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# CREATING MANAGEABLE STEPS FOR COMPLEX SYSTEMIC CHANGE

**A GUIDE FOR MARKET FACILITATION PRACTITIONERS**

**microREPORT #183**

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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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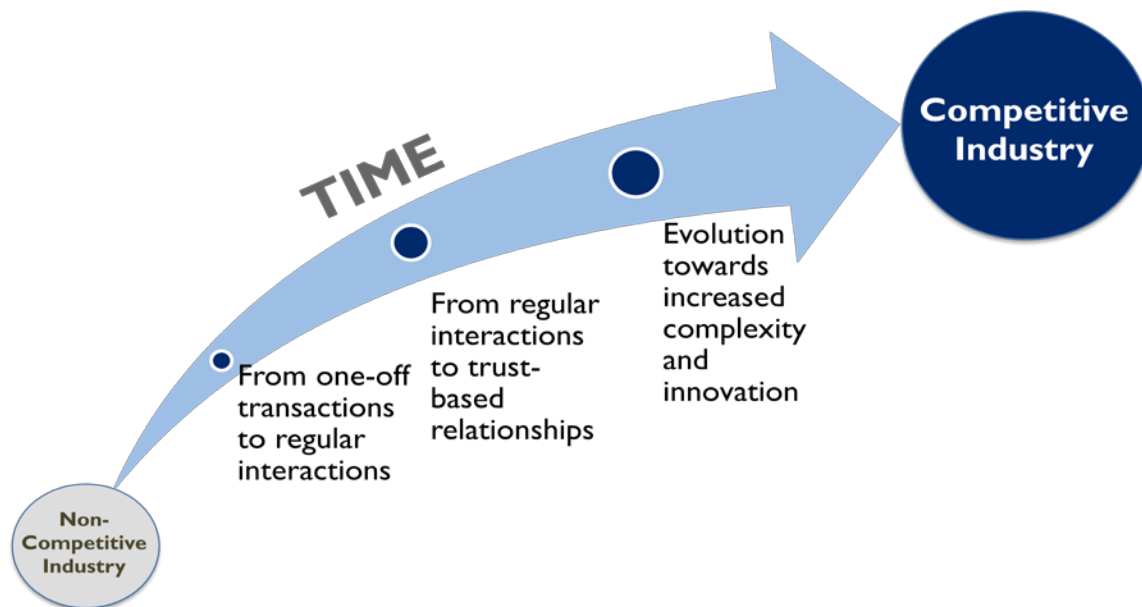
# INTRODUCTION

Creating sustainable changes in a dynamic system is an ambiguous and iterative process. There are few simple, direct causalities that can guide action towards the desired result; yet determined and perceptive action is required nonetheless to catalyze and create lasting change. This dilemma haunts development projects and practitioners who attempt to both see the bigger picture and take action with individual actors: practitioners risk spending either too much time understanding the operating environment and insufficient time and action on the ground, or too much time working on a single idea or activity without understanding its place and purpose in a bigger system. The first results in analysis-paralysis, the second in unsustainable or undesired results. For projects and practitioners operating in market systems that are known to be dynamic and complex, understanding potential pathways to change and the facilitator’s role in enabling that potential change is critical.

The exercise of understanding complex interconnected systems does not need to result in uncertainty or inaction. This tool provides guidance and a process of mapping and understanding a change process for the actors and industries being targeted by a project. It is intended to assist practitioners—specifically, market facilitators—in their efforts to guide a sector from the current state towards a more desirable, sustainable future.

It should be noted that the perspective used in assessing and improving an individual firm may not coincide with the perspective of improving a sector or system. A firm by nature has its own interests and growth ambitions in mind; a functional, dynamic and resilient sector is likely to benefit more from innovation stimulated by increased competition and targeted cooperation. For market facilitation practitioners and managers, balancing these tensions will be important both in this exercise and in implementation. What is productive or natural for one business may not be good for the sector as a whole and may lead to the exclusion or exploitation of certain groups of actors in the value chain (e.g., market women or small-scale producers). **The goal of this exercise is to unleash creative thinking about how to address this tension thereby creating practical guidelines on how to reach an ambitious change objective over time.**

**Figure 1 - Moving Towards Increasingly Effective Competitive Sectors**



# I. PLANNING AND OPERATING IN A CHANGING SYSTEM

Change can be a risky process for all parties involved: farmers, firms, governments, financial institutions, NGOs and other actors within a market system. It can appear particularly risky in a challenging and uncertain operating environment where actors have insufficient information or preconceptions about each other (e.g., an input dealer might say, “Farmers are unreliable and won’t pay back a loan,” while an NGO might claim, “Businesses are unwilling to invest in farmers”). It can be difficult for some actors to trust other actors’ intentions or to see the potential for a long-term, beneficial relationship when these preconceptions exist or when actors are doing business together for the first time. However, new relationships or practices can seem much less risky and more understandable if they are broken down into “manageable steps.” Rather than a market facilitator presenting a final solution or an end goal, it can be more effective (and productive) to present an actor with a potential next step(s), enabling them to see, understand and implement the changes they agree with in a measured way. It is much easier to take one step in a new direction than to envision a giant leap.

