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**A Practitioner's Guide to Market Facilitation: Facilitation as Behavior Change**

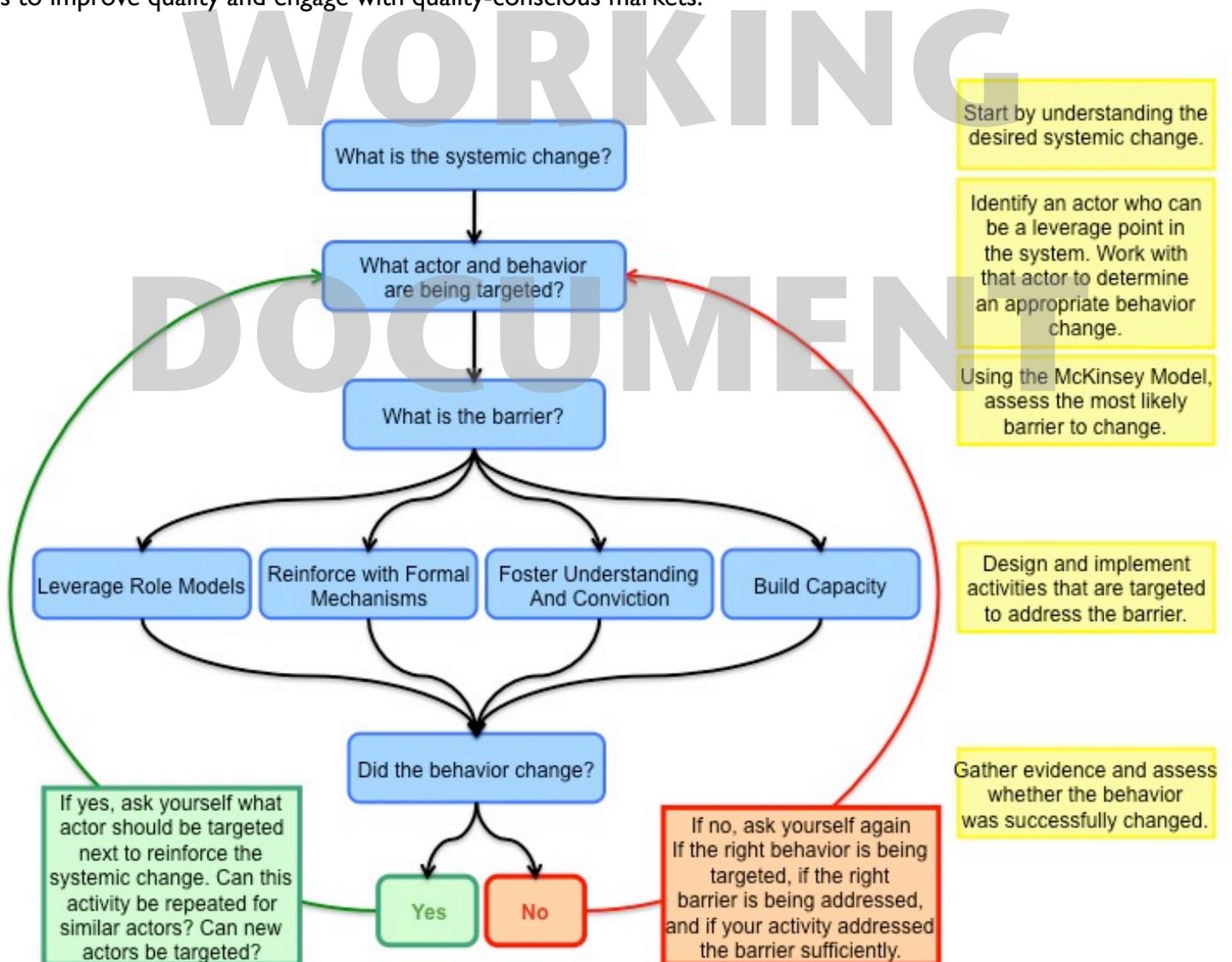
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## OVERVIEW

A major challenge to effectively implementing a facilitative approach is the ambiguity associated with the Facilitator's role. The job description of a Field Officer with a Facilitation project will look very different from that of a Field Officer with a direct-delivery project. The Facilitator must understand how to navigate through the complex market system, pinpoint what needs to change, and understand what to do to create change. Furthermore, the Facilitator must understand each actor's individual context, and tailor his/her approach in every individual case.

Without a clear understanding of the connection between their activities and the desired changes, Facilitators run the risk of *training*, *facilitating linkages*, and implementing various other activities, without actually creating sustainable change.

To clarify the roles of the Facilitator in the complex market system and of the Project Manager (referring to middle management) in supporting the Facilitator, the following guide has been developed. The steps and frameworks of this guide aim to make sense of the day-to-day activities of a Facilitator and outline how project managers can provide support and guidance to enable their staff to be effective, responsive Facilitators. At each step, examples are given based on the context of a Facilitative project working in the maize market system to expand opportunities for maize actors to improve quality and engage with quality-conscious markets.



# INTRODUCTION

Market Facilitation is about creating pro-poor, sustainable change in a market system. There cannot be a dictated end-goal to systemic change – the goal is improving the ongoing process of change itself.

