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# MARKET FACILITATION IN PRACTICE

## CASE STUDIES FOR IMPLEMENTERS



**microREPORT #177**

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### **DISCLAIMER**

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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# I. INTRODUCTION

Market facilitation as a practice is more of an art than a science, directed by principles<sup>1</sup> rather than lists of actions, which can make it difficult to translate the theory into practice. Since market facilitation is complex, ambiguous and context-dependent, implementers are often able to repeat the language, but struggle to define the meaning behind the vocabulary and struggle even further to translate these ideas and principles into action. The purpose of this paper is to translate some of the key roles that a market facilitator is asked to play into tangible examples that help practitioners better understand their roles and responsibilities. For each role, the following cases explain what the role is, what it looks like in practice and why it is important, in addition to noting the impact each facilitator's approach had on the businesses or firms he or she worked with.

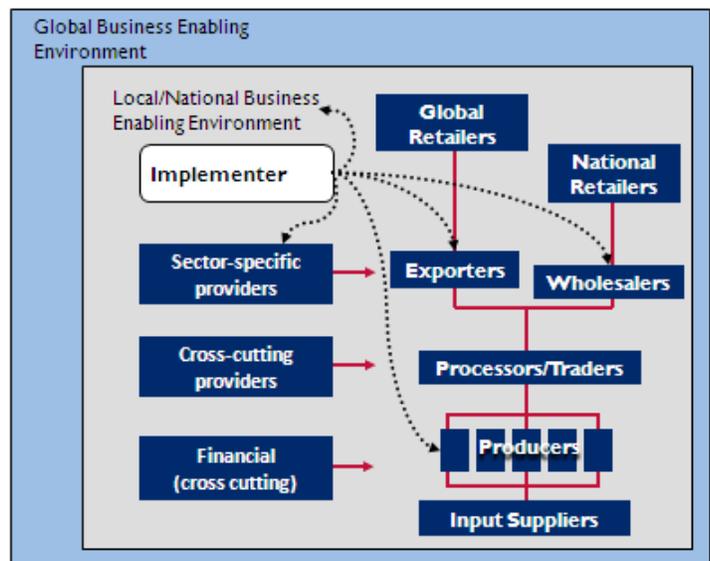
This paper builds on the *Being a Market Facilitator: A Guide to Staff Roles and Capacities* resource which describes each role in more detail and provides a matrix with which to examine and self-evaluate low to high skills capacity for each role. These roles are also depicted in the *Staff Capacity Role Cards* resource, which staff can use as quick reminders during implementation.<sup>2</sup>

Because people and situations are complex, market facilitators are often required to use complementary roles or skills at the same time. They will need to use their strong communication skills in addition to coaching and relationship building. They might need to combine their systems analysis skills with innovation and communication to work through a difficult problem. Knowing when to use a skill and when to combine it with others to strengthen the intervention and approach is part of the art of market facilitation.

Ideally, market facilitators are able to use their position outside of the market or sector and the trust they have established with individual actors to help build trusting relationships amongst these actors, but it is not an easy or intuitive skill.

The case studies provided in the following pages explore situations where market facilitation was applied well or poorly in order to draw out important insight on how to effectively and practically do market facilitation. These case studies highlight particular skills that staff<sup>3</sup> used—again, effectively or ineffectively—in different situations and the results that each achieved. In each of the case studies, elements of the other roles (or the combination of skills) will be apparent. This interconnectedness is essential as staff need to be adequately competent in a variety of roles, and although each case study will focus on one role or skill, it is important to recognize how other roles are involved.

When reading through these case studies, keep in mind the principles of market facilitation: **intensity, relationships and ownership**, and be aware of how they are or are not being applied.



**Market facilitation involves an action or agent that stimulates the market to develop and grow but does not become part of it.**

<sup>1</sup>The key market facilitation principles are: appropriate intensity, improve relationships and foster local ownership. See: Field, Michael and Hannah Schiff. *Understanding Facilitation*. USAID Briefing Paper. 2011.

<sup>2</sup> See *Being a Market Facilitator: A Guide to Staff Roles and Capacities*, microREPORT #172, USAID, 2011 and *Staff Capacity Role Cards*, microREPORT#178, USAID, 2011.

<sup>3</sup>Note: For confidentiality reasons, the names of staff have been changed.

# II. HOW TO USE THE CASE STUDIES

There are multiple ways to use these case studies. These are some ideas and recommendations.

## 1. Role play “good” and “bad” facilitation examples (Group Activity)

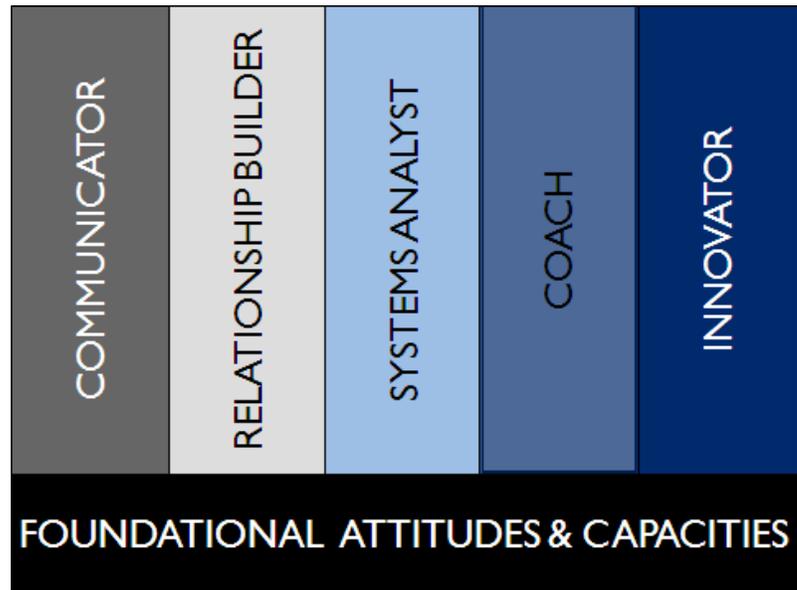
Purpose: experientially understand what happened and what could be done differently.

- a. Participants should read through the case and consider both the business and market facilitator sides of the situation. If there are not enough details, then create or tailor them to your local context.
  - For the market facilitator, prepare a plan of action with talking points.
  - For the business, think through some of their key decision points. Participants will need to be able to improvise as new information and ideas surface.
- b. Set up the situation and let the participants act it out. Keep the conversation to 5 minutes.
- c. Debrief both sides of the scene (business and facilitator) and ask the audience:
  - What was challenging about this situation and interaction?
  - What were your assumptions going into the situation?
  - What would you do differently next time?

## 2. Going from “bad facilitation” to “good facilitation” (Individual Activity)

Purpose: understand and improve the “bad facilitation” examples to make them examples of “good facilitation” using market facilitation principles.

- a. Read through the case studies, starting with the bad facilitation examples and moving to the good facilitation examples.
- b. After reading each case, prepare notes as if you were a manager who wanted to give feedback to the market facilitator on his or her performance:
  - i. How would you sequence/structure the feedback to enable the desired realization?
  - ii. What would you emphasize?
  - iii. How would you use examples to be objective?
  - iv. How would you separate the skills from the personality of the facilitator?
- c. Identify the one key behavior change that would have the biggest impact on the market facilitator’s performance in similar future interactions. Design a rough skeleton of a process for creating this behavior change (e.g., training/workshop, one-on-one coaching, incentives). How would you get this person to change?



## 3. Risk analysis for “good facilitation” examples (Group or Individual Activity)

Purpose: forward plan and discuss potential future scenarios to better understand the situation and potential pitfalls.

- a. Map out the next steps of what the business was committing to do, and try and analyze the key areas of potential failure. What is most likely to go wrong?
- b. Brainstorm what you as a market facilitator could do to mitigate these risks, while still keeping ownership of the initiative firmly in the hands of the business (e.g. key follow-ups, incentives, reminders or structuring accountability).

#### **4. Incentives analysis (Group or Individual Activity)**

Purpose: identify the underlying incentives for each actor to change (or not change) their behavior and stimulate a discussion on how market facilitators are able to use their positioning to incentivize positive change.

- a. For any of the cases, identify the key change being sought in terms of how businesses are interacting with each other and/or the farmers. For each actor involved, list the incentives and disincentives for them to actually make the change.
- b. Make a pitch for each actor as to what the business case is for them to try this new way of operating. Base this on their incentives to change: what benefit will they see in what timeframe and what are the implications?
- c. Identify the biggest disincentive or risk and propose a way that you as a market facilitator would be able to buy-down that risk for the business. Be specific about what resources you would be bringing as a project (e.g., information, money, transportation) and the impact that these resources would have on the actors and project.

# III. COMMUNICATOR

Successful communication determines the effectiveness of people’s interactions in contexts ranging from politics and business to relationships and team work; market facilitators will naturally find themselves at the heart of these interactions and therefore must be strong communicators. Individual actions and project decisions are built on their understanding and interpretation of what is being communicated by other actors and market signals. What the market facilitators do depends on the information they see, analyze, share and use. Effective communication allows others to understand their perspective and it helps them question their assumptions and improve their actions.

