

NEW PARTNERS IN VALUE CHAIN DEVELOPMENT

ANNUAL WORKPLAN YEAR 1

for the period
July 1, 2009 – June 30, 2009

AGREEMENT #: C433-101-50-CHF

Submitted on September 2, 2009, to:

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This document presents a year one workplan for CHF International's implementation of the *New Partners in Value Chain Development* program. CHF's goal for the program is to design, deploy and document organizational procedures and tools that infuse value chain considerations and approaches throughout the organization. Over the life of the program CHF expects to:

- Assess the current usage levels of the value chain approach, our process for managing knowledge around value chain learning, and current levels of institutionalization
- Expand the knowledge and understanding of the value chain framework by training key staff members and integrating this knowledge into new staff orientation
- Develop a set of standards for integrating the value chain approach into CHF programs, and infuse those standards into specific processes at different points of the program life cycle
- Apply these standards to a select number of programs, and document them in case studies that generate learning about new application of value chain interventions
- Capture CHF's value chain learning in a *CHF Guidebook for Value Chain Integration*
- Share our lessons from this organizational process with a report, *Lessons in Institutionalization*

Set of Indicators to Measure Performance

For CHF International, the big questions under the New Partners initiative are:

- *What does our organization look like now?;*
- *What is the quality of our value chain programming now?;*
- *What kind of change do we expect to occur as a result of the New Partners initiative?; and ultimately;*
- *Where do we want to be as an organization in three years?*

Table 1. on the following page presents an Institutional Grid that defines organizational capacity over a continuum from *Clear Need for Increased Institutionalization* to *High Level of Institutionalization In Place* related to knowledge management and value chain knowledge. Adapted from the *McKinsey Capacity Assessment Grid - Effective Capacity Building in Nonprofit Organizations*, this grid illustrates the different areas of organizational development that CHF seeks to address over the next 3 years. The grid allows us to capture where CHF is in each of the dimensions in 2009, where we hope to be by 2012 and what the benchmarks may be along the way to institutionalizing best practices. The dimensions consist of three general areas of organizational capacity related to knowledge management and two specifically designed to measure how value chain capacity is manifested at CHF:

- 1) Organizational processes, use and development
- 2) Knowledge management/sharing
- 3) Performance analyses and program adjustments; and
- 4) Knowledge of value chain
- 5) Knowledge-sharing of the value chain approach.

The findings from the baseline assessment will be used to score the organization on each dimension of institutionalization, by selecting the text that best describes the organization's current status of performance. This scorecard is particularly useful for tracking

institutionalization over time; that is, it achieves better measurement consistency and comparability. Concentrating on observable facts can be limiting; however, if such facts are complemented with descriptive and perception-based information¹ a more accurate picture of institutionalization emerges. Triangulation will take place through key informant and focus group interviews.

¹ Measuring Institutional Capacity – USAID CDIE Monitoring & Evaluation TIPS, 2000, # 15
Year One Workplan