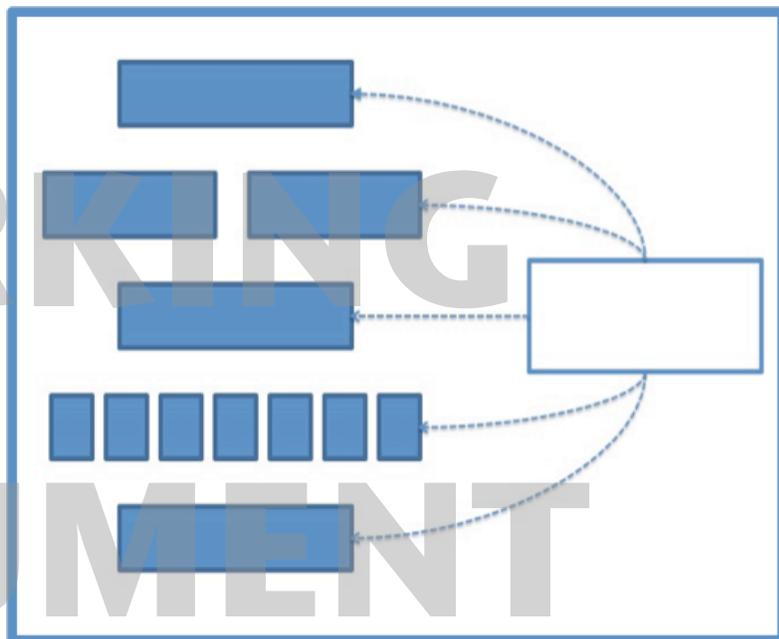
The M4P [Making Markets work for the Poor] Hub defines sustainability as follows:

M4P is about creating the foundation for lasting change where market systems are better equipped to respond to future needs and priorities. It acknowledges that the lives and livelihoods of the poor are continually adapting to the changing environment around them, and that the poor need solutions that adapt with them.

The M4P approach recognises that the process through which market system constraints are identified and addressed is as important as the solution itself. If the system, its functions and players, can be equipped to meet future challenges and continue to meet the changing needs of the poor then impact is sustained, rather than short-lived or dependent on further injections of aid.

Operationally, creating sustainable change requires the Facilitating Organization to support the actors within a particular system to make changes to their behaviors: their operations, relationships, etc.

Doing so in a sustainable manner requires that a Facilitating Organization does not become a part of the market system, but works with a variety of actors at different levels of the system to catalyze and support interconnected change projects. Facilitation activities should take a light-touch approach and stimulate the actors' ownership of the change, as a means of promoting sustainability. When the facilitator exits the system, the actors should be equipped to continually adopt and adapt changes as the context and environment changes.



Market Facilitation Project working at all levels of the system.

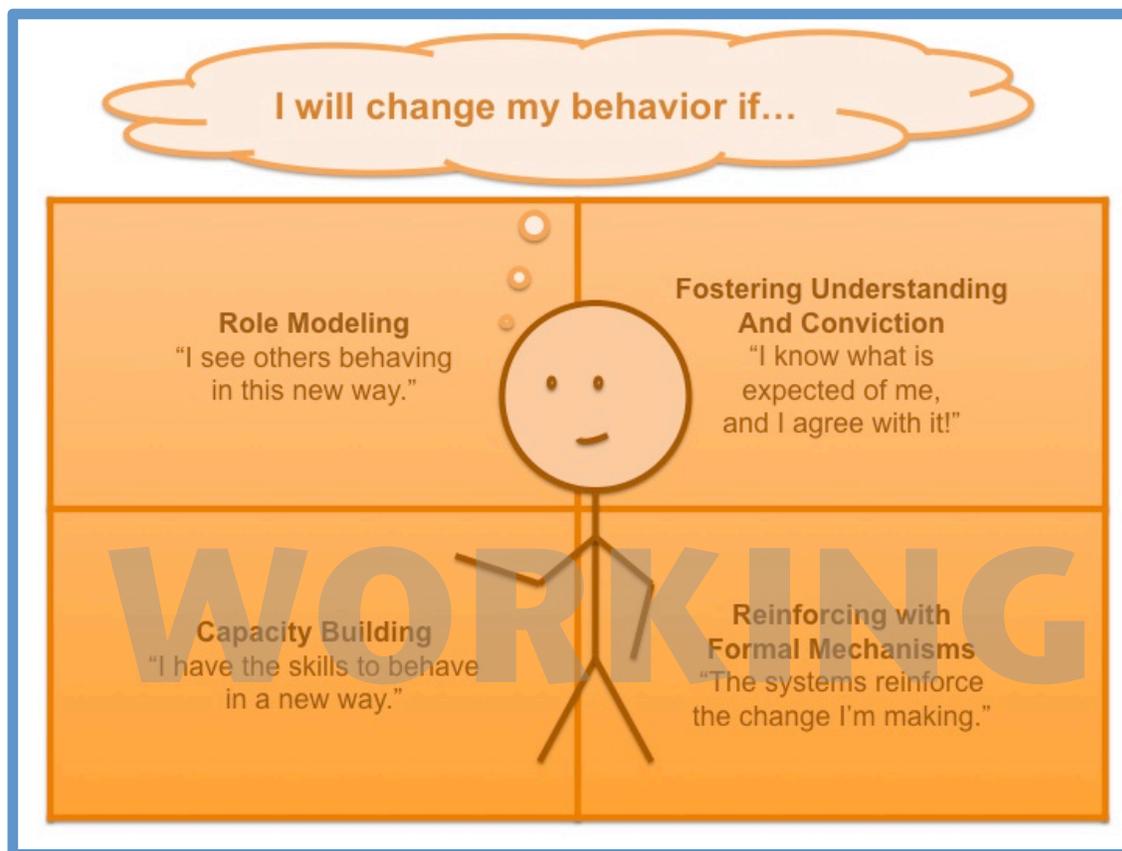
## But how does a Facilitator understand what to do on a day-to-day basis?

To address the issue of navigating this complex role, this guide will introduce the McKinsey Model (developed by McKinsey & Company) in the context of facilitation and systemic change. It will then introduce the following steps to outline a process for managers to use this model to clarify the activities of a Facilitator.

1. Understanding the desired systemic change
2. Understanding what actors in the system to leverage and behaviors to target
3. Understanding the current barriers stifling these changes
4. Developing and implementing activities to address those barriers
5. Assessing effectiveness and next steps

M4P Hub definition of Sustainable Change: <http://www.m4phub.org/what-is-m4p/sustainable-change.aspx>

# THE MCKINSEY & COMPANY INFLUENCE MODEL



The model above, originally developed by the management-consulting firm McKinsey & Company, outlines the four necessary components to any change management initiative. It states that individuals and organizations will only change their behaviors when all components are present and conducive to the desired change.