Communication is an important function of all change processes. Market facilitators must communicate with diverse groups of people in various ways and must adapt their communication methods and styles appropriately. Market actors and other stakeholders often seek out market facilitators to air grievances or share ideas, so market facilitators must also be adept listeners, making the other person feel heard while sorting through the information they are receiving to assess what is the most important. Because they receive so much information, market facilitators must be skilled at consolidating and sharing that information in reports, presentations and informal conversation.

**Key Functions: Messaging, Active Listening, Investigative Reporting**

## A. THE “BAD” COMMUNICATOR

Clear communication and confident framing of a situation are critical when facilitating meetings between different value chain actors. In market facilitation, there are two types of meetings: the meeting between the market facilitator and the actor, and the meeting between actors themselves. Ideally, the market facilitator is able to use the first type of meeting to enable the second to occur more productively and start or build on a conversation or relationship that could be mutually beneficial.

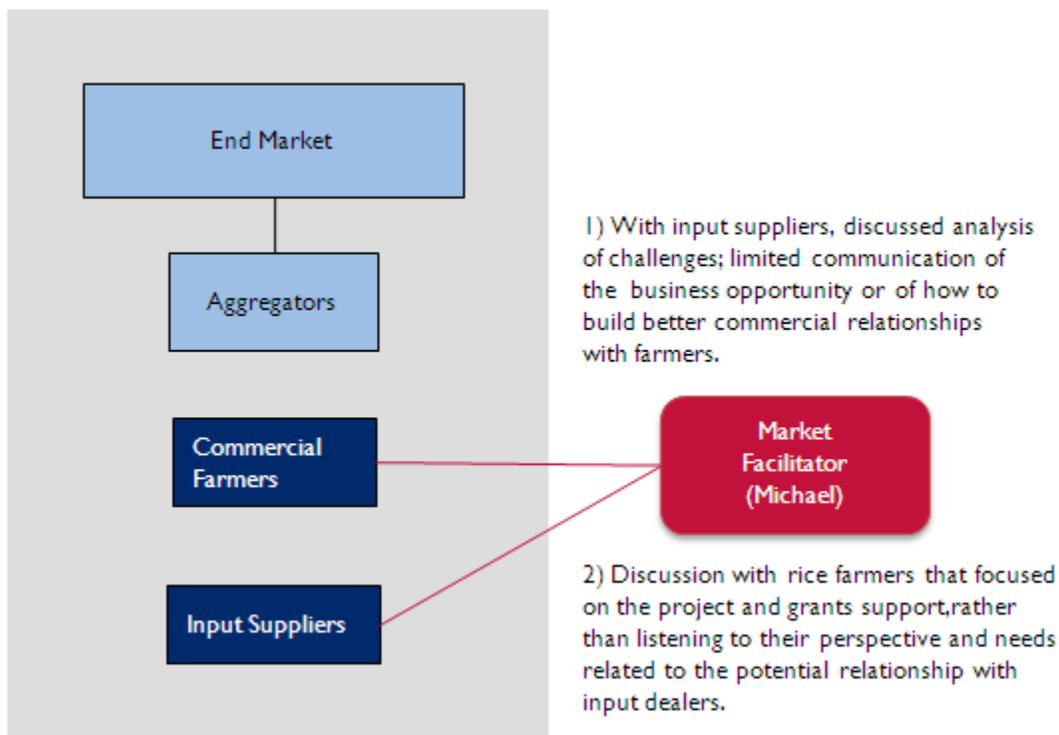
Michael was working as a market facilitator for a value chain project in Africa. He needed to bring together commercial rice farmers and input dealers to discuss challenges related to the timing of delivery of inputs and to form strategic agreements for high-volume transactions at decreased per unit prices. Michael called both sets of actors and made a pitch over the phone about the meeting, using the language that he had learned through previous market facilitation workshops. Although the phone calls were meant to instill interest and arrange logistics for the meeting, Michael missed the mark on both generating interest and arranging the meeting, leading to a frustrating and negative situation for all involved.

Michael’s first communication failure came from inadequately framing the meeting with the input dealers during the initial phone conversation. The pitch was not appealing enough to incite them to attend primarily because the conversation focused too much on the “challenges with input delivery” and the input dealers became defensive. The potential business benefits of attending the meeting were not made apparent. **Instead of addressing the input dealers’ interests and opportunities, Michael was dwelling on his own analysis of the situation.**

If Michael had highlighted the future growth that could result from strengthened relationships with high-volume farmers, the input dealers might have been more interested in attending. Taking on the role of an investigative reporter ahead of time might have given Michael more information and empathy for the input dealers. Taking the time to listen to what the input dealers wanted and needed before scheduling the meeting would also have enabled Michael to address the firm’s real concerns, rather than the concerns that he had independently observed or was told to look for from his trainings. This might have allowed Michael to promote the meeting as a win-win opportunity instead of a potential battleground. In the end, the input dealers did not attend the meeting and the opportunity was lost.

The second communication failure involved the poor facilitation of the discussion with the major rice farmers. Michael approached the rice farmers with the goal of ensuring that they would attend the meeting, rather than discussing their concerns and opportunities and talking through different possibilities to address these needs. At the beginning of the discussion, he over-emphasized the different types of support that the project had to offer because he was nervous and relied on the information he knew the best. He used this to incentivize farmers to pay attention and to attend the meeting, rather than clearly stating the purpose of the future discussion and how it was relevant to the rice farmers' concerns and needs. He also neglected to prepare questions for the rice farmers before coming to the meeting to better understand their situation. As a result, the rice farmers focused on the project, asking details on the grants available and the services offered rather than exploring their relationship with the input dealers and how it could be improved for mutual benefit. The key role of input dealers in supplying inputs was left out of the discussion, and there was no mention of their commercial relationship. By not taking the time to listen to the farmers and appropriately frame the purpose of the discussion, the conversation quickly turned towards what was most direct and familiar—the farmer-project relationship—rather than the commercial relationship between the farmers and the input dealers.

Although the situation was made more challenging since the input dealers did not attend the meeting, Michael should have taken a step back to re-examine the purpose of the meeting and redirect the conversation accordingly using effective communication skills. These include investigating the situation, listening actively, and being able to tailor the information to suit the needs/concerns of the audience (messaging). Had these communication skills been used, Michael may have achieved better participation from the actors, focused discussion on key issues in the industry, and supported the development of mutually beneficial commercial/business relationships.

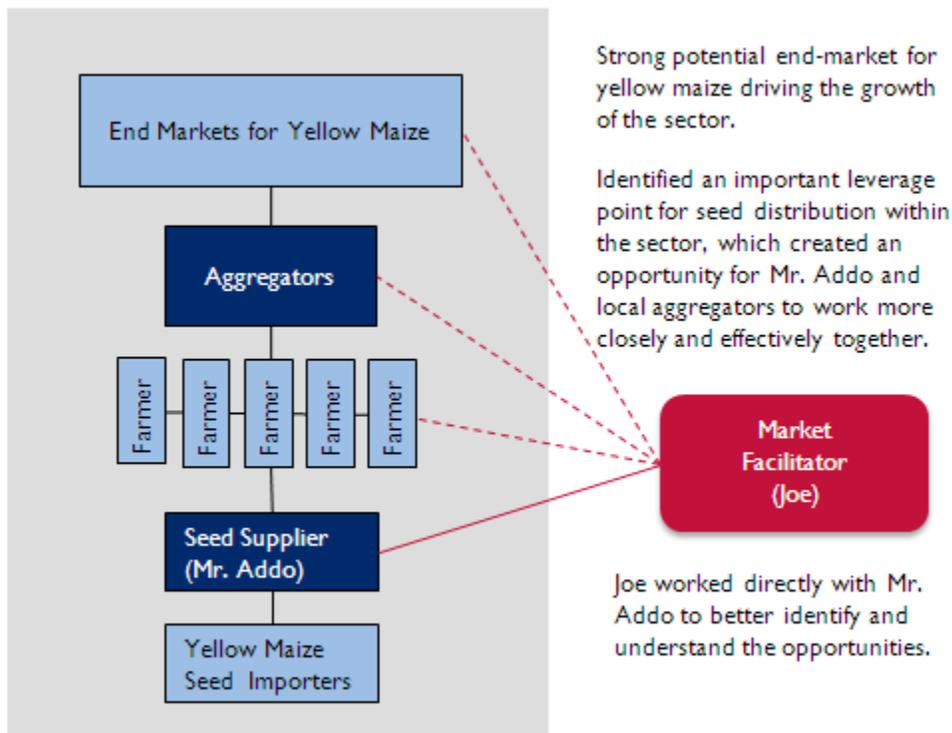


## B. THE “GOOD” COMMUNICATOR

A better demonstration of the communicator role in action could be observed in a meeting between Michael’s colleague, Joe, and Mr. Addo, the CEO of a business that was looking to sell imported hybrid yellow maize seed. Mr. Addo had identified large poultry farmers as a strong end-market for yellow maize and was interested in helping farmers who had planted his seed and produced a good crop access that market. He was looking for guidance and support from Joe on how to develop distribution networks for the seed in order to grow his business and enable farmers to access this profitable market.

Mr. Addo began by talking at length about the fantastic reviews and yields from initial trials of the seed, sharing all of his qualifications and experiences in the field. Joe listened carefully and asked questions to clarify important points. This led Joe to the important insight that Mr. Addo was considering a fundamental change in his business. The business had previously imported yellow maize and aggregated locally grown maize to sell to poultry farmers. Now Mr. Addo was focusing on selling seed as his core business, and relying on other actors to aggregate the maize.