Table 1. Institutionalization Grid

Dimensions	Clear Need for Increased Institutionalization (1)	Basic level of Institutionalization in place (2)	Moderate level of institutionalization in place (3)	High level of institutionalization in place (4)
Organizational processes, use and development	Limited set of processes for ensuring effective institutionalization; use of processes is variable or processes are seen as ad hoc requirements (paperwork exercises) but no monitoring or assessment of processes	Basic set of processes in core areas for ensuring efficient functioning of organization; processes known, used and truly accepted by only portion of staff; limited monitoring and assessment of processes with few improvements made in consequence	Solid, well-designed set of processes in place in core areas to ensure smooth, effective institutionalization; processes known and accepted by many, often used and contribute to increased productivity/impact; occasional monitoring and assessment of processes, with some improvements made	Robust, lean, well-designed set of processes to ensure that key process lessons translate into operationalization; processes are used and accepted and are key to ensuring full impact of institutionalization; continual monitoring, assessment, and systematic improvement made.
Knowledge management/sharing	No formal systems to capture and document internal knowledge	Systems exist in a few areas but either not user-friendly or not comprehensive enough to have an impact; systems known by only a few people, or only occasionally accessed/used	Well-designed, user-friendly systems in some areas; not fully comprehensive systems are known by many people within the organization and often used	Well-designed, user-friendly, comprehensive systems to capture, document and disseminate knowledge internally in relevant areas; all staff is aware of systems, knowledgeable in their use and make frequent use of them
Performance analysis and program adjustments	Internal performance data (evaluations, lessons learned, best practices in the program life cycle) rarely used to improve program and organization	Internal performance data used occasionally to improve organization	Effective internal performance analysis occurs but largely confined to selected pockets of people; lessons learned distributed throughout the organization, and often used to make adjustments and improvements	Comprehensive internal analysis part of the culture and used by staff in operations; systematic practice of making adjustments and improvements on the basis of lessons learned and results, and new standards
Knowledge of Value Chain	Minimal knowledge and understanding of the value chain approach	Some knowledge of value chain principles and relevance to economic development	Knowledge of value chain principles; relevance to economic development; and how value chain applies to the program life cycle	Extensive knowledge of the value chain, including application to CHF programs, standards, principles and giving each economic development program a value chain lens
Knowledge sharing about the value chain approach	Little or no learning or knowledge sharing of the value chain approach	Some knowledge sharing and learning of the VC approach	Knowledge sharing of value chain principles; relevance to economic development; and how value chain applies to program life cycle	Extensive knowledge sharing of the value chain approach, including program design, development, implementation

To gauge our current state and place ourselves within the above grid, CHF in year one will be developing a set of proxy indicators that will feed into the grid and measure progress over time. Such indicators include, but will not be limited to the following:

- Percentage change of use of value chain knowledge-sharing mechanisms;
- Percent change in knowledge of the value chain approach amongst two target groups, i.e. value practitioners and general program staff;
- Percent change in the application of the value chain approach in new business development and project implementation.

The following section describes how CHF will capture these indicators in a baseline and track progress over time.

Project-Level Activities

As described in the program proposal, CHF has designed the program in a series of phases presented in Diagram 1 below. Year One of the program begins with an **“Understand”** phase to generate a sufficient understanding of the learning culture at CHF. For CHF, context is essential. In order to generate sufficient buy-in, we must take inventory of organizational dynamics occurring at CHF, looking at everything from the extent to which value chain approach is currently integrated into the organization, to the broader knowledge-sharing and learning environment at CHF, to the willingness to achieve organizational change and identification of leverage points for change.

“Understand” Phase: Baseline Process

The project-level activities under the Understand Phase consist of three groups of activities:

- Pulse-Taking/Baseline Survey
- Analysis and Refinement
- Kick-off Workshop

Collectively the Understand Phase is designed to capture the following information:

- The current usage levels of the value chain approach and application of the approach in CHF’s programs;
- Knowledge of value chain approach among CHF staff;
- Current levels of institutionalization (that is, how much is the value chain approach part and parcel of CHF’s systems); and
- Organizational progress towards achieving institutionalization.
- Pulse-taking of the organizational culture and contextual environment in which CHF operates, in order to identify learning environment and proclivity toward change.

Pulse Taking/Baseline Survey Under Pulse Taking/Baseline Survey, the NPVC Team will carry out **six** major activities to capture the information described above:

1. **Conduct “Pulse Taking” Activity:** Under this activity an outside specialist in organizational development and program evaluation will carry out a series of interviews and focus groups with headquarter and field staff from across the organization. The purpose of these data gathering exercises is to ascertain how CHF learns an organization and to what extent the value chain approach is understood by CHF staff members.
2. **Conduct Value Chain Knowledge and Practices Baseline Assessment:** Working with the outside consultant, our Monitoring and Evaluation Specialist will design an assessment focuses on the level of knowledge and skills of econ practitioners across the project cycle from program design, technical assistance, implementation. The assessment will be conducted through Survey Monkey.
3. **Conduct Knowledge Management Baseline Assessment:** Likewise, our Monitoring and Evaluation Specialist will conduct an assessment of CHF’s organizational capacity to learn. The assessment will target staff from across the organization and will also be conducted through the Survey Monkey tool.
4. **Assign a Score for CHF Per Institutional Scorecard for Value Chain and Knowledge Management:** The results of the two baseline assessment activities will be used to place CHF on a continuum of institutionalization of knowledge management and value chain awareness and practices. The institutional scorecard will be based on the Institutionalization Grid found in Table 1. CHF will use the scorecard technique to assess, track and measure the CHF’s progress towards institutionalization. These assessments lay the groundwork for repeating the exercise during the *Enhance* or final stages of the project with the findings documented in an Institutionalization Report.
5. **Conduct Value Chain Inventory:** The purpose of the Value Chain Inventory is to generate a better understanding of CHF’s past experiences in the value chain approach, the tools we’ve used to design and implement VC interventions, and the resources available and used by members of the organization. Although initiated amongst the baseline activities, this inventory will occur in three phases and extends into the implementation phase:
 - ***Initial Scan:*** information collected internally by the NPVC Team based on own internal knowledge and cursory secondary research
 - ***More in-depth inventory:*** information collected from secondary research (reports, files, etc.), the Baseline survey & Pulse-taking interviews, as well as additional interviews with CHF staff, as needed
 - ***Working Group inventory:*** Initial inventory findings from #1 and #2 will be shared and vetted by the VC Working Group, who will prioritize major areas for further development and dissemination
6. **Conduct Institutional Inventory:** This activity involves identifying core processes that are required to support the institutionalization of the expected knowledge-gain. These processes include, but are not limited to: Program Design, Employee Orientation, Program Start-up/Close Out, Field Reporting to HQ. The analysis will identify current practices and procedures that support value chain institutionalization, as well those processes that do not adequately incorporate it or potentially discourage it. This activity will result in “as-is” process documentation for identified processes and the results of the analysis will form the basis of systems modification. This task will be led by the

Knowledge Management and Evaluation (KME) Unit who will leverage their ongoing organizational responsibilities at CHF and extend them to the value chain context.

Analysis and Refinement The analysis and refinement activities are a set of exercises through which the NPVC Team reviews intermediate findings, plots out tactics and strategies for project implementation vis-à-vis VC institutionalization and organizational change, vets findings with stakeholders through targeted consultations and participatory mechanisms and communicates project next steps to the larger CHF audience. Analysis and refinement activities are continuous and driven by updates at weekly team meetings, field inputs, and results of regular consultations with senior management.