**Role Modeling:** The McKinsey Model, making reference to psychologist Benjamin Spock, states that people model their behaviors off “significant others.” If an individual sees someone of significance *walking the talk*, they will be more likely to follow suit than they would be without the role model.

**Capacity Building:** In order to carry out a change, people must be equipped with the necessary skills to behave in a new way. A change initiative can only be successful if the people involved have the capabilities required to implement it effectively.

**Fostering Understanding and Conviction:** The Model states that it is not enough for people to understand the mechanics of the specific change. People must *believe* in it. Any change initiative must be supported by a compelling story. Changes must be communicated in a way that creates conviction amongst the target audience.

**Reinforcing with Formal Mechanisms:** New behaviors must be reinforced with the appropriate systems. Incentives and structures must be conducive to the change: if they do not exist or are reinforcing undesired behaviors, they should be created or changed to reflect alignment with the desired behavior

Emily Lawson and Colin Price, “The psychology of change management,” *The McKinsey Quarterly* 2003: Special Edition: The Value in Organization.

In the context of facilitation, a Facilitator can understand him/herself as working in a change management role – working to catalyze and support complementary change initiatives within many actors, which will cumulatively result in systemic change. Using this framework, a Facilitator should understand his/her daily activities with actors as *Leveraging Role Models, Fostering Understanding and Conviction, Capacity Building, or Reinforcing with Formal Mechanisms*.

Under these headings, the underlying purpose of activities such as ‘facilitating linkages’ becomes clearer. A Facilitator would ‘facilitate linkages’ between a maize trader and a buyer, for example, when it has been determined that the trader lacks a *Reinforcing Mechanism* in order to change. If the buyer demonstrates to the trader that he will buy the trader’s stock with a quality premium, a mechanism will have been put in place to reinforce the desired behavior of a trader sourcing quality maize.

### Why many projects fail to create systemic change.

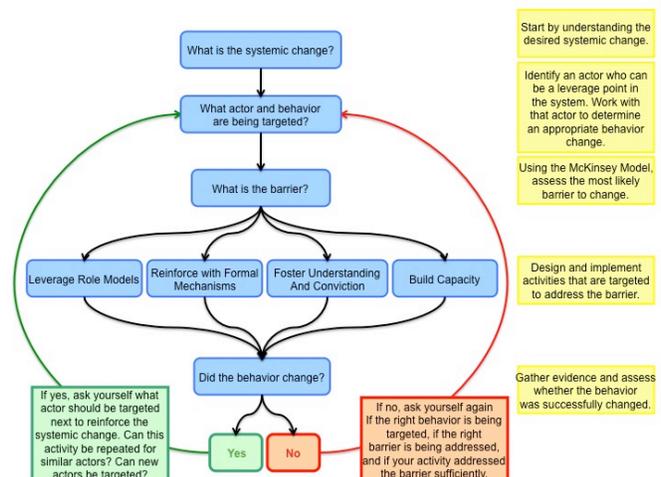
With this framework, one can see that projects focusing solely on *Capacity Building* (for example, training farmers on improved production practices) are likely to fail at creating the desired change (farmers’ improved productivity), because only 1 of the 4 components is met by project activities. Project activities must address all 4 components in order to increase the likelihood of creating sustainable change.

Ensuring that the staff of Facilitating Organizations are bought in to the facilitative approach is a change management initiative in itself. Particularly when staff come from a background of more traditionally managed development projects, facilitation may be difficult to understand and staff may question whether working with market actors will produce the desired results for small-holder farmers.

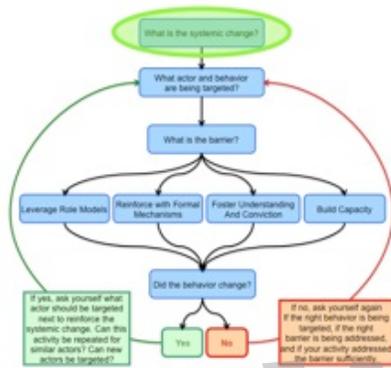
Project managers should ask themselves whether the 4 components for behavior change are present within their organization:

- Have I done the necessary Capacity Building?
  - Have I trained my staff in the facilitative approach? Do they understand systemic change and how we intend to create it?
- Am I Role Modeling?
  - Am I leading by example? Am I talking about systemic change, testing my assumptions, adapting my approach and communicating actively?
- Am I Reinforcing with Formal Mechanisms?
  - Am I publicly recognizing staff that are innovative? Are managers empowering field officers to make decisions regarding activities?
- Is there Understanding and Conviction among the staff?
  - Is my team excited about facilitation? Have I set a vision they believe we can achieve?

With this overview of the McKinsey Model in mind, this guide will now move on to introducing the steps to be taken for managers of Facilitating Organizations to use the model to frame project activities for the Facilitators, and how Facilitators should keep the model in mind as the basis for their interactions with market actors.



# UNDERSTANDING THE DESIRED SYSTEMIC CHANGE



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As stated in the previous section, the project must internally support facilitative behaviors through ensuring the necessary *Capacity Building*, *Role Modeling*, *Reinforcing Mechanisms* and *Understanding and Conviction* are in place.

At this stage, for a Field Officer to be effective in his/her role, it is key that s/he has a strong *understanding* of the desired systemic change.