Furthermore, market facilitators cannot predict the future; it is better to take measured steps in a forward direction—testing, iterating, learning, sometimes failing and trying again—so that together with the firms and actors they can develop better pathways forward. Just like the businesses with which they are working, market facilitators and their strategies must adapt to the context and situation.

Taking the time to reflect and strategically project the direction of change—while continually refining and adapting the theory—enables facilitators to better understand potential trajectories of the actors and the sector, and aids in guiding them in that direction.

## KEY CONCEPTS

**Pathways to Change:** Also known as a theory of change,<sup>1</sup> a pathway to change is a map of sorts—a guide to get from the current to the future situation. Often this future situation is uncertain, unpredictable and ambitious. The pathway to change outlines the market facilitator’s or project’s best guess at what could happen, and potential scenarios (or pathways) to enable the progression.

**Manageable Steps:** The steps filling in that pathway to change are called “manageable steps” for the simple reason that they break down that ambitious, uncertain and unpredictable goal into smaller, actionable and tangible milestones. Each manageable step should be realistic and related to the last step as well as the future. It is helpful to think of these as steps on a staircase or milestones because at each point along the pathway, they offer an opportunity to pause and re-evaluate the progress made and where to go next. Multiple options may present themselves, and the way forward only becomes real and clear when this point has been reached. Alternatively, a new pathway and series of manageable steps may need to be considered all together if the desired change or context has shifted over time.

<sup>1</sup> For additional information, see [www.theoryofchange.org/](http://www.theoryofchange.org/)

The actual steps involved in creating this change will depend entirely on the context, but there are a few principles to keep in mind.

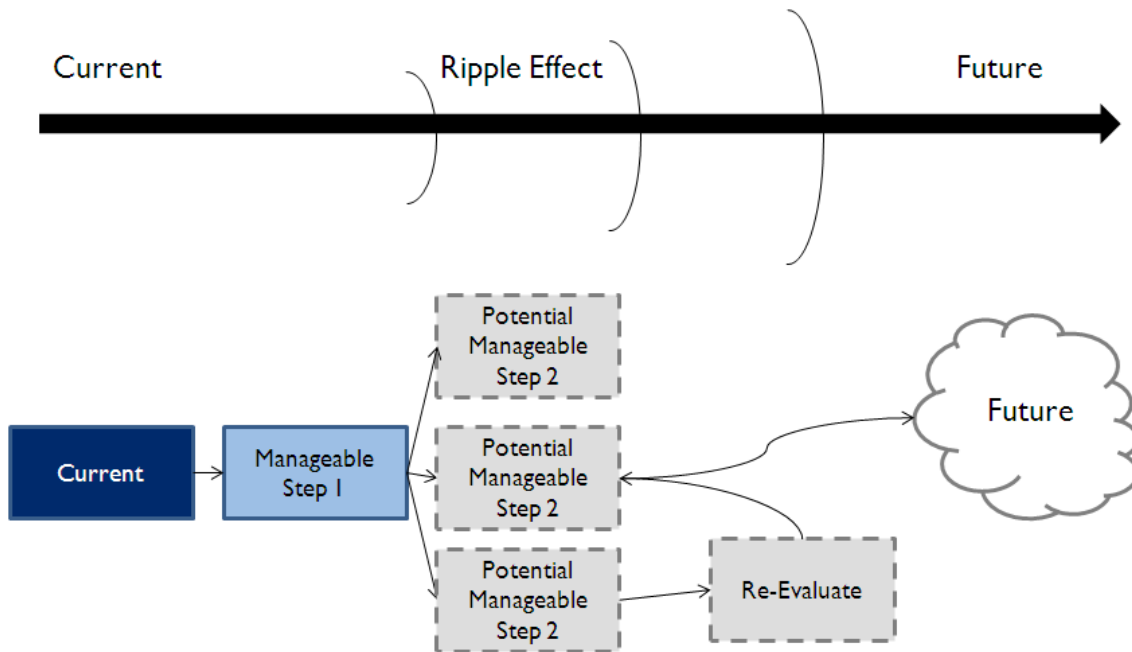
**Sequencing:** The old adage “Don’t put the cart before the horse” advises that events and actions should occur in a particular sequence to be most effective. Change processes require that activities are appropriately ordered to create

the necessary behavior shifts that lead to the end goal—in this case, better functioning and inclusive market systems. Unlike the simple example of the cart and horse, there is unlikely be a clear or correct way to sequence activities in a complex system, but there are arguably ways that are better than others. For example, it would not be a good idea to encourage an input firm to sell chemicals through a network of village agents without first meeting the communities. Similarly, implementing a new business model without first understanding its implications for the business is unlikely to be successful. When building the pathway to change for a sector, think about sequencing: *What needs to happen first?*

