world, writes about coffee subjects in leading trade magazines, and coordinates workshops on coffee related subjects for companies and government agencies.

5. APPENDICES

5.1 Appendix 1: Comments

Comment by Andrew Lippman and David P. Reed, MIT's Media Lab scientists

"Communications are poised to become personal, embedded features of the world around us. New technologies allow us to make wired and wireless devices that are *adhoc*, incrementally installed and populous almost without limit. They need no backbone or infrastructure in order to work − instead, they use neighbours to bootstrap both bit delivery and geolocation. This re-distributes ownership of communications from a vertically integrated provider to the end-user or end-device and segregates bit delivery from services. Communications can become something you *do* rather than something you *buy*. This new research programme explores the enabling principles for these *viral communicators* and will demonstrate their fundamental ability to scale and automatically configure themselves through a diverse set of applications including live voice, secure transmission, low-power/high-availability signalling, and sensors with a sense of place. We will address this in economic and social cases that include telephony, media distribution, safety and emerging markets."

Comment by Walter Bender, Executive Director of MIT's Media Lab

"MIT researchers Andrew Lippman and Alex Pentland use the term "Organic Networks" to describe the end-to-end, grassroots communications systems that both first-world and third-world societies use to bend the technology of easy connectivity to suit their own economic, cultural and social interests. "By reducing the economic barrier to innovation and by adopting a more modular, flexible architecture, computing became accessible to entrepreneurs, small businesses, and ultimately consumers… In addition to being grassroots, it reflects the needs and interests of its local constituency and develops global, emergent behaviour.

Digital media is far from engendering a fragmented world populated by self-interested myopes. Rather, it is unleashing in each of us our basic desire to share, which sometimes translates into a sharing of information, social and political ideas, or goods and services. The process has begun, and it is indeed a paradigm shift: the consumer is becoming a creator. And further, being organic, this process can scale without bound; it can grow incrementally; and each individual can add capacity and value to the whole."

5.2   Appendix 2: Flowchart of Activities

Diagnosis of general and shared problems

Application of questionnaire with the support of the Management Group and Mediators to map general and shared problems.

Diagnosis already exists?

NO

Questionnaires are sent to companies participating in the Collaboration, Business and Knowledge Network.

YES

Use of existing diagnosis.

Diagnosis

Tabulation and validation of questionnaires.

Definition of Strengths, Weaknesses, Opportunities and Threats and preparation of strategic plan to define priorities of the action plan .

Strategic planning

Definition of goals

Definition of goals to be pursued by the Governance, Mediators and Consultants.

Implementation of infrastructure of information on the Internet completed.

Coordination of information

Briefing of Consultants' information editor about goals agreed upon by parties.

Selection and hiring of Reporters

Identification and hiring of a local Information professional who will report to the information coordinator.

Mobilization of Suppliers

Selection and mobilization of Suppliers (companies and entities) that might participate in the achievement of goals depending on their own business interests.

Information as a mobilization tool.

Mobilization of Collaborators

Mobilization of inside collaborators (professionals from the companies) and outside collaborators (representatives of supplying companies and entities) to participate in the communities.

Mobilization of Participants

Mobilization and development of the Collaboration, Business and Knowledge Network by means of the Consultants' methodology of information management and business articulation.

Retrofeeding

With the network implemented, the dynamics of continuous mapping of shared problems and the inducement of the network actors to develop solutions retrofeed the process. These solutions are based upon information management and focus on innovation and market development.

Continuous mapping of shared problems.

New diagnosis