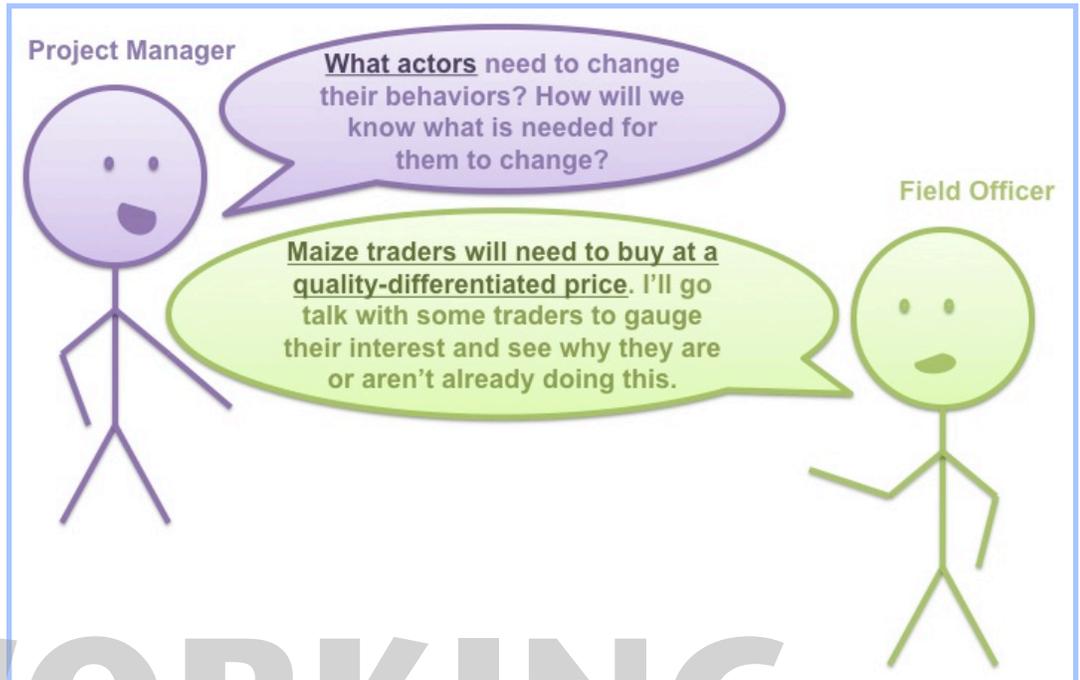
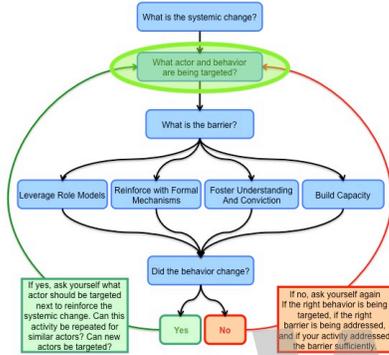
In this example, the manager and Field Officer are engaging in a discussion around the targeted systemic change, and why it is desirable. The manager is *coaching* the Field Officer by *asking*, rather than *telling*. Asking someone *curious questions* allows them to put the answer in their own words, helping to increase their understanding and ownership of the answer. Managers should be sure, however, to pose the questions in a way that, while challenging, demonstrates supportiveness.

From a strong understanding of the desired systemic change, a Field Officer can begin to break apart the system into the actors that are most important to leverage in creating the overall change.

## Managers coaching Field Officers

In order to support this understanding, managers should not only *tell* Field Officers about the goals of the project, but *coach* Field Officers such that they form their own nuanced understanding of the desired systemic change and the process of reaching that state. Together, managers and Field Officers can *analyze the specific market system* at hand, and what impact the systemic change will have on the market actors – particularly the farmers.

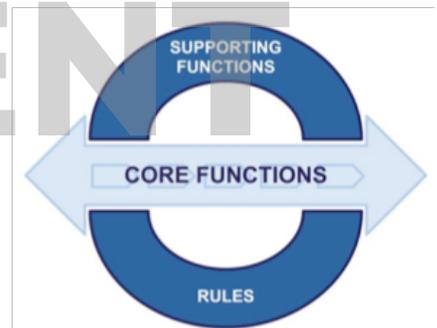
# UNDERSTANDING WHAT ACTORS TO LEVERAGE AND BEHAVIORS TO TARGET



In principle, facilitation aims to create systemic change. In practice, systemic change can only be achieved through cumulative changes as actors within a system adopt and adapt new, complementary behaviors. For facilitators, this means identifying the leverage points in the system. Leverage points are those actors whose changes will have a disproportionately large impact on the system: they may be the largest players economically, or the most respected socially, etc. Project Managers and Field Officers should *collaborate* to identify what actors should be *leveraged* in the system.

When targeting actors and behaviors, the two must always be married: the actor and the behavior cannot be separated out or discussed independently. Connecting the two ensures that the decisions made regarding who and what to target are made conscious and are well thought-out.

Depending on the scope of the program, facilitators can also consider whether there are Supporting Functions or Rules that could also be leveraged. If a Governmental Body, Related Service, or Regulation could be changed, there could be similar effects in the system as could occur if a Core Function – an actor in the value chain – were to make a change.