**Leverage:** <sup>1</sup>When working in any system, big or small, there are many options for how and where to work. To have a transformative impact on the market system in the most efficient way, project implementers should seek to identify leverage points. These are places in the market system where a minimal intervention (in terms of time, money and direct involvement) will lead to broader and more lasting change. One seemingly small action may catalyze a more substantive change in the system. For example, while a project could work directly with 1,000 farmers, or with 20 farmer groups, it could instead work with two or three larger input firms to help them educate farmers and supply them with the required products. This would likely save project resources and be a more sustainable intervention. However, there is no single “correct solution”; finding an appropriate strategy depends on the context and the feasibility of working at various leverage points. Consider: *Where are the leverage points? Where are the strongest opportunities to create changes? What will be the future impacts or ripple effects?*

**Relationships, Ownership, Intensity, Scale-up and Exit:** <sup>2</sup>It is important to keep these fundamental principles of market facilitation in mind at all times. This will enable better, more sustainable and strategic interventions and help facilitators understand their roles. These concepts underlie the theory and process of creating pathways to change for a sector through a series of manageable steps. It is important to ask tough questions in all market facilitation interventions. Consider: *Whose relationships will the project build? Who has the incentives and ability to successfully implement this idea or initiative? Whose and how many resources will be used to create the change? How will the project exit from this intervention?*

**Figure 2 - Moving Along a Pathway to Change, One Manageable Step at a Time**



<sup>1</sup> For more information, refer to Donella Meadows’ article *Leverage Points – Places to Intervene in a System (1999)*.

<sup>2</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.

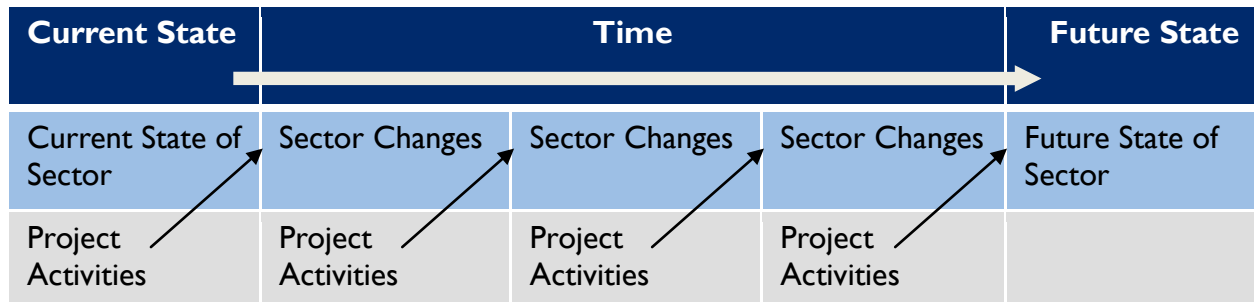
## II. DEVELOPING A SERIES OF MANAGEABLE STEPS

The following process was developed to enable staff and managers of market facilitation projects to put together relevant and context-specific “manageable steps” and increase their understanding of how to achieve the desired sector-level changes. Although a project may have a vision for the future for an actor or value chain, that vision may not be shared by all partners or actors. It is the job of a facilitator to keep that vision and pathway in mind, while remaining flexible so new ideas and opportunities from the perspective of other actors can emerge. To sustainably improve a sector, local ownership over the changes is required. Facilitators should be prepared to adapt and refine the manageable steps to align with the current reality of the sector or actors as the project progresses.

### MANAGEABLE STEPS PROCESS SIMPLIFIED

- 1) Define the current state
- 2) Define the future state
- 3) Fill in some of the manageable steps that could lead from current to future
- 4) Assign the market facilitators’ interventions for each step

The manageable steps process uses the best available information to map predictions about the changes required to make a sector more competitive and resilient in the future. A facilitator’s actions should be based around this pathway to change. It is therefore recommended that this manageable steps process precede work-planning exercises. It is easy to get caught up in pre-planned activities and lose sight of the immediate and final goals. Incorporating manageable steps into the work plan in addition to checkpoints for evaluation and readjustments as needed ensures the change process stays on track and increases the chances that it will ultimately be successful and sustainable.