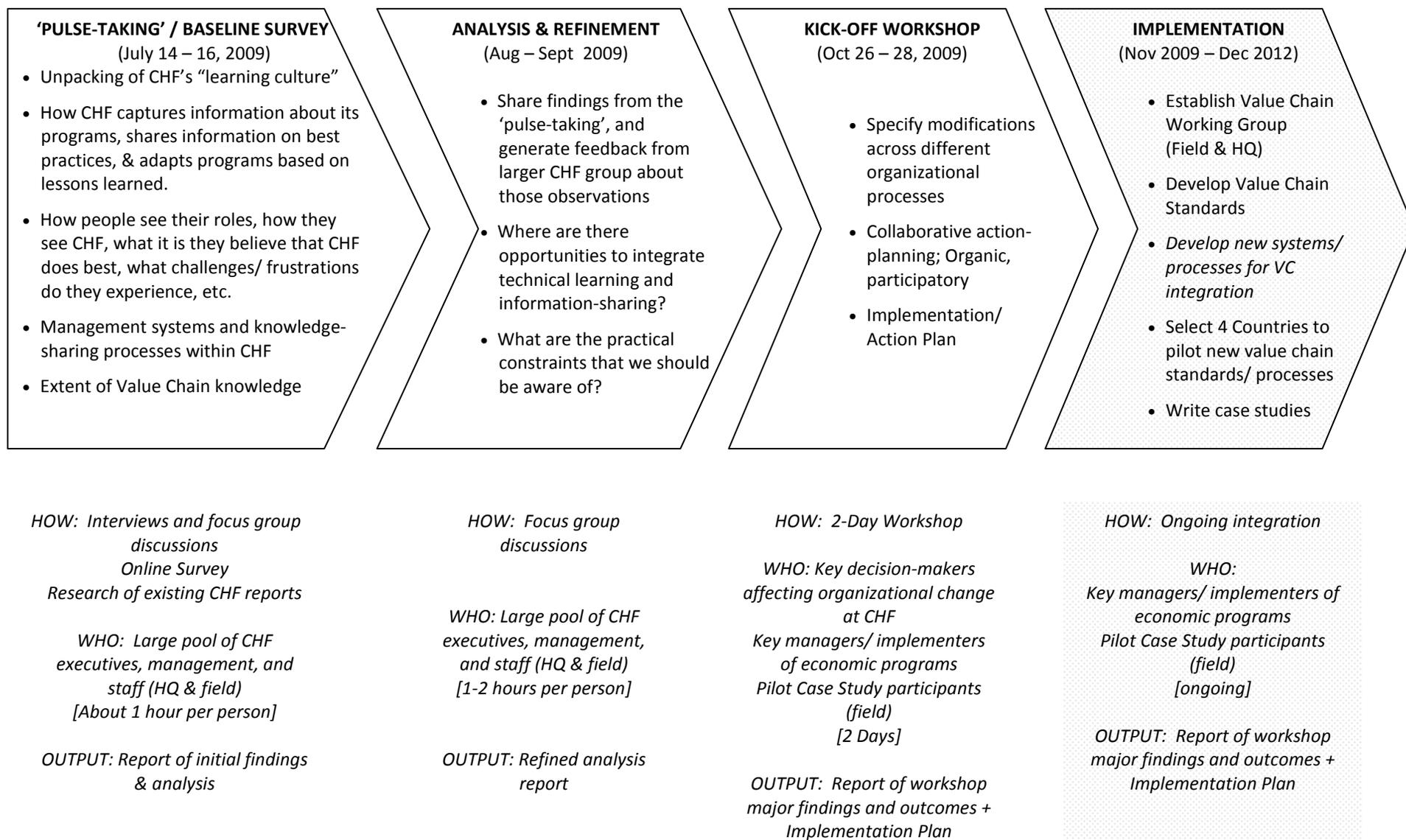
Kick-Off Value Chain Workshop

The purpose of this workshop is to convene a broad range of stakeholders and lay a foundation for institutionalizing the value chain approach across the organization. To build buy-in and create ownership over the institutional change necessary to carry out the NP project, the NPVC Team will use the *Appreciative Sharing of Knowledge (ASK)* methodology as the framework for conducting the Kick-Off Value Chain Workshop.

Under the ASK methodology participants share through a facilitated process examples of positive knowledge-sharing experiences they have had at CHF and identify *knowledge enabling themes*, i.e. what specific behaviors encouraged knowledge sharing. These themes are validated by vetting them with the larger organization through a series of individual interviews. Once affirmed, participants at the Kick-Off Workshop then identify ways to enhance the effectiveness of those knowledge enablers and/or adapt them to other parts of the organization to foster more effective knowledge sharing. They will then look at those enablers from a value chain methodology perspective to identify specifically how knowledge sharing around the value chain approach can be supported. Relevant stakeholders then development action plans to ensure that those practices and processes are institutionalized.

This workshop will also set the stage for establishing a Value Chain Working Group, and for establishing an executive-level group of stakeholders to review and approve new systems coming out of the institutionalization process

Diagram 1. “Understand” and “Design” Phases: Detail of the Startup Process



“Design” Phase: Developing Standards

During the **“Design”** phase, we will develop clearly defined interventions, based on results of our **“Understand”** phase. Three anticipated outputs include the following:

Value Chain (VC) Working Group

With the conclusion of the Kick-Off Workshop, the NPVC Team will launch a Value Chain (VC) Working Group. This working group will consist of value chain practitioners from across the organization, who will provide technical input to various products that come out of the institutional process, as described below. It is expected that field participants from the kickoff workshop will form the core of the VC Working Group. The CHF VC Working Group will also link to Groove Learning Network through the core NPVC Team members.