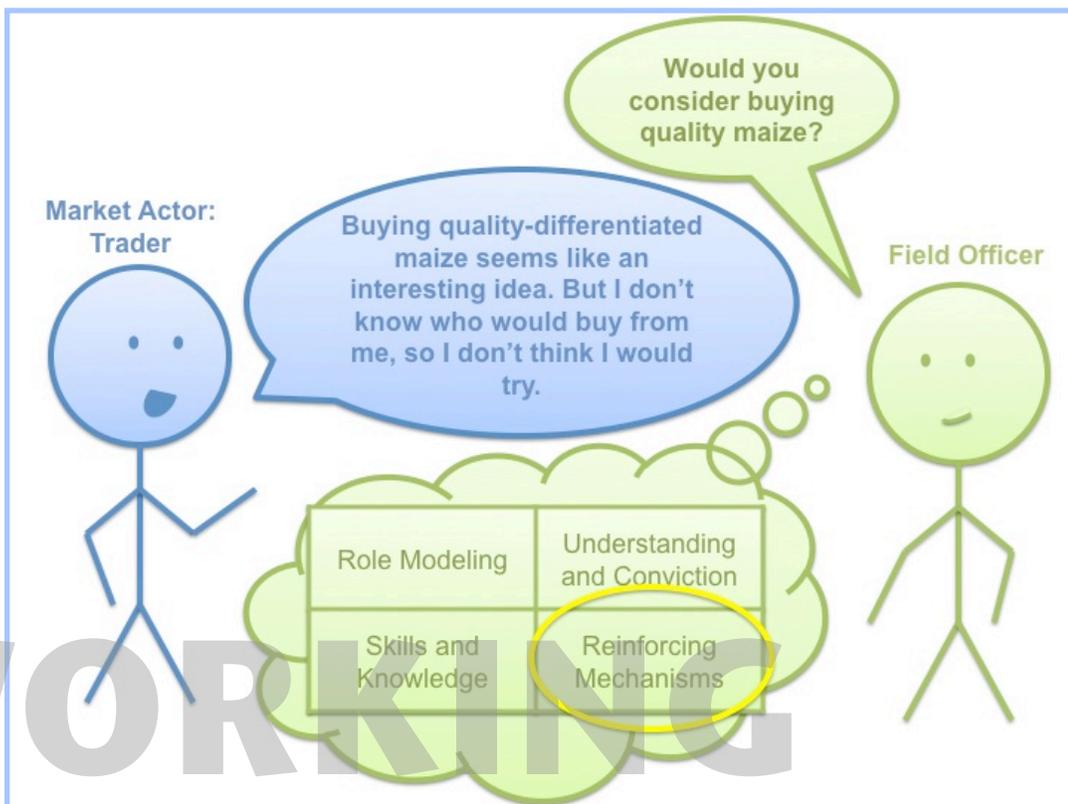
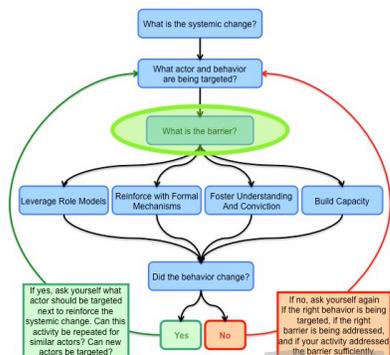


The M4P Market Systems Framework.

In the above example, the project manager is again *asking* the Field Officer which actors in the system should be involved in making changes, and how the project can understand the current behaviors of those actors and what would be required for change.

Here, the manager and Field Officer should be using the McKinsey Model when thinking about what to be looking and listening for when meeting with market actors. With the model in mind, the Field Officer can consciously listen for cues that would indicate what barriers to change are facing a particular actor.

# UNDERSTANDING THE CURRENT BARRIERS TO CHANGE



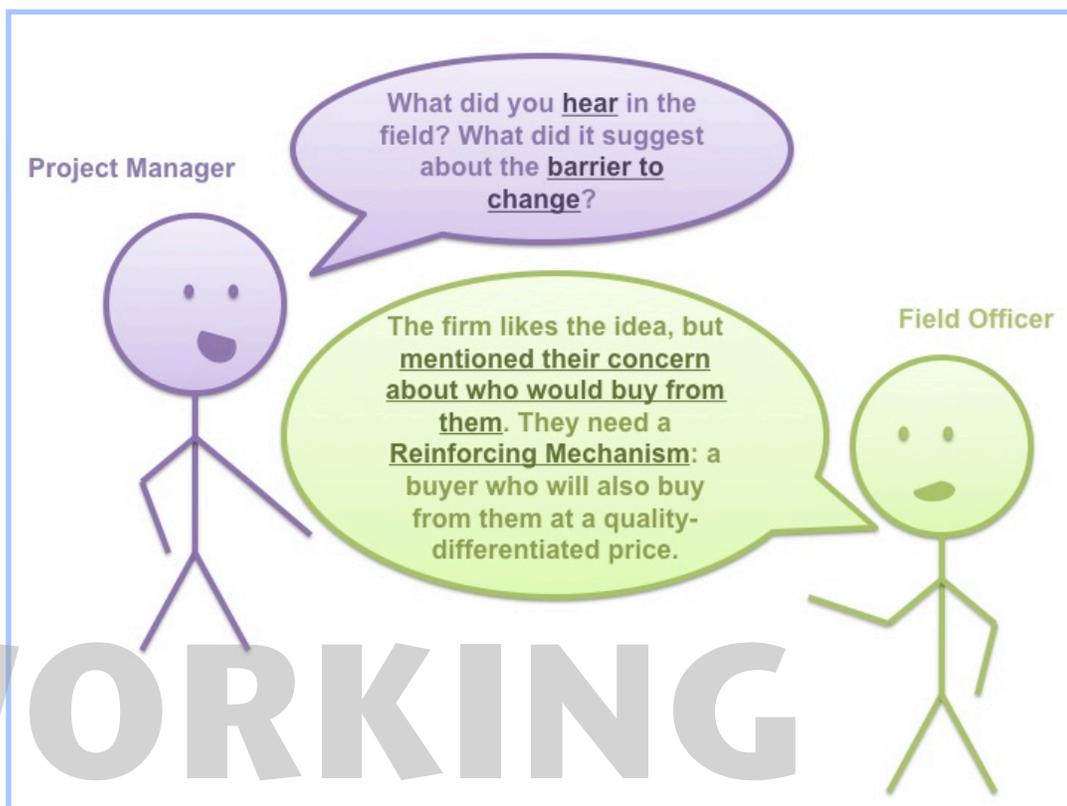
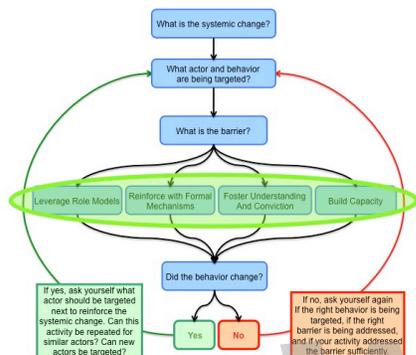
Using the McKinsey Model to frame their *needs assessments* with market actors, Field Officers are able to investigate the current barriers to change facing specific market actors. Acknowledging the complexity and nuances of the market system, the Field Officer should understand that the barriers to change facing one actor may or may not be the same for all similar actors.