Before mapping a pathway to change, it is important to understand the current state of the sector and the perspectives of market actors. Through honest inquiry and active listening, staff should develop a greater understanding of the needs and challenges of market actors, what is working in the system, and what constraints persist.

There are different ways to run this exercise. The most successful have required some pre-thinking coupled with a workshop to develop the debate, obtain feedback, go through iterations and ultimately develop the first draft of pathways to change following the steps below. This is not an easy process, however, the final product should be a guide with sufficient detail to inform project interventions and enough flexibility to adapt to changes, unexpected challenges and opportunities. It should also enable increased ownership of the ideas and change goals by the team.

### PROCESS VERSUS PRODUCT

The process of developing the pathway to change and manageable steps is generally more valuable than the end-product itself, especially given the input and iterations to come—but the discussion, ideas and ownership will inevitably be greater for it.

## A. DEFINING THE CURRENT SITUATION

Building on the knowledge and insights gained through field research and the previous experiences of staff members in the sector, project staff should discuss the current state of a particular sector and the relationships between its actors in as much detail as possible, using practical examples from the field. This can be written in bullet point in a worksheet like the one provided in Annex I.

Staff should answer the questions:

- Who are the actors in this sector?
- What do they do? How do they think?
- What is the state of their relationships with other actors in the sector?

Staff should look at a cross-section of businesses, situations and relationships from multiple perspectives (e.g, look at both a farmer and an input firm's perspective on their relationship and behavior) and explore some of the current opportunities and constraints that exist in a particular industry. An effective way to do this is to start the process by examining the perspective of one actor (e.g., input firm) in relation to other actors, and the opportunities and challenges of operating their business.

## B. DEFINING THE TRANSFORMED/FUTURE STATE

Having a general, overarching vision for the project is important for inspiring enthusiasm and quickly communicating, but creating an appropriate pathway for achieving this vision requires clearly defining the desired end state of the actors. Project staff should answer the question: In the future, how should this actor and this sector operate?

The future vision should be specific and correspond with the details listed for the current state of the sector. For example, after discussing the current situation of the sector with an input firm, staff should identify what new market opportunities the input firm wants to have in the future, what relationships they want to form or strengthen, and so on. These can be listed in the right-hand column of Annex 1. After doing this for each of the key actors in the sector, staff may need to identify where there are similar and differing views of the future among actors. The project staff should then decide exactly what future state they want to achieve, taking into account who will ultimately benefit.

## C. CREATING A SERIES OF MANAGEABLE STEPS

Once the current and transformed states are defined, the next stage is to envision and define a process to move from the current state to the future state through reasonably risky and ordered steps. Market facilitators should keep in mind the concepts from Section I to ensure that this change process is reasonable, feasible, a good use of resources and will be sustainable and owned by the value chain actors. The easiest way to do this is to take a broader look at the system and discuss the following questions with the staff:

- How can the sector get from the current state to the future one? What is the first step or change that needs to happen? What is the step after that?
- What would be the benefit to an actor of taking this step? (This will help staff to see the step from the actor's perspective—making sure that it is indeed worth doing—and think of ways to explain to the actor why taking the step would be beneficial.)

The answers to these questions can be written in the form provided in Annex 1. It is likely that there will be *many* points. After staff list all of their ideas, these ideas can be grouped into categories and rearranged to develop a set of manageable steps that are clear, concise and tangible. An example of a completed pathway to change is provided in Annex II. No matter how well a project plans out these potential milestones or steps, the situation will change and the



steps will need to be revised often. For this reason, it is important to ensure that there are processes in place to incorporate learning and adjust the process as needed.<sup>3</sup>

## D. THE ROLE OF THE MARKET FACILITATOR

While it is natural to want to jump into action, the role and interventions of market facilitators (both field staff and managers) should be carefully guided by the manageable steps that were just developed. Project managers should identify the manageable steps and changes that are the most valuable or immediate (using the leverage points) and brainstorm how they and the project team—as market facilitators—can and should intervene.

### REMEMBER...

Keep in mind the fundamental concepts presented earlier to ensure that this change process is reasonable, a good use of resources and will be sustainable/owned by the value chain actors.

Using the template in Annex III or a similar table, staff should consider the desired change or step identified and then work through what the project can do to help get there, answering the following questions:

- *Who* – Local Actors: Which actors are involved and what are you trying to get them to do/learn/change?
- *Who* – Project: Who in the project team will lead the intervention (e.g., field staff, project manager, or technical expert)?
- *What*: What are the resource requirements and what would the local actors be expected to provide? What would be the most the project should contribute for it to be both worthwhile and sustainable?
- *When*: What would the timeframe be for conducting the intervention or interventions (e.g., 2 weeks, 3 months, a particular crop cycle)?
- *Why*: Explain the outcomes of the local actors following the manageable steps pathway to more competitive behaviors and relationships. The “why” has to be described in terms of a vision of sustainability.