Pilot Project Identification and Selection:

One of the key roles of working group members is to share information on how they are applying the value chain approach in their programs. Members will incorporate new value chain activities/approaches through a series of pilot initiatives. These pilot sites will become the basis of four case studies on value chain integration. In order to select pilot project sites, outputs of the Analysis and Refinement activities will help inform the selection process. The working group will first establish criteria for selecting countries/programs to pilot the standards, and engage the relevant parties from those programs to discuss the most appropriate way forward. The selection will be on a competitive based. The NPVC Team will develop a standard methodology for gathering data, tracking implementation and documenting the impact of the VC standards developed in the Design Phase on the improvement of VC programming.

Value Chain Standards

While the agenda and focus of the VC Working Group will be determined by the working group itself, we expect that one of the first priorities will be to establish a basic set of value chain standards for the design, implementation, and monitoring of economic programs. Such standards will rely on highlighting specific principles of the value chain framework, and describing their relevance and application in different CHF program contexts.

KM Processes

Building on the institutional inventory, the KME Unit will put forward suggested adjustments to existing KM processes and/or introduce newly designed KM processes to promote VC integration. The ASK methodology used at the Kick-Off workshop is designed to generate existing good practices in knowledge sharing and will be a source of viable ideas for replicating and expanding existing knowledge sharing enablers. The team will coordinate with other relevant departments and stakeholders.

“Implementation” Phase

During the Implementation Phase, the NPVC Team along with staff of the four pilot projects will begin to systematically apply the VC Standards developed in the Design Phase. The NPVC Team will provide ongoing technical support through specific targeted knowledge sharing mechanisms that CHF staff identified and prioritized in the Kick-Off Workshop in October. Relevant CHF staff will carry out their action plans for institutionalizing priority value chain knowledge sharing practices.

On continuous basis, the NPVC Team will conduct periodic usage assessments of the Peer Network to determine levels and type of use and identify opportunities for improvement. As a complementary activity, the KME Unity will negotiate the update of organizational procedure documents to reflect the utility and expectations of the Network use. Data from the actual usage will be drawn on as evidence of existing acceptance of the innovations to encourage the codification of the desired institutional change.

Group-Level Activities

This section will be populated per Groove discussions over the next two months.

Due Dates and Tasks

Activity	Qtr 1			Qtr 2			Qtr 3			Qtr 4		
	J	A	S	O	N	D	J	F	M	A	M	J
Understand Phase												
Sign Agreement July 1												
*Attend Learning Network Meeting												
*Submit Year 1 Workplan												
Conduct "Pulse Taking" Activity												
Conduct Value Chain Knowledge and Practices Baseline Assessment												
Conduct Knowledge Management Baseline Assessment												
Assign a Score for CHF Per Institutional Scorecard for Value Chain and Knowledge Management												
Value Chain Inventory												
Institutional Inventory												
Update Sr. Management at regular VP meeting												
*Hold Kick-Off Value Chain Workshop												
Analyze and Refine Program Strategy, Tactics and Activities												
Design Phase												
*Launch Value Chain (VC) Working Group												
Initiate Kick-Off Workshop Action Plans												

Develop Case Study Documentation Materials and Strategy																				
Design Virtual Space in SharePoint for Peer Networking																				
*Finalize Pilot Projects (four) from amongst relevant countries programs																				
*Finalize Value Chain Standards																				
Identify Key Knowledge Management Processes																				
Initiate Kick-Off Workshop Action Plans																				
Monitory Action Plan Implementation																				
Map KME Processes Relevant to VC Institutionalization																				
Implementation Phase																				
*Launch of Peer Networking SharePoint Space																				
Update Organizational Procedure Documents to Reflect Utility and Expectations of Network Use																				
Conduct Periodic Usage Assessments of Peer Network to Identify Opportunities for Improvement																				
*Quarterly Learning Reports																				
*Semi-Annual Progress Reports (combined as appropriate with Quarterly Learning Reports)																				
*Annual Workplan Year Two (June 30, 2010)																				

“*” indicates Individual Milestones (Deliverables)