In this example, the Field Officer is asking the Trader about whether s/he would consider changing his/her practices and start buying quality maize. The Field Officer keeps the McKinsey Model in mind as the trader talks about his/her uncertainty about whether there is a demand for quality maize. To the Field Officer, this suggests that there is a lack of Reinforcing Mechanisms as a quality-conscious market to sell to would reinforce the change by the trader.

At this stage, the Field Officer can ask targeted questions to uncover what barriers are facing the actor. Depending on the responses, the Field Officer can determine whether or not this is a barrier that should be addressed through project activities.

Capacity Building	“Do you know about maize quality parameters? Do you know how to assess quality?”
Role Modeling	“If another trader started buying quality-differentiated maize, and you saw that s/he was profiting, what would you do?”
Fostering Understanding and Conviction	“If you saw that you would make more profit by purchasing at quality-differentiated prices, would you consider changing your buying practices?”
Reinforcing with Formal Mechanisms	“If a buyer offered you a premium for quality maize, would you try to meet that demand?”

# DEVELOPING ACTIVITIES TO ADDRESS THE BARRIERS



Once the Field Officer has done a *needs-assessment* to understand the barriers to change facing certain market actors, the manager and Field Officer can *collaborate* to develop appropriate activities. The manager and Field Officer should work together on this: the Field Officer will have the nuanced understanding of the barriers facing the specific actor, and the will have a bigger-picture view of what may or may be effective at creating change, based on wider experience with multiple Field Officers.

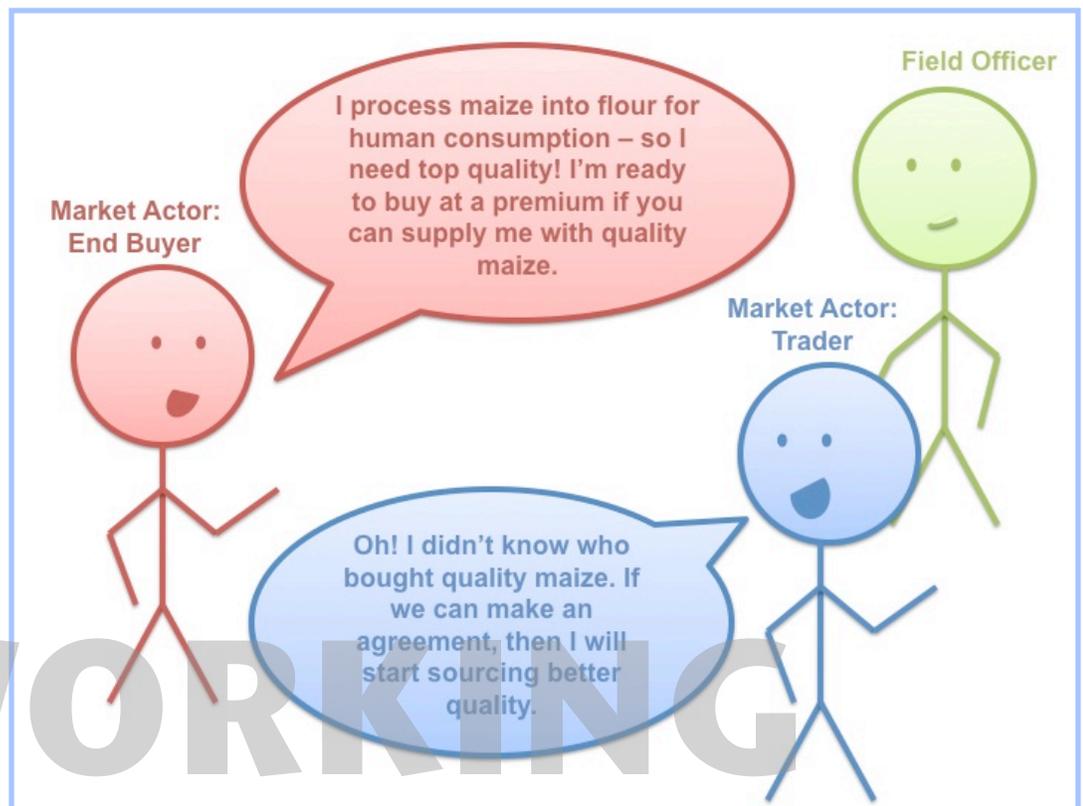
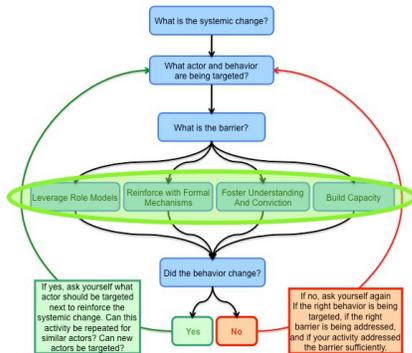
In this example, the Field Officer has identified that the actor lacks a *Reinforcing Mechanism*, and will plan an activity to bring a Buyer to meet with the Trader to demonstrate the marketing opportunities available if the Trader begins buying quality maize.

A good activity plan should have clear outcome objectives. Field Officers and Managers should know what exactly they are trying to achieve through a specific activity, and why they believe this activity will be effective at achieving this outcome.

By using the McKinsey Model to categorize activities, it becomes easier to understand what the Field Officer is doing and why. In the same way that *Capacity Building* is broadly understood and accepted as an activity by development projects and donors, the activities of *Leveraging Role Models*, *Fostering Understanding and Conviction* and *Reinforcing with Formal Mechanisms* can also become ubiquitous to describe project activities.