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<sup>3</sup> For more information, see *Understanding and Improving Knowledge Management Systems in Development*. MicroREPORT #170. USAID. June 2011.

# CONCLUSION

Creating a pathway to change and detailing the manageable steps that outline a potential trajectory for a sector when working in a complex dynamic system is difficult but important. Ongoing iterations and reflection are required to stay on track while adapting to the changing context and system. Iterating also helps project staff stay on top of new trends and ideas to achieve the desired outcomes. Work-plans, though helpful, are insufficient to guide a market facilitator's activities and interventions in this type of situation. Market facilitators who follow this process will produce a draft pathway to change that can be used to improve the targeted sector and which offers their colleagues an opportunity to co-design the future. The pathway to change will need to be refined, validated and tested over the coming months (or years) as the sector (and staff understanding of it) changes and grows. The materials contained in the Annexes offer a rough framework upon which the first steps of an action plan and strategies can be built.

Facilitators will have an initial set of tools with which the initial dilemmas of analysis-paralysis or unsystemic action can be faced. This process can provide a better sense of the scope, potential and challenges facing the sector, which in turn simulates an important conversation about the role of the market facilitator and ideas for interventions that can be used to guide actors and the project team to create transformative change. Facilitators must remember throughout the project to stay abreast of the state of the sector, maintain an honest passion to learn and have the flexibility to adapt to create a sustainable change process. In this way, more of the tools, information and skills needed to reach the ambitious and uncertain future will be at their disposal.

# ANNEX I: SAMPLE MANAGEABLE STEP TABLES

Current State of the Sector	Changes in Behavior/Action	Changes in Behavior/Action	Changes in Behavior/Action	Changes in Behavior/Action	Future State of the Sector
Describe the current state of the sector.	Describe the next manageable step that would follow logically and reasonably from the current situation.	Where possible, describe the next manageable step that would follow logically and reasonably from the previous step.			Describe a vision for the future state of the sector.
Describe the benefits that the actors derive from the current state or from making this change.					
Describe the project activities that could assist to shift from the current state to the next manageable step.					

# ANNEX II: SAMPLE MANAGEABLE STEPS FOR THE MAIZE SECTOR

From the perspective on an input firm in the maize sector:

Perspective: Input Firm	Current	Changes in Behavior/Action	Changes in Behavior/Action	Changes in Behavior/Action	Changes in Behavior/Action	Changes in Behavior/Action	Transformed
Farmer/ Client	<ul style="list-style-type: none"> <li>• Sell agrochemicals to farmers</li> <li>• Some give advice concerning chemical use</li> <li>• Poor distribution networks</li> <li>• Some do product promotions, set up demonstration sites</li> <li>• Some give incentives for buying their products</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms recognize the importance of the farmer as key market</li> <li>• Input firms realize smallholder market requires regular communication and information flows (e.g., demonstrations, promotions)</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms receive new orders from farmers from promotional events</li> <li>• Input dealers increase information to farmers using different media</li> <li>• Input firms see farmers as part of their business by providing good customer care</li> </ul>	<ul style="list-style-type: none"> <li>• Farmers use and seek more information from input dealers</li> <li>• Input firm understands need to market to farmers using education-based tactics</li> <li>• Input firms use combinations of promotional tactics such as demo, contest, and radio</li> </ul>	<ul style="list-style-type: none"> <li>• Input dealers mine farmer sales and marketing information to improve service offer and marketing investments to farmers</li> <li>• Majority of input firms brand as smallholder solution provider</li> <li>• Input firms work with farmers to market outputs</li> </ul>	<ul style="list-style-type: none"> <li>• Disputes are resolved via 3rd party mediator</li> <li>• Input providers and outgrower farmers work together to overcome joint constraints</li> <li>• Input providers, service providers and smallholders improve communication through ICT</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthened relationships that promote genuine interest in farming</li> <li>• Input firms see farmers as an integral part of their business</li> <li>• Standard practice for input firms to offer technical advice via promotional/ demonstration sites as learning ground</li> </ul>