As Mr. Addo and Joe drew up different scenarios for distribution channels, Joe mapped the actors involved in each scenario using a version of the value chain framework. This visual representation enabled the conversation to stay focused on what really mattered—the seed, the business and the industry. By emphasizing the strong end-market demand for the yellow maize and the critical role of maize aggregators, Joe was able to help Mr. Addo create a clear set of next steps for importing seed. By employing different communication strategies, including both verbal and visual, and clearly showing how aggregators offered a leverage point he could work through, Joe clarified the key decisions for the business to make and helped Mr. Addo arrive more quickly at the necessary actions.



## C. COMMUNICATOR SUMMARY

Good facilitators need to balance many things in their heads all at once. They will need to understand and internalize the facilitation strategy that is being adopted by the project and understand the nuances of creating behavior change in different businesses. They will need to be able to listen as well as add ideas or structure to the conversation to guide the actors in the desired direction. They should strive to do this without imposing their ideas or removing ownership from the actors. This requires a combination of strategic thinking and doing,<sup>4</sup> all while clearly communicating a message in a way that meets the actors' needs in language that they can understand.

Some best practices are:

- Listen attentively and actively to the person or people you are meeting with.
- Tailor your messages and ideas to their actual needs rather than your own agenda, but keep the purpose of the meeting clearly in mind to maintain focus and direction.
- Be clear about the purpose of your phone call or meeting to enable actors to prepare and manage expectations ahead of time.
- Ask questions to clarify the real challenges the producer or business is facing and think creatively with the individual to come up with solutions or ideas. Those solutions may or may not involve significant effort from you (keep the market facilitation principles in mind). Consider how much direct support the ideas proposed might require or whether another actor in the value chain could provide the support needed (like a financial institution, radio station, etc.).

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<sup>4</sup> Refer to the Foundational Attitudes and Capacities section at the end of this document.

## IV. RELATIONSHIP BUILDER

At the core of market facilitation is the ability to help new mutually beneficial relationships emerge or to re-ignite old relationships. The key to being a good relationship builder is being able to work with a range of people, understanding their different needs and positions, and helping the different parties to see how by working with each other they can form lasting, mutually beneficial relationships. This requires market facilitators to quickly foster trust with others and develop good working relationships. Market facilitators must also be skilled at bringing people together to form relationships that will stimulate new market activity. They will likely be required to resolve conflicts between parties or help overcome challenges common to several parties, and so must be skilled mediators.

**Key Functions: Fostering Trust, Making Connections, Mediation**

### A. THE “BAD” RELATIONSHIP BUILDER

When market facilitators act as relationship builders they must be careful and attentive to the consequences. Relationship building is more than forcing an introduction or transaction between two actors. In the same way that two potential lovers should not be set up in a relationship if they are not compatible or do not trust each other, two value chain actors that lack compatibility or trust should not be linked in a relationship without first addressing the underlying conflict between them. Trust has to be more than the willingness to state “I trust this person/firm;” it must have a solid foundation based on good character (who you are) and credibility (what you do), and it must be earned over time.

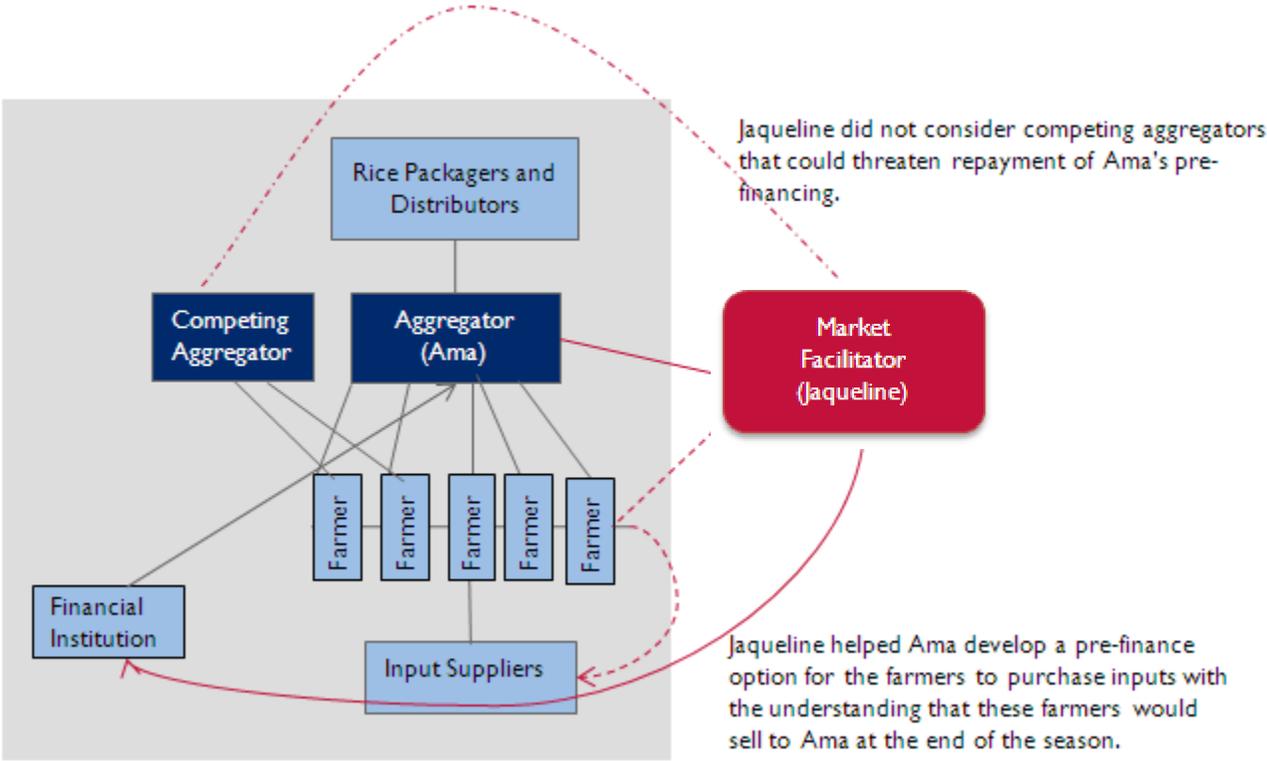
Jacqueline, a market facilitator, was working on building a potential relationship between rice farmers and a rice aggregator. The farmers wanted to grow and sell more rice; the aggregator wanted to buy more rice. The farmers lacked financial capital to buy inputs and increase their production. Jacqueline suggested that the credit-worthy aggregator with more liquidity, named Ama, should pre-finance the farmers with inputs in return for a guarantee that farmers would sell their rice to her. Ama would use a combination of her own capital and loans from a bank to provide the rice farmers with the necessary inputs. The farmers would then provide her with the rice, which she would mill and sell to her buyers. When Ama received the money from selling the rice, she would pay back the bank and pay the farmers for their rice minus the pre-financed input cost.

Ama went ahead with the first part of the plan and pre-financed farmers, giving them access to inputs. The farmers’ yields flourished, and they were all very happy. Ama visited the farmers who she had an agreement with to collect the rice. Many of the farmers had produced very high quality paddy rice in large quantities for her to take to the mill. However, a company from one of the major cities passed through the area and under-cut the pre-financing agreement made between farmers and Ama by offering higher prices to farmers. A large number of farmers “side-sold” the rice to this company and defaulted on their agreements. In fact, the quantity of “side-sold” rice was high enough that Ama was barely able to pay off her bank loan with the rice that she sold to her pre-defined end market. This left her without enough cash to pay the honest farmers who did provide her with rice. When she finally did pay, it had been months since the harvest and months past the agreed date. The loyal farmers were annoyed, and Ama never recovered her pre-financed loans from the “side-selling” farmers.

The situation also affected Jacqueline’s credibility as a market facilitator. Farmers were angry with her for pushing them into a relationship with an aggregator that did not pay them by the agreed date. Ama also felt that she had been pushed by Jacqueline to trust farmers who were not trustworthy, which caused her to lose a lot of money and market share that year. Although Jacqueline was not directly responsible for what went wrong, she was blamed for the outcome.

When relationships are built between two actors, it is very important to make sure that there is trust. If the relationship relies solely on a written agreement as opposed to a trust-based relationship, the results can bring harm to one or more of the parties as well as lead to blame being placed on the market facilitators.

Jacqueline could have done a better job understanding what competitors were active in the sector to see potential threats to the relationship that she was facilitating. She and Ama could have monitored the actors in the relationship to ensure that they remained interested in following through with their side of the deal. Encouraging actors to be aware of the dangers of new relationships is very important. New business relationships always have a degree of risk so it is important that actors feel ownership over the relationship. That way if it fails, they feel ownership over the result as well. This could have been achieved if Jacqueline had encouraged the parties to set the terms of the contract themselves instead of suggesting some of the terms herself.