Leveraging Role Models	Organizing a field-exchange visit for one actor to see the operations of an actor that has already made the specific change.
Capacity Building	Training the actor such that s/he is equipped with the necessary knowledge/skills to make the specific change.
Fostering Understanding and Conviction	Working through the business case of making the specific change, to demonstrate the benefits.
Reinforcing with Formal Mechanisms	Organizing for a buyer to visit an actor to demonstrate the potential marketing opportunities available for making the specific change.

# IMPLEMENTING ACTIVITIES



When implementing activities, the Field Officer should keep in mind the *light-touch* principle, and critically question what his/her involvement in any activity should be.

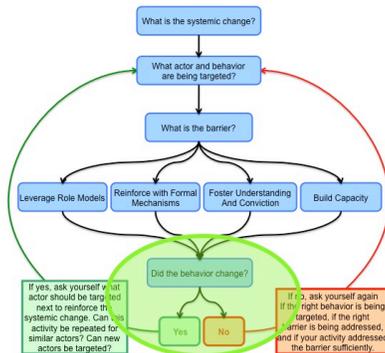
As the Field Officer takes part in any activity, s/he should be looking/listening for cues that indicate that the activity has been effective at addressing the barrier to change.

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## Tips for Interacting with Businesses

- **Seek to understand the business' motivations, and pitch ideas in a way that speaks to them.**
  - A donor project may ultimately be interested in farmer-level impact, but businesses are interested in profit. Speaking to the business' motivations will create a more compelling story, creating more *conviction* for the change, and increasing the likelihood of behavior change. Ask a business about their vision, and refer to it consistently.
- **Ensure your interactions are adding value to the business.**
  - Time is money. If you are asking for the business' time and using it for something that is not providing value, the business will become increasingly uninterested in working with you. Assisting the business to develop their strategy or analyze profitability or Return on Investment can demonstrate that you can add value when it comes to their bottom-line. Activities such as data collection for project reporting should be kept to a minimum.
- **Build the right relationships.**
  - If your activity is creating linkages, the relationship between the businesses should be in the spotlight, and the facilitator should be in the background. If businesses are to continue working together, it is key that neither business thinks the Facilitator should be present for future interactions.

# ASSESSING EFFECTIVENESS AND NEXT STEPS



## How to debrief field activities:

### **Review the context of the activity.**

Which market actor(s) was/were targeted?  
What was the desired behavior to change?  
What was the approach taken? (To Leverage Role Models, Build Capacity, etc), Why?

### **What was the outcome?**

Did the specific behavior change as a result of the activity?  
What did the Field Officer see/hear that suggests the change was made?

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After an activity has been implemented, the Field Officer and manager should *debrief* its effectiveness to *learn* from what worked or didn't, and why. These lessons should be shared with other staff on the project who could benefit from the knowledge.

Depending on the outcome of the activity, the Field Officer will repeat the change process with new actors, or modify the approach to the change process with the previous actor. Over time, as the Field Officer becomes more experienced with multiple actors, the effectiveness of his/her activities and the quality of insights gained from each interaction will improve.

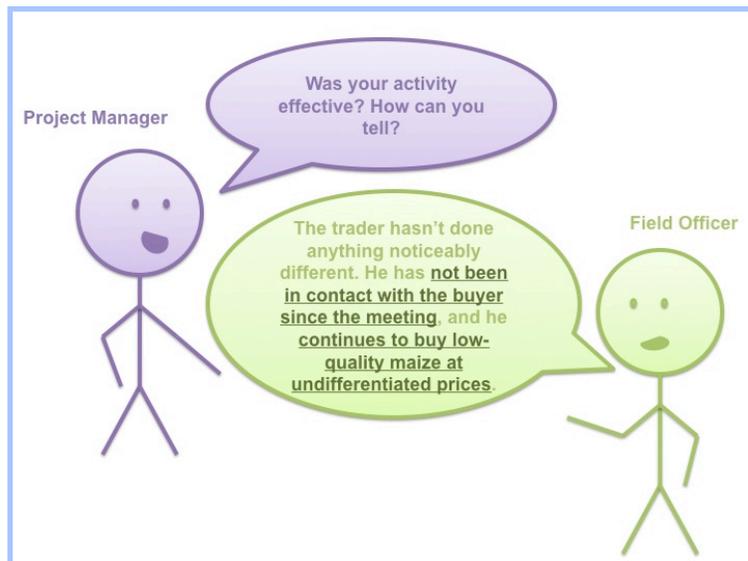
### **Not every activity will be successful**

Change is not a linear process. Not every interaction with a business will result in the desired behavior change. Some businesses might make big changes, and others may be slow to try anything new. It is important that all project staff acknowledge this and accept that 'failure' is part of the learning process. A work culture that punishes failure will only slow the learning process and discourage sharing. An appropriate work culture would accept failures, and encourage active sharing of what was learned in the process.

### **Improving Knowledge Management**

Assessing the effectiveness of activities and sharing the lessons learned among the project staff is key to good Knowledge Management in a Facilitating Organization. The level of rigor applied to the assessment can vary among organizations, but sustainable change can only be reached if projects are sharing insights internally and adapting their activities based on this field-knowledge. Organizations can start small, with debriefs, field exchanges and update emails, or consider investing in Results Chains or other more rigorous monitoring and knowledge management systems.

The most important question to ask is: Did the behavior change?



### If the answer is NO...

The Field Officer will not have seen or heard any evidence that the actor has changed his or her behavior.

The Field Officer and Project Manager should then sit down and ask themselves the following questions.

#### Is the right behavior being targeted?

Does the behavior change make sense for the actor? If the Field Officer is trying to catalyze a change that isn't appropriate for the actor's business model, the change may never be desirable and therefore never adopted. If the change was inappropriate for the actor, a new change or new actor may need to be targeted.