	<ul style="list-style-type: none"> <li>• Farmers buy from shop Perception that farmers are easily convinced</li> <li>• Farmers bring their problems for solution</li> </ul> <p><b>SMALL INPUT FIRM</b></p> <ul style="list-style-type: none"> <li>• Usually farmers themselves</li> <li>• Associated with cash flow problems</li> <li>• High risk of theft</li> <li>• Do not invest in the farmers</li> <li>• Seasonal operations; only when there are farming activities</li> <li>• Depend on past performance for current sales</li> <li>• Sell expired chemicals</li> <li>• Low level of trust</li> <li>• Farmers often want to buy on credit</li> <li>• Unwilling to adopt to alternate products</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms engage in promotional events</li> </ul> <p>Promotional event includes demonstrating efficacy of products</p>	<ul style="list-style-type: none"> <li>• Input firms gathering data about farmers</li> <li>• Input firms initiate regular forum/dialogue with farmers</li> <li>• Input firms design a timely delivery schedule for customers</li> <li>• Input firms test growth strategies that integrate community members into distribution network</li> <li>• Input providers strength solution-based offer through agents and spraying/ tillage service providers</li> </ul>	<ul style="list-style-type: none"> <li>• Demos tied to generating testimonial opportunities</li> <li>• Demos show value of incremental investments</li> </ul> <p>Input provider/ community have regular review and focus group meetings</p> <ul style="list-style-type: none"> <li>• Decreasing percentage of chemical misused</li> </ul>	<ul style="list-style-type: none"> <li>• Input providers seen as a solution provider</li> <li>• Input providers serve as consistent source of market info for farmers</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Farmers value and seek regularly information on products and services Ongoing expansion of distribution network into rural areas</li> <li>• Very low percent of misuse of chemicals by farmers</li> <li>• Sales to farmers and farmer productivity are increasing over time</li> <li>• Smallholder production management primarily commercial and formal</li> <li>• Input firms are a strategic partner with farmers in crop marketing</li> </ul>
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<p>Business/ in-store operations</p>	<ul style="list-style-type: none"> <li>• Profit-oriented</li> <li>• Have appreciable knowledge on climate, farming season and cropping cycles</li> <li>• Low capacity to test on seeds</li> <li>• Do not see operation as business; poor record keeping/ inventory management</li> <li>• Inadequate marketing skills</li> <li>• Inadequate capital to expand</li> <li>• Most operate on micro- to medium scale</li> <li>• Have limited distribution network</li> <li>• Good knowledge sharing amongst themselves</li> <li>• Sometimes, repackage agro-chemicals to meet farmers' needs</li> <li>• Lack of training on the use and handling of product</li> <li>• Poor storage conditions and poor labeling practices for retailers</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• Input providers open to exploring new business opportunities</li> <li>• Input providers aware of the need to know customer needs and importance of business relationships</li> <li>• Input providers see need to invest in distribution chain/farmers</li> <li>• In-community promotional events conducted by input providers to introduce input firm to community</li> <li>• Input providers selling inputs during promotional event</li> </ul>	<ul style="list-style-type: none"> <li>• Input dealers identify and select agents in the various locations</li> <li>• Input providers address the products' handling and use requirements</li> <li>• Improved record keeping and inventory management</li> <li>• Sprayer service, introduced during community promotional events</li> <li>• Pre-paid purchasing mechanism introduced with smallholder market</li> <li>• Input provider conducting agent training as means of vetting agents</li> <li>• Input providers seek capital sources to expand business and are meeting financial institutions' requirements</li> <li>• Input providers access additional capital and adhere to business plans</li> </ul>	<ul style="list-style-type: none"> <li>• Shift of input promotional resources to target cash-rich times (not planting times)</li> <li>• Formal contracts between input providers and agents with probationary period</li> <li>• Regular training and assessment of sales agents to upgrade skills</li> <li>• Investments in accurate record keeping on marketing as means to upgrade</li> <li>• Agents taking orders and becoming a reliable source of information in the community</li> <li>• Continued investment in training management staff</li> <li>• Managing the firm as a business</li> <li>• Designing and using record keeping formats, stock management</li> <li>• Review meetings with management to learn and</li> </ul>	<ul style="list-style-type: none"> <li>• Promotional resources target cash-rich times, but input firms have presence in community year round</li> <li>• Input firms conduct regular follow-up training with agents</li> <li>• Formal contracts between input providers and sprayers with probationary period</li> <li>• Input firms have regular presence on radio stations to brand as experts for farmers</li> <li>• Agent network generates effective market knowledge</li> <li>• Agents effective at promoting the firm's brand</li> <li>• Input providers test ICT tools to promote services and products, and improve business efficiency</li> <li>• Promotional activities linked to social events</li> <li>• Input providers use performance</li> </ul>	<ul style="list-style-type: none"> <li>• Collect, analyze and keep business records to improve customer service, anticipate customer needs and manage inventory</li> <li>• Direct competition between agents/ input providers</li> <li>• Input providers widely adopt use of ICTs to promote services/ products</li> <li>• Input providers conduct consumer research via focus groups or ad hoc interviews</li> <li>• Input industry operates certification process for sprayers</li> <li>• Input providers develop super agent structure for managing subagent expansion</li> <li>• Input providers train super agents on agent management that includes</li> </ul>	<ul style="list-style-type: none"> <li>• Input provider market has wide ranging and robust network of relationships reliant on industry growth</li> <li>• Input dealers compete on being solution providers</li> <li>• Increased and improved distribution network to increase sales volumes and customer service</li> <li>• Long term relationship between input dealer and farmers built on mutual business needs (customer loyalty)</li> <li>• Firms well-managed in areas such as record keeping, inventory, storage, human resource, trend analysis</li> <li>• Ongoing innovation on products/services to meet customer needs</li> <li>• Open and transparent communications between all</li> </ul>