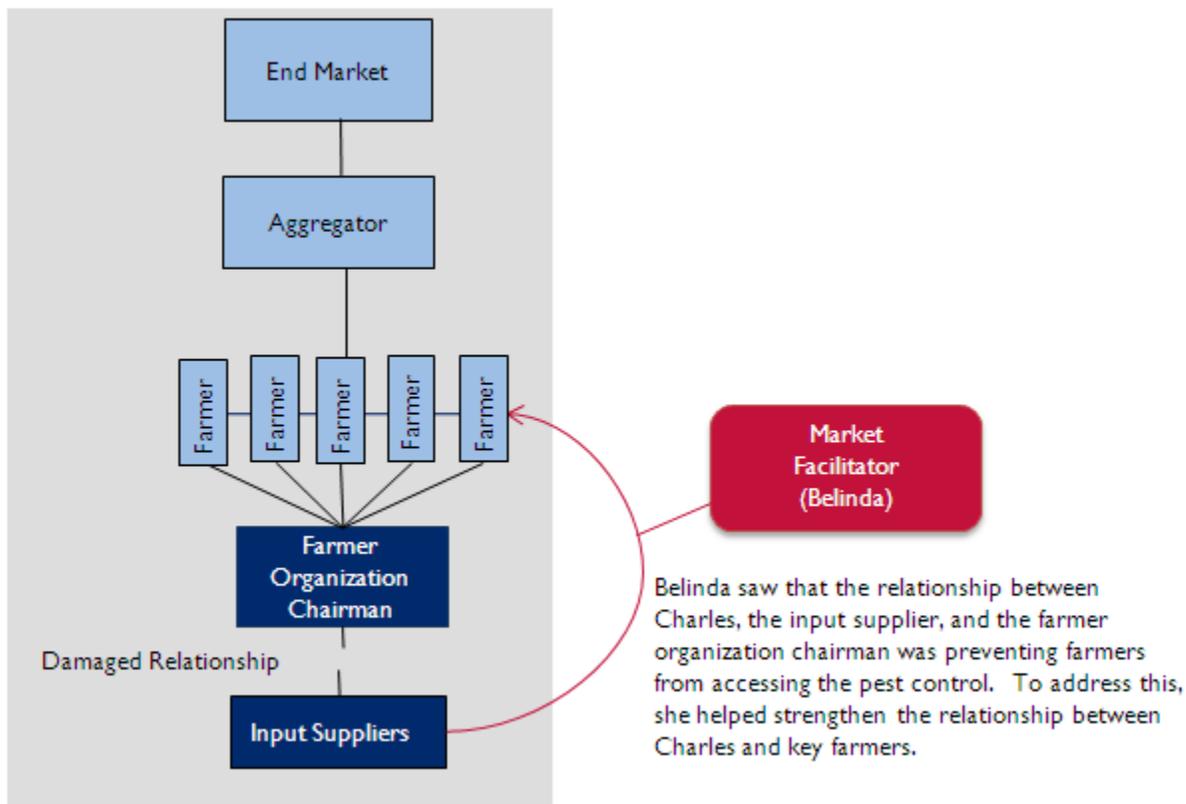
**B. THE “GOOD” RELATIONSHIP BUILDER**

When market facilitators first look at the relationships between agri-businesses in a value chain, sometimes they find that the major barrier preventing improved production or market access is nothing more than a damaged relationship that has not been addressed or reconciled. Working to repair these relationships can have lasting and positive results.

Relationships in the mango industry in Ghana are complex; alliances and rivalries come and go as the sector expands and new competitive firms, projects and ideas enter the sector. A new mango association, Gye Nyame, was started about three years ago by an NGO project. The initiative brought technical support, knowledge of export quality requirements and grants for equipment to help its beneficiaries. Many of the members, including its chairman, were previously members of a larger organization, MangEx, but left the group when the opportunities at Gye Nyame materialized. The departure of members from the original group and the formation of the new group left some MangEx members disappointed and uneasy. A rift of mistrust developed between many members of MangEx and the members who had left to form Gye Nyame.

A donor-funded organization, MIP, has been planning to do some market facilitation interventions in the mango industry. As one of their interventions, they have identified the high potential of a certain type of organic pest control that is being imported by Charles, a member of MangEx. Charles has tested this new technology in his fields with dramatic results. Since there was still tension between the two groups, the chairman of Gye Nyame was not keen to promote the new version of pest control. He was often heard grumbling that it did not work or that its purpose was for monitoring pest levels as opposed to eradication. Rumors began to circulate that the traps were just overpriced fruit fly “monitoring” devices as opposed to a device to control their population. Members of Gye Nyame did not have a good impression of Charles from what they heard from their chairman and as a result were skeptical of doing business with him. The importer, however, was ready to move past any rivalries and sell his product, which would lead toward a more productive mango sector.

Belinda, an MIP market facilitator, was in charge of implementing the pest control input promotion. It was decided that in order to break through the barrier of the poor relationship, MIP would cost share demo sites with the importer for nine farmers that had influential roles in Gye Nyame and were in convenient locations for other farmers to visit. The chairman was notified, and while he was not enthusiastic about the promotion he did not dispute or block it. Belinda chose farmers that she thought would be eager to adopt new practices, and she decided to bring the importer around to meet the farmers during the application of the product. As Charles met the farmers, he told the story of how he had imported the product. The farmers saw that he was not a predatory salesman pushing a useless product. They found out that he had in fact dealt with a lot of costs to import this effective trap and were happy to be testing it for free. One farmer even commented, “I am very glad to have met you in person because this is definitely not how I perceived you before.”



The damaged relationship arising from farmer group politics had led to poor perceptions between entire groups of actors. Belinda’s decision to take the input supplier straight to the farmers for face-to-face interactions proved to be a fantastic success. Her decision to help make the traps available for free put the farmers in a position where they could

not refuse inviting the input supplier to their farms. Once they found out how effective the trap was, farmers quickly spread the word throughout the group. Mango yields are now on course to increase dramatically.

### **C. RELATIONSHIP BUILDER SUMMARY**

Relationships among people are the foundation of strong business; without them, mistrust and detachment creeps in and can prevent the emergence of opportunities for both parties. It is the role of a market facilitator to create these relationships and also to help resolve conflicts and disputes when a situation deteriorates. A good market facilitator will proactively create and monitor these relationships in order to correct the course where required. They may need to get creative and innovative in the ways in which they set up and improve the relationships, but should always ensure that the real issues are being addressed—even the difficult ones such as dynamics within a group—to build trust.

# V. SYSTEMS ANALYST

Market facilitators must constantly observe and analyze a system of interconnected and interdependent actors and firms, identifying key leverage points and creating mutually beneficial opportunities for the actors. To do this, they must be able to think about many priorities and strategies at once, and then act to change this system.<sup>5</sup> This balance of strategic thinking, acting, learning and adapting requires a strong understanding of the principles of market facilitation in order to guide the facilitator's actions.<sup>6</sup> They should be confident and skilled analysts to accurately assess business needs, systemic challenges and opportunities for change while establishing credibility and providing targeted advice to market actors.

**Key Functions: Leverage, System Performance, Facilitation Principles**

## A. THE “BAD” SYSTEMS ANALYST

The market facilitators of a project were told to carry out targeted facilitation-based interventions with actors that would increase the quality, productivity and competitiveness of the mango and pineapple industries. They were given clear indicators and set out to meet with all of the relevant actors: farmers, input dealers, market women, processing firms, etc. Mango and pineapple are both purchased by big exporting and processing firms as well as local market women and small-scale processors. The facilitators found that processors and exporters had previously driven the industry's growth through an established end-market, and had encouraged farmers to produce more. Over time, the market women and small-scale processors saw the volumes of fruit available and decided to capitalize on this situation, increasing the competition in the industry. Soon, the market women accounted for a much larger market share from small-scale farmers than the processing and exporting firms. Processors and exporters require large volumes, high quality and strict scheduling to meet just-in-time production for their factories or their overseas customers. Market women are able to purchase *ad hoc* and provide a market for fruit that farmers do not send to lead firms. Since they provide their own transport, they give the farmer a larger profit margin per kilogram.

Market facilitation was a new approach to the facilitators and businesses alike, and many of the processing firms did not understand the concept. They perceived the facilitators as farmer group representatives and they welcomed some farmer-to-factory connections, but were hesitant to disclose all of their problems to the market facilitators and did not prioritize meeting with them. Although the firms had problems with their outgrower farmers' agricultural practices and scheduling, they did not initially grasp how the facilitators could be of assistance.

The small-scale processors and the market women immediately saw the advantage that the market facilitators could provide. They were very responsive and always made time to meet. The market women and small-scale processors purchased a larger portion of national production of both mango and pineapple than the large-scale processors and exporters. The market women did not know all of the farmers in certain areas, so it was of significant value to them for the facilitators to help build new farmer relationships. Promoting sales to market women among farmers was easy because despite the fact that they take only small volumes, they provide farmers with higher returns and are a ready market that does not require advance scheduling.