#### Did the activity address the barrier sufficiently?

Was the activity *enough* to help the actor overcome the barrier to change? If the issue was of capacity, did the capacity-building exercise address all the required skills, and did it build the skills up to the necessary level? If the activity did not sufficiently address the barrier, continued support may be required.

#### Is the right barrier being addressed?

Is there another barrier that still stands between the actor and the change? If the Field Officer were to reassess the barriers to change, would s/he find another barrier still exists? If additional barriers continue to exist, additional activities may be required to address them.

### If the answer is YES...

The Field Officer will have seen or heard specific, notable changes in what the actor is doing or saying that indicate that the behavior has changed.

The Field Officer and Project Manager should then sit down and ask themselves the following questions.

#### What actors should be targeted next to reinforce the systemic change?

Given that systemic change will only occur as a result of the cumulative, complementary changes of many actors in the system, the Field Officer and Project Manager should consider what other actors in the system should be targeted to reinforce the changes already made.

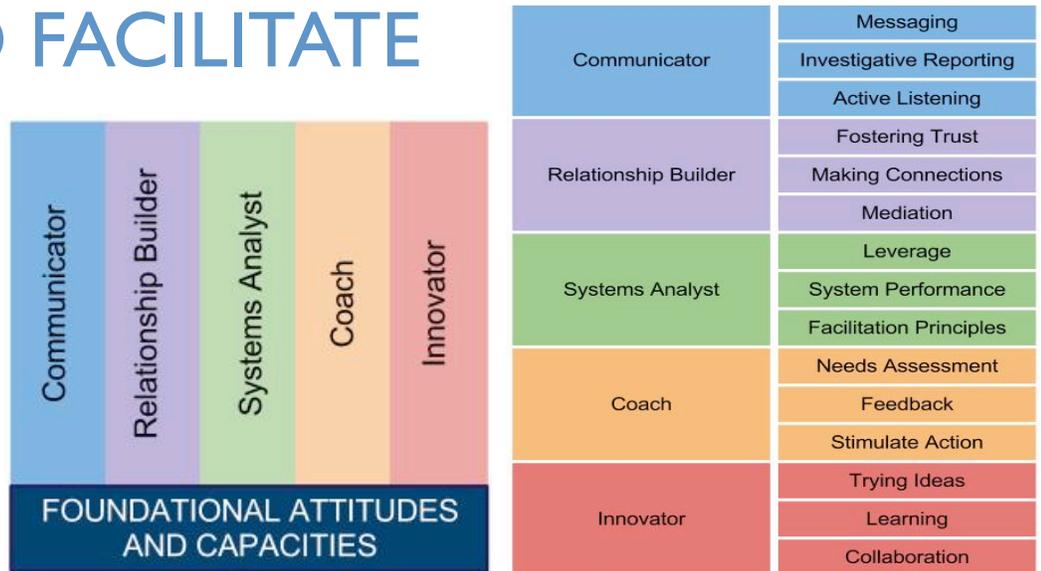
#### Can this activity be repeated with similar actors?

Are there other, similar actors whose behaviors could be changed by participating in a similar activity? The ability to repeat activities, when appropriate, can cut down on the time required to plan different activities. The Field Officer should be sure, however, that the additional actors targeted are faced with the same barrier to change.

# THE SKILLS TO FACILITATE

Facilitation activities will require specific Capacities from the Field Officer. Engineers Without Borders Canada's Being a Market Facilitator: A Guide to Staff Roles and Capacities, identifies 5 key Roles a Market Facilitator, and 3 Capacities associated with each.

The table below outlines the most relevant Roles and Capacities that a Field Officer will require in order to successfully carry out activities.



Note that not all Roles and Capacities are included in the table. Some Capacities, such as *Investigative Reporting*, are more related to the Field Officer's contributions to internal project learning. Others, such as *Stimulate Action*, cut across all interactions with market actors. Lastly, the *Innovator* Role should be played at all times, as a Field Officer *Tries Ideas*, *Learns* about what is or is not effective at creating behavior change, and *Collaborates* with colleagues to adapt interventions going forward.

Leveraging Role Models	Leverage	The Field Officer must choose the best role models to leverage, considering not only their experience with the change, but their social, political and economic standing in the system. The Field Officer should make the connection between the actors with an understanding of how each actor benefits, and what effective cooperation or competition should look like between actors going forward. The Field Officer should be able to ensure that the message of the change is communicated from one actor to the other so that it is clearly understood and leads to a desire to make change.
	Messaging	
	Making Connections	
Capacity Building	Needs Assessment	The Field Officer must have a strong understanding of the skills that are required to carry out the change, and the skills gap(s) that exist for a particular actor. Capacity building activities must be delivered with clear messaging of those skills to ensure the actor gains a strong understanding of what is needed. Capacity building must go beyond a one-off training and the Field Officer must be able to provide ongoing, constructive feedback to the actor regarding strengths, weaknesses, and opportunities for improvement.
	Feedback	
	Messaging	
Fostering Understanding and Conviction	Messaging	The Field Officer must be able to communicate, directly or through leveraging another actor, a compelling story that creates excitement and momentum for change. To create conviction, an actor should be able to see the benefit of the change and therefore the Field Officer must be able to demonstrate how the actor profits – financially or otherwise.
	System Performance	
Reinforcing with Formal Mechanisms	Making Connections	The Field Officer should be able to analyze the system and understand who or what to leverage when reinforcing behaviors: depending on the context, the most effective leverage point will differ. When the Reinforcing Mechanism involves new leveraging relationships, the Field Officer needs to ensure that the relationship is built between appropriate actors: where their incentives are aligned and there is the potential for a win-win. A high degree of trust will ensure the sustainability of the relationship, therefore the Field Officer should have a strong understanding of how to foster trust between actors.
	Fostering Trust	
	Leverage	