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	<p>measures are not observed</p> <ul style="list-style-type: none"> <li>• Family owned and operated (one-man) business</li> </ul>		<ul style="list-style-type: none"> <li>• Input firms linked with storage facilities to improve operations of storage facilities according to best practices</li> </ul>	<p>improve performance</p> <ul style="list-style-type: none"> <li>• Bundling of services and products</li> <li>• Input providers actively promote tillage services</li> <li>• Input providers use promotional events on regular basis to extend and strengthen relationship with smallholders</li> <li>• Input providers identify and train sprayers</li> <li>• Relations of input providers and agents defined by performance-based contracts</li> <li>• Input providers see agents as important to business expansion</li> <li>• Input providers responding to needs of smallholder market by introducing new products and services</li> </ul>	<p>reviews with agents as standard practice</p> <ul style="list-style-type: none"> <li>• Input firms negotiate with buyers to integrate 3<sup>rd</sup>-party services into supply chain management</li> <li>• Input industry initiates spraying certification process</li> <li>• Input providers initiate internal management training program</li> <li>• Input providers have standard process to identify and train new agents</li> <li>• Agents organize subagents networks</li> <li>• Input providers develop staff performance-based evaluation process</li> <li>• Tillage service providers and input providers formalize through contracts</li> <li>• Government research works with private sector to distribute learning and improved seeds</li> </ul>	<p>training, conducting review meetings, and performing evaluations for subagents</p> <ul style="list-style-type: none"> <li>• Input services and products delivered based on conservation farming technique</li> <li>• Input industry works together to advocate for range of policy and enforcement constraints</li> </ul>	<p>parties</p> <ul style="list-style-type: none"> <li>• Strategic relationships continue to develop between all players</li> </ul>
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<p>Aggregator</p>	<ul style="list-style-type: none"> <li>• Minimal relationship between input firm and aggregator</li> <li>• Relationship based on aggregator asking for post-harvest treatment products, not sharing technical knowledge</li> <li>• Sometimes, aggregator buys input to give to farmers (in-kind loan)</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms working with aggregators on appropriate chemicals for post harvest</li> <li>• Recognize aggregators as clients/market source for storing chemicals</li> <li>• Input firms recognize aggregator as important market information source</li> </ul>	<ul style="list-style-type: none"> <li>• Input dealer firm sees aggregator as important for marketing to smallholders</li> <li>• Input firms work with aggregators to get accurate information on variety of seeds and other inputs required to meet market requirements</li> <li>• New relationship initiated between buyers and 3<sup>rd</sup>-party service providers</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms organize joint promotion/ demo activities with aggregator for farmers</li> <li>• Input firms work with aggregator to organize crop- and market-specific bundled input packs</li> <li>• Input firms work with aggregator and bank to offer input on credit to contracted farmers</li> <li>• Input firms conduct market research through aggregators</li> </ul>	<ul style="list-style-type: none"> <li>• Buyer, input firms and 3<sup>rd</sup>-party service providers working together support contracted smallholders</li> <li>• Input firms work with buyers to integrate input discounts into preferred supplier incentives</li> <li>• 3<sup>rd</sup>-party service provision linked to directed buyer channels</li> <li>• Input firms work with aggregators to push info through radio programs, SMS and festivals</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms push aggregators to only recommend certified sprayers to outgrower farmers</li> <li>• Input firms and buyers develop strategic alliances to increase volumes of crop through contracted channels</li> <li>• Input firms work to integrate ICT tools with aggregator systems</li> </ul>	<ul style="list-style-type: none"> <li>• Aggregator and buyer inform input firm on type of certified seed to sell</li> <li>• Input firm and aggregator work together with farmers to share information and improve yields and business</li> <li>• Maintain quality of grains and reduce storage losses</li> </ul>
<p>Financial Institution (FI)</p>	<ul style="list-style-type: none"> <li>• Input firms unable to access funds to expand businesses</li> <li>• Input firms see FIs as a source of credit</li> <li>• FI provides information on financial management</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms initiate dialogue with financial service providers on loan/financing requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms work with FI to improve internal business management and records to access financial support</li> <li>• Input firms work with aggregator and bank to increase access to input credits for farmers</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms work with farmers and banks to improve understanding of credit</li> <li>• Input firms work with banks to educate farmers on financial planning and savings</li> <li>• Input firms work with mobile money providers to become agent</li> </ul>	<ul style="list-style-type: none"> <li>• Provide info to banks on delinquent farmers</li> <li>• With aggregators and farmers, create incremental payment plan for input packs</li> <li>• With mobile money providers, increase electronic transactions</li> <li>• With mobile money &amp; banks, organize agent-level electronic transactions</li> </ul>	<ul style="list-style-type: none"> <li>• With mobile money providers, market urban to rural remittance providers</li> <li>• Work with banks and mobile money providers to have a range of electronic financial services available through input store</li> <li>• Agent level sales over 50 percent form e-transactions</li> </ul>	<ul style="list-style-type: none"> <li>• Input firms work with financial organizations as part of local value chain network</li> <li>• Vast majority of community input purchases are electronic transactions</li> <li>• Credit drives sustainable growth in the input industry</li> <li>• Savings plans are common to pay for input investments</li> </ul>