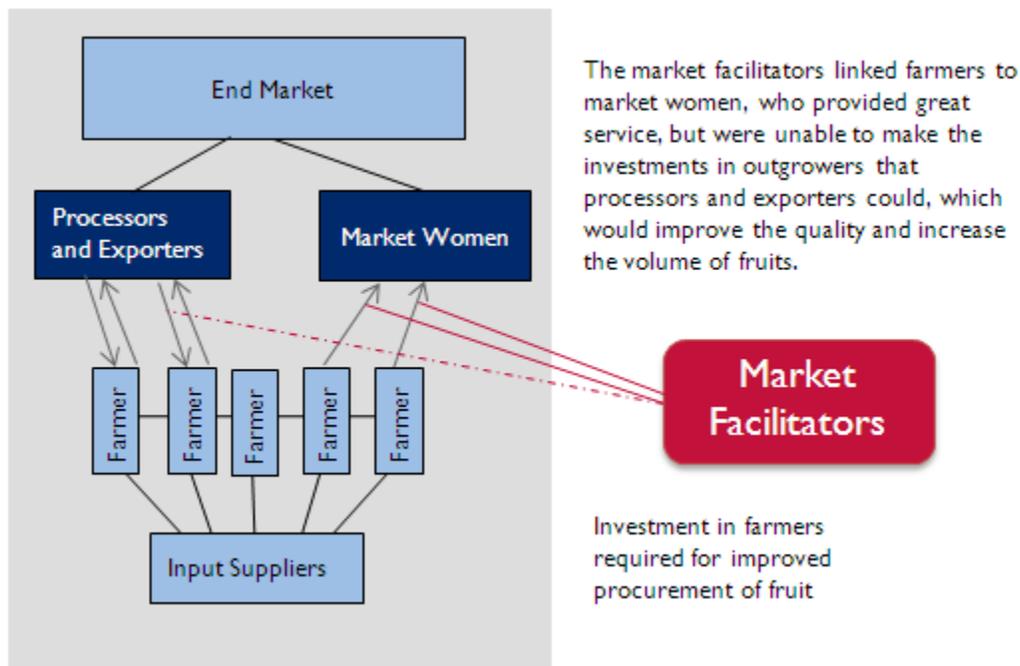
The market facilitators saw that the market women were: 1) eager to work with the market facilitators; 2) facing a clear issue that market facilitators could address; 3) purchasing a larger total quantity than the exporters and processors; 4) lower-income women as opposed to larger (often foreign) companies; and 5) able to easily meet the production indicators that the donor had set for the first quarter.

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<sup>5</sup> Refer to Foundational Attitudes and Capacities of a market facilitator at the end of this document.

<sup>6</sup> See <http://microlinks.kdid.org/good-practice-center/value-chain-wiki/design-and-implementation>

The interventions with market women went on for some time and the project’s targets were met. The facilitators conducted extensive farmer outreach for the market women and facilitated their access to grants for crates to minimize post-harvest losses. Production did increase, apparently in response to this strengthened market linkage, but competitiveness within the industry and the quality of fruit produced did not. This detracted from the potential to reach more lucrative markets provided by processing and exporting firms.



The shortcomings of the intervention lay in poor system analysis that did not look past one-dimensional target indicators. Since processors and exporters drove the initial growth in the mango and pineapple industry, a good systems analyst would take this as a sign that they could be catalysts for continued growth in the sector and focus on them. The processors and exporters require higher quality standards of their outgrowers, making the national fruit industry more competitive. The market women were able to take advantage of the increased availability of fruits when processors and exporters first encouraged farmers to grow them, and likewise would have a larger fruit base as the industry as a whole became stronger.

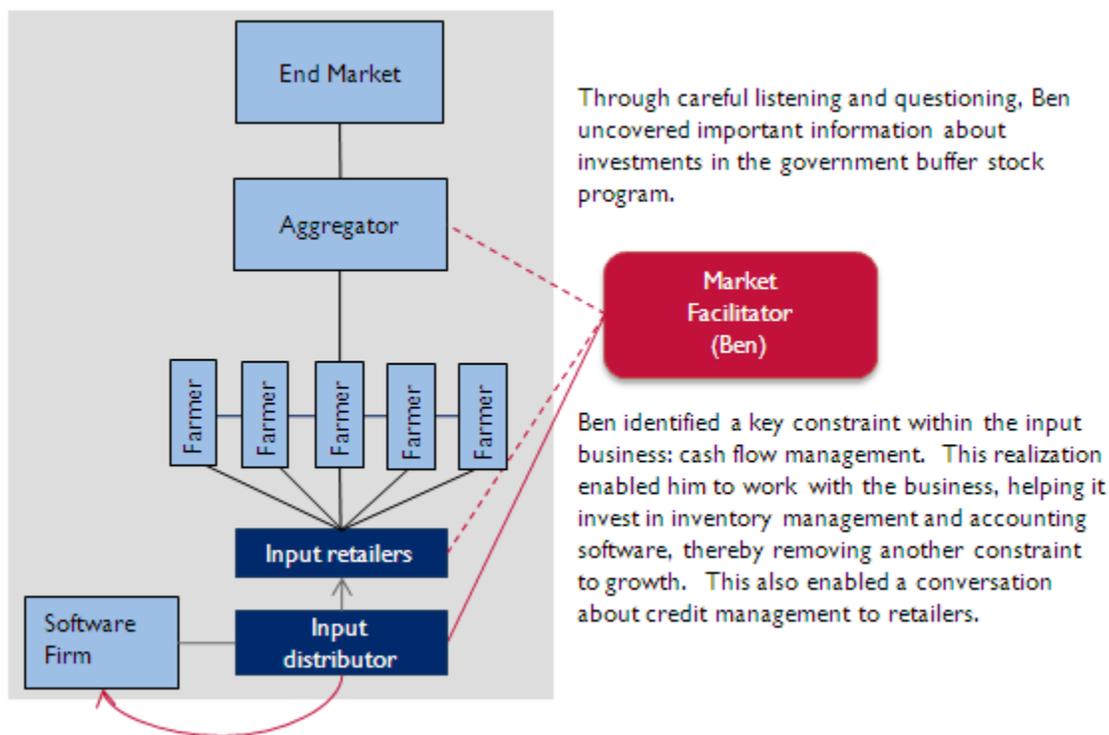
In this case, the market facilitators were intimidated by the larger firms in the early stages and went for an “easy win,” working with the market women instead of the processing and export firms to meet the targets. At the end of the first year, only one of three project goals had been met. A significant contributor to this lack of systems analysis was poorly selected targets. The targets reflected productivity but not quality or competitiveness. A systems analyst should aim to meet targets, but also keep in mind the impact goals that cannot easily be expressed with pre-set indicators.

It can be frustrating for market facilitators when lead firms do not see the value in their services during initial stages of the project, but sometimes the firms that are the most hesitant to share their problems have the most room for improvement. Working with lead firms who are capable of pushing the industry toward upgrading can cause increases in production that could be very large—even if such increases starts out slowly.

## B. THE “GOOD” SYSTEMS ANALYST

Ben, a young and eager staff member with previous experience in the financial services sector, joined a value chain project as a market facilitator with a focus on the financial sector. Quickly he found himself working with a new and fast-growing input firm, not just the rural banks that he had originally imagined. The project had identified the

financial management capacity of input firms as a more significant constraint to the growth of the inputs sector than the lending practices of financial institutions. Despite the shift in his mandate, he was ready for the challenge and faced it with interest and enthusiasm. In the first meeting with the input firm, Ben noticed that the input dealer was struggling to understand the implications of the rapid growth his firm was experiencing and to make sound decisions on how to manage that growth effectively. Ben asked for the sales records for agrochemicals and fertilizer for the past year, and produced a diagram of the firm's cash flow from the previous season for discussion with the business owner. In the follow-up meeting with the input dealer, he raised a number of interesting questions for future business decisions that led to important conclusions and actions by the business. Three months after the meeting the firm invested its own money in comprehensive software for inventory management and accounting. They purchased it from a management consulting firm that was linked to them by Ben. This firm sold the software and provided customized training.



The cash flow diagram led to a discussion about the seasonal nature of the inputs business. Through careful questioning, Ben was able to uncover the manager's decision to invest his working capital from the input firm in a separate aggregation business during the harvest season where he acted as an agent for the government's food buffer stock company. Ben reflected quickly on the systemic and immediate implications of this decision. He asked guiding questions that enabled the manager to reflect on the risks of investing the money from one business into another. For example, what would happen to the inputs business if the government wasn't able to pay for the buffer stock program on time? He left the input dealer to ponder the implications of this choice, with the encouragement that they could come back to this question in a following meeting.

Ben also structured a conversation around the input firm's retail distribution into rural areas, in which he found out that the manager stopped giving credit to his mobile agents. Instead, he was investing in branded outlets with hired staff because he wanted to increase customer awareness of his business and also to cut back on his losses from defaulted loans to agents. This presented a future opportunity for the project to influence/improve the training procedures for the input firm's staff.

Effective systems analysts must be able to reflect on and operate in dynamic markets, looking at a situation from different angles to assess where the best opportunities lie. This requires them to research the situation ahead of time while responding to new information immediately. Ben was able to draw on his background in the financial sector to intuitively understand the implications of business decisions in real time, to the benefit of the new retailer.

### **C. SYSTEMS ANALYST SUMMARY**

Continually analyzing the system that is unfolding and changing is not easy, especially when there is pressure to meet targets and goals set by the project. The change may also be slower, but applying a systems approach can ensure that the ultimate result benefits more people more sustainably. Assessing the more effective leverage points, getting to the root of the problem, taking a step back to reflect on the entire system, then acting determinedly with the facilitation principles in mind are keys to success for creating lasting change in the sector.