<p>Benefits</p>	<ul style="list-style-type: none"> <li>• Input providers gain access to new market/ increase sales</li> <li>• Input providers understand needs of community and can tailor products/ promotions</li> <li>• Input providers generate sales through promotional events</li> <li>• Communities access products at more affordable prices</li> <li>• Smallholders access information on improved farming practices</li> </ul>	<ul style="list-style-type: none"> <li>• Input providers gain access to new market/ increase sales</li> <li>• Input providers understand needs of community and can tailor products/ promotions</li> <li>• Input providers generate sales through promotional events</li> <li>• Communities access products at more affordable prices</li> <li>• Smallholders access information on improved farming practices</li> <li>• Input providers build trust by investing in farmer at farm level</li> </ul>	<ul style="list-style-type: none"> <li>• Input providers increase revenue through bundling of services</li> <li>• Agent improves knowledge through trainings</li> <li>• Smallholders improve crop management through purchase of sprayer service</li> <li>• Smallholders selling multiple crops per year throughout the year</li> <li>• Increasing % of input provider sales coming from smallholder market</li> <li>• Increasing % of input provider smallholder sales coming from services</li> <li>• Trained agents generate word of mouth in new communities</li> </ul>	<ul style="list-style-type: none"> <li>• Input providers increase sales through pre-paid, bulk sales organized by agents</li> <li>• Input and spraying service providers access financial services</li> <li>• Input providers increase sales through broader agent networks</li> <li>• Input providers increase sales during post-harvest season by bundling services</li> <li>• Smallholders increase production through improved access to products and services (yields, quality, consistency)</li> <li>• Buyers and brokers increase income when their smallholders use improved inputs and 3<sup>rd</sup>-party services</li> <li>• Input firms generate increasing percent of chemical sales through service platform</li> </ul>	<ul style="list-style-type: none"> <li>• Agent networks widespread</li> <li>• Certified SPs generate sustainable income from service provision</li> <li>• Increasing % of certified sprayer service sales from smallholder market</li> <li>• Smallholders have widespread affordable access to products and 3<sup>rd</sup> party services</li> <li>• Smallholders improve production through upgrading farming techniques</li> <li>• Buyers improve supply chain efficiency (yields, quality, consistency)</li> <li>• Business efficiency improved through use of ICTs</li> </ul>	<ul style="list-style-type: none"> <li>• Smallholder widespread access to products and services</li> <li>• Smallholder yields reach minimal international averages</li> <li>• Smallholder soil quality is stabilized</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced transaction costs by using a different business model</li> <li>• Input providers achieve sustainable market growth/ growth in business</li> <li>• Smallholders increase income</li> <li>• Smallholder production increasing % of agricultural output</li> <li>• Smallholder market stratifies into wider range differentiated between domestic and international markets</li> </ul>
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# ANNEX III: SAMPLE INTERVENTION TABLE

Intervention Description	Who – Local Actors	Who – Project	What	When	Why
1)					
2)					
3)					
4)					
5)					

Explain the intervention in terms of:

- **Who – Local Actors:** Which actors are involved and what are you trying to get them to do/learn/change?
- **Who – Project:** Who in the project team will lead the intervention (e.g., field staff, project manager, technical expert)?
- **What:** What are the resource requirements and what would the local actors be expected to provide? What would be the most the project should contribute for it to be both worthwhile and sustainable?
- **When:** What would the timeframe be for conducting the intervention or interventions (e.g., 2 weeks, 3 months, a particular crop cycle)?
- **Why:** Explain the outcomes should the local actors follow the manageable steps pathway to more competitive behaviors and relationships. The “why” has to be described in terms of a vision of sustainability.