# VI. COACH

Market facilitators use coaching skills to improve the relationships of market actors while keeping ownership of the improvement process in the hands of the actors themselves. The market facilitator must be able to assess the needs of the coachee, give and receive feedback, and help the client reach conclusions and act on those conclusions.

Good coaches understand that success is about the other person (the coachee) growing and improving in ways that the coachee is comfortable with. They are able to help the coachee (in this context a market actor) identify a knowledge, skill or attitude gap, and work with the coachee to improve these competencies. Being a good coach will enable the market facilitator to provide the right type of support to different value chain actors, ensuring that they are able to carry on after the project leaves—a key factor for sustainability.

**Key Functions: Needs Assessment, Feedback, Stimulate Action**

## A. THE “BAD” COACH

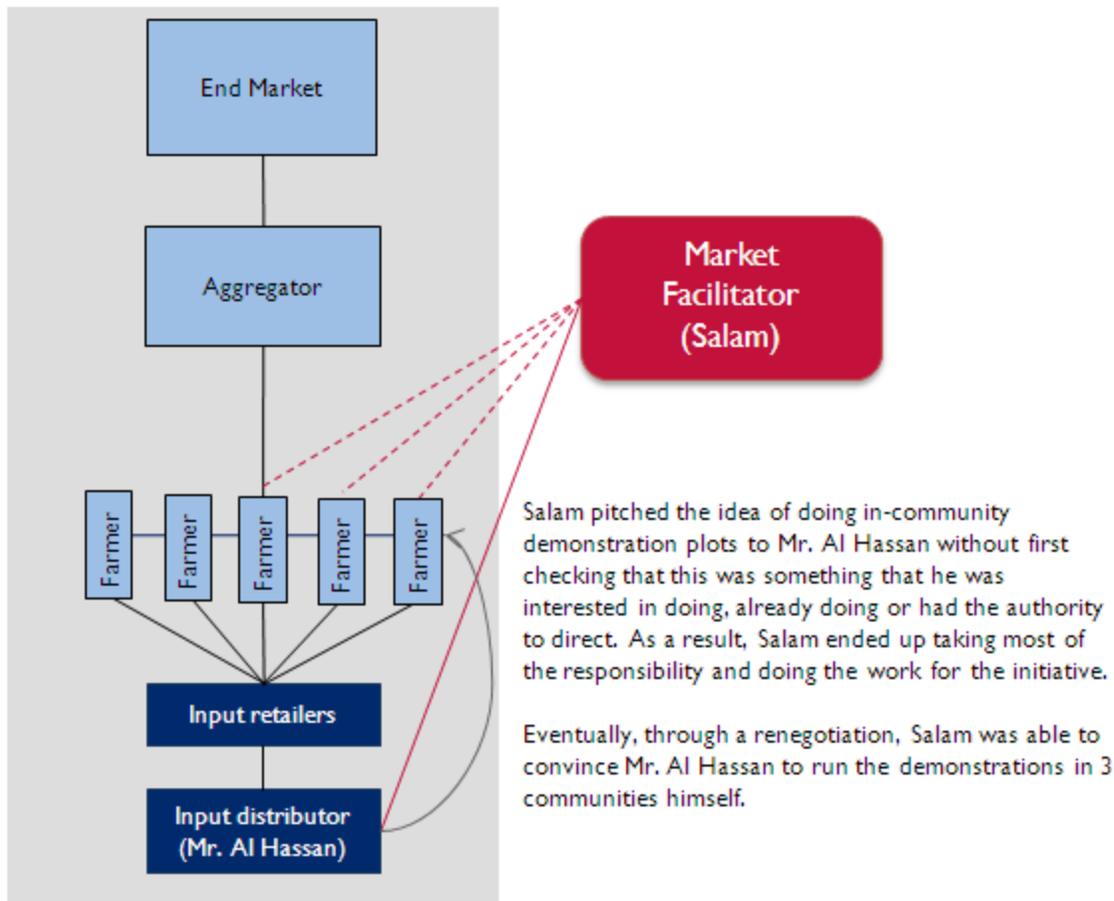
An inherent challenge that projects face in trying to engage businesses and stimulate growth is the businesses’ expectations and understanding of up-front support. This support can be financial, technical training, volunteer staff, promises to purchase produce or increase access to inputs, etc. The ability of a market facilitator to move quickly beyond that conversation is critical since the purpose of a facilitator is to understand businesses’ behaviors and attitudes and coach them to take effective action to improve their business and function in the value chain.

Salam, a market facilitator working for an NGO, met with Mr. Al Hassan, the regional sales manager of the largest agro-chemical company in the region that distributed products to a large network of retailers. Salam’s aim was to convince the company to try using demonstration plots in farming communities to build their brand and reputation through the tangible results of proper application of liquid fertilizer and herbicides. This was an intervention that had been discussed many times in staff meetings, but not yet tested successfully in the region.

Salam was able to communicate to the business the benefits of investing in demonstration plots, but he failed to probe more deeply about the interests and vision of the company and thus wasn’t able to get much buy-in. Feeling little commitment to the idea or approach, Mr. Al Hassan asked that the project cover 75 percent of the costs of the promotional activities. He viewed the activity as something he was doing to help the project reach its targets, rather than an innovation that could drive his business if he took it up. Mr. Al Hassan wanted a proposal in writing to share with the company’s CEO for approval, and asked Salam to both draft the proposal and select the communities. Salam took the idea back to his manager to discuss, who pointed out that most of the action and ownership of this initiative lay with Salam rather than with the business.

After the meeting, Salam discovered that Mr. Al Hassan had previously invested in small demonstration sites for a different crop (cocoa) without any external financial assistance. Salam’s poor communication and coaching skills created a situation where he had set the expectation that the project (and other NGOs) would pay for the pilot, thereby removing all ownership of the idea from the business. A 75 percent project contribution to a demo plot exaggerated the risk of the venture, was a questionable use of project resources and involved a much higher intensity of direct project involvement than the situation required. As a coach, Salam failed to uncover the business’s real needs, to co-develop an idea, to provide feedback on the firm’s ideas, and to stimulate action from the business.

After considerable feedback from his manager, Salam was able to renegotiate with Mr. Al Hassan to do three small demonstrations without any project support, but his credibility with the business was damaged and Mr. Al Hassan’s interest in the initiative had decreased significantly.



## B. THE “GOOD” COACH

Sarah, a market facilitator, had been struggling to get input dealers to adopt her ideas and the strategies that the project was trying to promote. She would meet with them, talk about the project and use the language she had been taught in the initial orientation, but at the end of the meetings the market actors would just ask her to pay for services or purchase chemicals on behalf of farmers. After additional training on facilitation, Sarah attempted another approach.

A small input firm, Time Tells Agro Chemicals, was interested in expanding their business. The manager of the business, Mrs. Mensah, had been approached by Sarah previously and learned of the projects’ goals to “link firms and farmers,” thereby improving the commercial relationships and competitiveness of the industry. Mrs. Mensah was skeptical but intrigued, so she decided to meet again with Sarah. However, it was approaching the rainy season and Mrs. Mensah was very busy handling the steady flow of farmers into her store. As a former extension worker for the Ministry of Agriculture, Mrs. Mensah was already very knowledgeable about inputs and their use. She genuinely cared about farmers, but her previous experiences of lending or advancing loans to farmers were frustrating and disappointing, so she no longer provided fertilizer on credit. She even told Sarah, “These farmers, you can’t trust them.” Instead, she only sold inputs through cash transactions to farmers who came into her main store or branch locations.

Farmers in the area regularly complained of high input costs, inadequate information about prices and where to buy inputs, the travel time required to purchase inputs and lack of access to credit. Often, there was no input dealer or branch in the community; the nearest one might be located in the closest town about 40km away. Sarah and Mrs.

Mensah also noticed that the farmers lacked adequate knowledge about what chemicals/inputs to use to solve their problems, which inputs were available and best practices for agro-chemical handling and farming.

Sarah recognized that while the relationship between input suppliers and farmers was not currently ideal for either party, both the input firm and the farmers were interested in selling and buying chemicals and in providing and receiving more information. This provided an interesting leverage point to improve the relationship. Mrs. Mensah did not have a good understanding of the potential market farmers represented, or their needs and location. The farmers did not have sufficient information about the products available, their cost, their use and where to find them. Mrs. Mensah had made it clear that she was not interested in providing credit; Sarah respected this. Sarah recognized that it would take time to rebuild trust between the firm and the farmers.

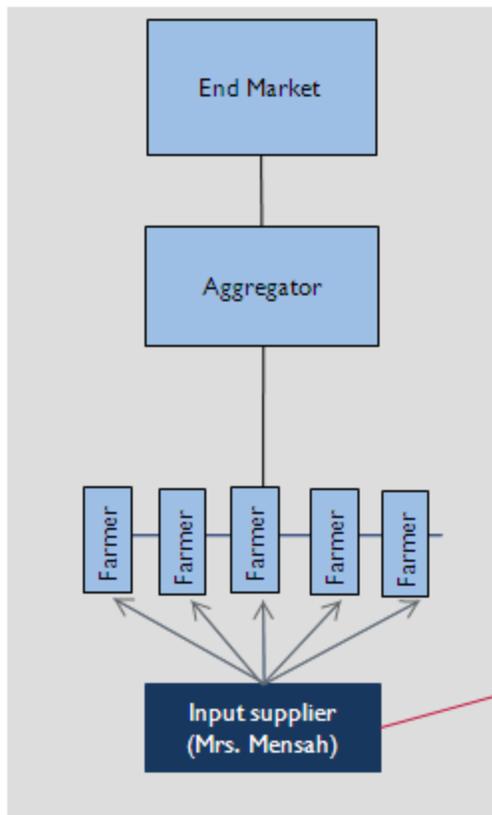
Sarah thought she had a good understanding of the situation from her own research with the firm and farmers and from past experiences with similar input firms, but with a new coaching approach in mind, she decided to listen first.

Sarah sat down with Mrs. Mensah, introduced herself and redirected the conversation from questions about the project to the challenges of the input firm. At first, Mrs. Mensah was defensive and jumped up to serve customers, but over time she calmed down and started to talk. She wanted to build a store in a new community, but was concerned about finding someone to manage it. She saw a need to give farmers more training and information about the products she was selling, but she simply couldn't be everywhere at once. She wanted to work better with farmers, but didn't feel they could be trusted.

Sarah listened. As the challenges emerged she started to propose some ideas to improve Mrs. Mensah's business while reaching these new communities. Some of these ideas were to:

- Contribute to the existing local radio programs on agriculture to share her knowledge on inputs, establish her credibility as an expert and demonstrate her willingness to participate in the community.
- Run several small demonstration plots (approximately 1 acre) in the community where she would work with farmers and demonstrate different situations (e.g., current practices, practices if farmers can afford only fertilizer, and practices if they can afford fertilizer and herbicides). This would generate a better practical understanding of the products and their use, tap into an underserved market and again establish her credibility and participation in the community.
- Re-examine her current business model and business practices in conjunction with the project, to find a model and management style more suitable for the proposed growth (e.g., agent model, inventory management, basic retail management, and strategic planning).

Some of these ideas were well-received and prompted an energetic conversation about the risks and challenges going forward (as in the case of the radio program); other ideas were outright dismissed as impractical. Sarah and Mrs. Mensah agreed that Mrs. Mensah would go ahead with the first two ideas, with Sarah's guidance. Mrs. Mensah thought that the third idea was interesting, but she was too busy to consider it at the moment. They decided to keep it in mind for the off-season.



Sarah decided to take a new approach with Mrs. Mensah, and sat down with her to listen attentively to the challenges she was having in her business. Coupling this improved understanding with what Sarah knew of the broader system, they were able to innovate and create 3 possible opportunities that would improve Mrs. Mensah's relationship with farmers while not requiring her to provide inputs on credit.

**Market Facilitator (Sarah)**

Sarah left surprised and pleased with the outcome of the meeting. There was lots of work to be done, but this time, the workload was shared with the business owner who had committed to find four communities in which to start demonstration plots and had agreed to meet with Sarah and the radio station the following week.

### C. COACH SUMMARY

When thinking of a coach, what might first come to mind is a football coach, a personal coach, a teacher, a mentor, a confidant, or a guide. All of these are important functions of this role. In particular, a market facilitator will need to learn to listen attentively to what individuals or groups are saying, and consider what information they are not sharing. Market facilitators will need to check their understanding of a situation by repeating what they are learning back to the market actor and by triangulating the information to ensure that the problems being addressed are the real challenges and not superficial problems. They will need to provide feedback to the firm and individuals, suggesting ideas and guiding them. Sometimes this feedback can be encouragement, sometimes tough guidance reminding the firm or individual that ultimately this is their business and venture. A good coach will be able to help the actor move beyond ideas, stimulating a sense of ownership and action that will help the individual move forward with determination and confidence.

# VII. INNOVATOR

Innovation is an important driver of market improvement. New ideas (big or small) can pave the way for new opportunities for the market facilitator and actors alike. The ability to try new things and recognize creative ideas is therefore critical for market facilitation. Thinking outside the box and working with others are essential skills for market facilitators in complex and ambiguous situations. The innovation can be technological (but within a firm's business model), an attitude that is driving behavior, or a behavior pattern that needs to change to stimulate stronger relationships and businesses. The market facilitator must be able to test and iterate these ideas or innovations with market actors and their co-facilitators. This involves a continuous process of learning from success and failure and of close collaboration with other market facilitators.

**Key Functions: Trying Ideas, Learning, Collaboration**

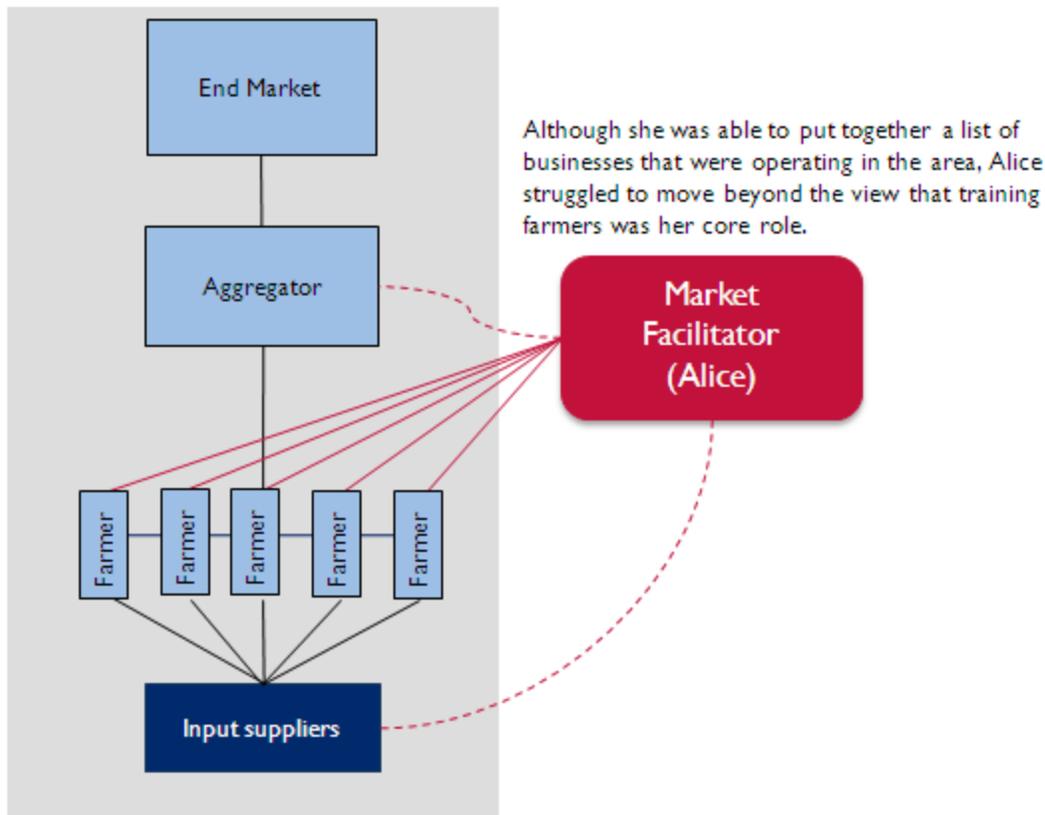
## A. THE “BAD” INNOVATOR

A bad innovator is one who resists suggesting or trying new ideas, who does not internalize the lessons of successes and failures, and who fails to involve others in their idea generation and trial processes. There can be cultural or hierarchical norms that prevent an individual from bringing forward their ideas, so managers need to be aware of this and work to remove these barriers to enable the innovation and ideas to flow.

With more than 20 years of experience in agricultural extension in her district, Alice's technical background was quite strong. When she was hired for the value chain project, she counted on this background to serve her well. However, as a technical expert, she struggled with the new approach and business mindset required.

By the end of the initial orientations and trainings, Alice was able to recite the facilitation language and appeared to understand the overall concept. However, in practice, she reverted to her traditional work of training farmers. When this became obvious, she was asked directly to stop training farmers and to profile the capacity of businesses in her area to develop a list of potential market actors she could be working with instead. She came back with a list of businesses in the immediate area and a rough sense of what function they played and the challenges they had told her quickly. She had not taken the time to triangulate or ask further questions, to the disappointment of her fellow staff. When asked what she thought these businesses needed to do to work better with farmers, she looked away and stated that they needed to build stronger relationships. Following the meeting and business profiling, she reverted to training farmers.

At the end of the season, it was clear that there had been little activity in her area with regard to business facilitation. For a variety of reasons, including a manager that never asked her directly for her opinion and her unfamiliarity with the new ideas, she had struggled to learn from the training, from her colleagues, and from what she saw in the field. Although she actually had lots of ideas that she would share in private, she was hesitant to mention these ideas in the larger group and rarely acted on them. As a result, her interventions stagnated and the businesses in the region received little support for improved growth.



## B. THE “GOOD” INNOVATOR

Innovation can come in many forms—sometimes big, sometimes small. After a year and a half, one market facilitator, Maria, suddenly exploded with ideas and initiative. She had been observing another market facilitator, Joe, in action for the previous 2 months, and was encouraged to try an intervention idea she proposed in a project meeting. The more she tried, the more she learned and the more she was willing to try again. Her energy and excitement overflowed and she started to call and email the rest of the team, sharing her ideas and asking for their feedback. The following is an email she wrote in the evening following a test of one of her ideas:

Date: May 2 at 6:21 PM

Subject: Update on agro-chemical education/promotion

Last Friday, I facilitated a community-level promotion of Salifu Enterprise in three communities, although we really only worked in two communities due to a funeral in one of them. The enterprise is one of the new retailers our project has engaged. This business, though relatively small, has the ability to create impact. I met with Salifu, and discussed our project’s inputs/equipment strategies broadly and ways in which the input business can engage clients (farmers). We talked about how improved engagement could lead to increased sales and how the provision of high-quality product information would help both farmers and Salifu’s business. He was excited by the ideas and agreed to try increasing his sales by promoting some of the products he supplies at community events.

The community-level education focused on chemical usage, application, disposal, use of protective clothing and how it should be worn. Salifu took time to highlight some of the effects of poor application of the chemical on people—particularly the sprayers who rarely wear protective clothing. Through his stories and demonstrations, he highlighted why following recommended safety guidelines was important. He also demonstrated how the various knapsack sprayers are used for each

designated crop. I could see that farmers were impressed with the information and investment in their health and knowledge. Farmers had the opportunity to ask Salifu questions so they could better understand. It was exciting watching him doing all these things. But what is the business incentive to repeat this activity in other communities?

As a way of testing different ways to increase sales, Salifu Enterprise offered an 8.3 percent discount on all of the products at the promotion event. It came as a big but happy surprise to Salifu, who barely expected to sell a single bottle, when he returned to his shop having sold all of the products that he brought to the event with unmet demand for more chemicals. From this single-day event, Salifu achieved total sales of about \$250, which easily paid off the cost of the event and still left a profit. Analysis on his profit margin revealed that it took Salifu 3-4 days of average sales in his store to realize the same profit during the promotional events, even with a discounted price. Next line of action:

- Salifu wants to repeat this in a town in a nearby district.
- He is now interested in giving further education/training to sprayers in these communities.
- He wants to repeat promotion/education in the same area for some of his clients to ensure that they are benefitting from the latest information and to promote customer loyalty.

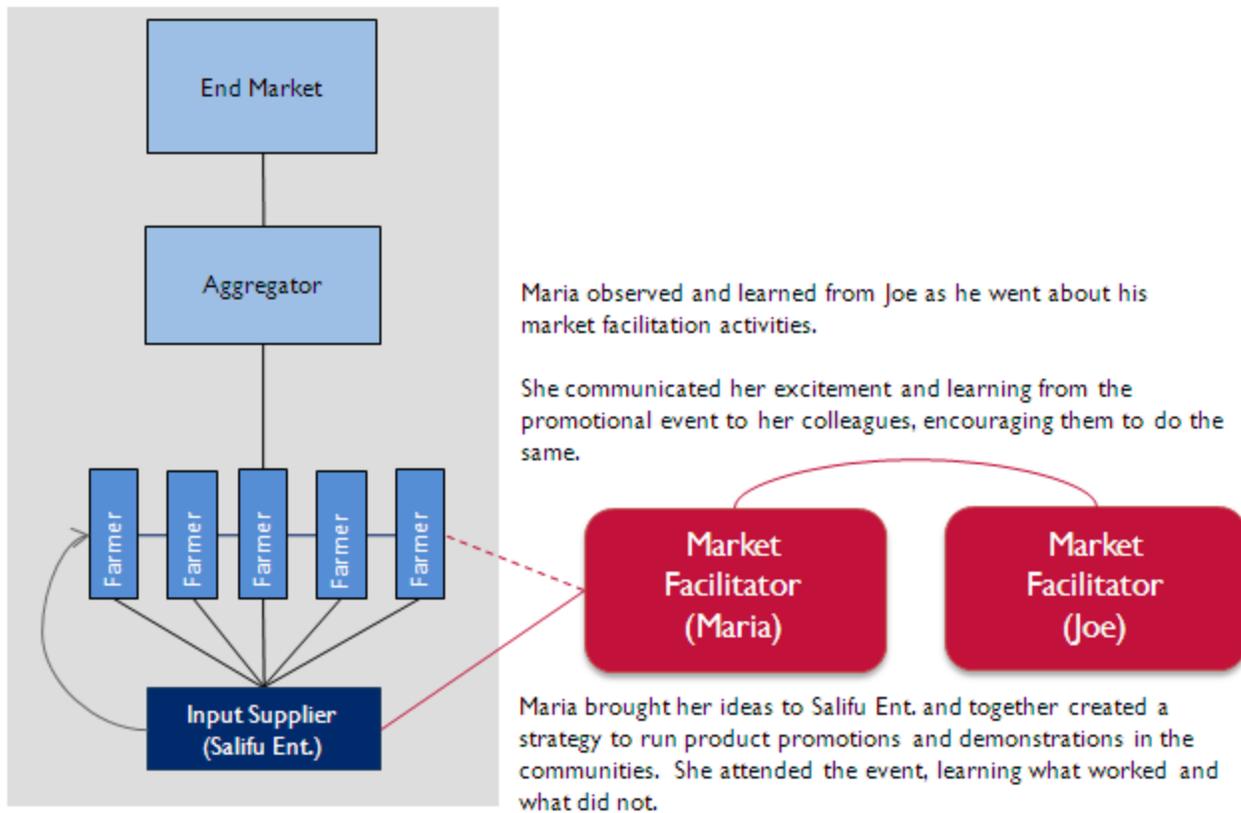
Salifu was happy and wants to keep investing in these promotions as long as his business exists.

Colleagues, if your nucleus farmers are interested in this product education for their outgrowers in the communities and districts, please let me know as I'm about to facilitate a similar one with another large input firm in the region.

Cheers -*Maria*-

Although it seems like a little thing, the intervention and its success came as the result of a long period of learning, of trying and failing in different initiatives. The innovation took place on multiple fronts:

- 1) The input firm, with guidance, took the initiative to try a new sales idea and method of providing information to farmers. This worked well for them this time, but they will need to continue to try new ideas in the future to remain current and competitive.
- 2) Maria took the initiative to suggest an idea to her team and colleagues, to work out the details with her manager and technical advisor, and to pitch and test it with the firm.
- 3) Maria involved her colleagues in the process of design, learning and feedback to ensure that they would be able to try similar events and ideas. This had never been done before on the team, and promoted a positive cycle of collaboration and learning.



### C. INNOVATOR SUMMARY

Much like market facilitation, there is no formula for innovation. An effective market facilitator will be able to use his or her positioning and insight to come up with ideas, to assess opportunities in the sector and take quick, determined action to help other actors turn their ideas into reality. An idea might be good on its own, but it can often benefit from the ideas of others to be refined into a great idea and encourage their buy-in. Collaboration with colleagues and businesses is key to innovation.

Some best practices for developing improved innovation are:

- Do not be afraid to propose an idea to your team, no matter how crazy it might seem. Together, you can talk through the details and the opportunity to refine the idea from good to great.
- Celebrate and appreciate your colleagues' ideas and insights. Work as a team to support each other and refine strategies and suggestions.
- Recognize ideas and opportunities in the sector and work strategically with different market actors to bring these to life. These ideas might come from the actors themselves, which provides you an ideal entrance to being a supportive market facilitator and thought partner.

# VIII. FOUNDATIONAL ATTITUDES AND CAPACITIES

Market facilitation requires a combination and balance of strategic thinking and directed doing. The following are some of the proven skills and attitudes that have helped field staff become better market facilitators and which underlie and amplify a market facilitator's ability in the previous roles.

## FOUNDATIONAL SKILLS AND CHARACTERISTICS

Cutting across the five roles of a market facilitator are these ten skills and characteristics that relate to a market facilitator's general work ethic, specifically their ability to think and do. If you (or the market facilitator) adequately apply these skills or characteristics, check the corresponding box.

### Thinking

- |                          |                           |   |
|--------------------------|---------------------------|---|
| <input type="checkbox"/> | <i>Data Analysis</i>      | Able to gather evidence (quantitative and qualitative data), evaluate it, theorize trends and develop insights. Competent in statistical and mathematical analysis. |
| <input type="checkbox"/> | <i>Manage Complexity</i>  | Intelligently and continuously analyzes large amounts of information about a complex system. Constantly stepping back and looking at the bigger picture.            |
| <input type="checkbox"/> | <i>Strategic Thinking</i> | Prioritizes and plans activities based on achieving long-term outcomes.   |
| <input type="checkbox"/> | <i>Decision Maker</i>     | Makes confident decisions quickly based on sometimes-imperfect information. Shows good judgment in ambiguous situations.  |
| <input type="checkbox"/> | <i>Self-Aware</i>         | Humble, open, aware of own biases and assumptions.  |

### Doing

- |                          |                        |  |
|--------------------------|------------------------|--|
| <input type="checkbox"/> | <i>Organized</i>       | Coordinates a number of different tasks involving a number of different actors all at once.  |
| <input type="checkbox"/> | <i>Efficient</i>       | Achieves outcomes quickly. Is resourceful and good at time management.   |
| <input type="checkbox"/> | <i>Independent</i>     | Is able to work with very little guidance.   |
| <input type="checkbox"/> | <i>Determined</i>      | Is persistent, willing to keep trying despite experiencing failure. Is focused on the outcome and will do whatever it takes to make it happen. |
| <input type="checkbox"/> | <i>High-Performing</i> | Strives for excellence in their work. Motivated by success in achieving goals.   |