



MPEP SEMINAR SERIES

Exploring Frontiers in Inclusive Market Development

Market Systems Innovations – From the Field

Presentation Transcript

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Speaker 1: Good morning everyone. Welcome to the sixth MPEP seminar titled Market Systems Innovations from the Field with Margie Brand. I'll have Jeanne Downing introduce our speaker.

Jeanne Downing: Good morning everybody. I was trying to remember when we had our first seminar, 2005, 4, I can't remember. Margie has been here before. But anyway this morning is a special morning. I wanted to begin by talking about some of the things that are happening with the new assaid. And that is that this seminar series has since 2005, 4, whenever it is, focused on value chains. And increasingly we are thinking instead of value chains, about market systems.

And one of the reasons we've been moving more toward a systemic approach is because we've understood that value chains are often related to one another, that households, decisions to invest – I see Gary Alex, he's been saying this for a long time, that household's decisions to invest in one value chain are related. I think also, we understand that actors, value chains and different functions in the value chain are interconnected, that cultural issues are influenced the way people make decisions that gender issues influence it, that political economy, all of these things and with our resilience work in the horn of Africa and the Sahel, the natural environment obviously has a huge impact on how market systems operate.

So one of the reasons I wanted to introduce this shift in thinking around systems and toward a systems approach is that we've recently signed a memorandum of understanding with DFID, the British Department for International Development and SDC, the Swiss Agency for Development and Cooperation to work collaboratively on market systems, which DFID and SDC have called their market systems work, making markets work for the poor.

We called ours value chains. We've talked together about can we embrace a market system's title that we all embrace and really begin to think of how we can invest collaboratively, learn collaboratively both in the field and centrally. So we're really very excited about that and we think DFID is on the phone on the webinar today. And in, to celebrate this wonderful MOU we have, are featuring today a DFID project in Kenya focused on market systems. This is a project that is being led by our thought, the thought leader of our collective community practice, Mike Field and Margie is going to present – Margie Brand is going to present this project.

Margie has worked with us on AMAP, under AMAP for many years. Margie has, Margie, Margie has worked within U.S. Aid. I think she's very well known for her training and capacity development work. She worked with us on value chains under AMAP. She's worked with

vulnerable populations under or field LWA and with SEEP and of late she's been working with Mike Fields' DFID project in Kenya on – which takes a market systems approach. So with that I'd like to turn it over to Margi.

Margie Brand:

Thank you Jeanne. I'm going to be sharing learning from the market assistance program in Kenya today and I'm going to be looking at how various project activities and various innovations are being used to drive inclusive growth through the market system and exploring a little bit on what is the project learning, what have they understood about the market system and what are some of the innovative solutions that they've been exploring, learning from and trying to put in place. The project is very vast and so today I'm going to be drawing on one specific component to focus around and I'm going to be focusing on the retail agricultural sector and how that is being used to drive systemic change at different parts of the system.

Inclusive growth is a key focus of all the project activities and this implies growing the market system to become more competitive while including the very poor and poor producers and extending benefits down to the poor. As an overview, the market assistance program is funded by DFID as Jean mentioned. It is a program that is implemented through Adam Smith International and run through the Kenya Market's Trust, a local entity based in Kenya. The project is running for approximately six years. It's in its second year of operation and there's approximately \$30,000,000.00 allocated to its project activities.

Mike Field, as Jean mentioned, is the technical lead on the project. Many of you are familiar with Mike Field. He used to be based in Washington DC with U.S. AID and has worked in many areas of Africa and beyond since. Mike is actually on the floor with me today. He is on the phone and he is going to potentially be interjecting as I speak to add greater depth of understanding and clarity and also he's available for the question on succession at the end. So you could imagine Mike being up here with me.

The Kenya Markets Trust works with several organizations on the ground and the – they work with several partner organizations on implementing this project. I'm with Eco Ventures International and we've been fortunate to be working and supporting this project for the last few years. Their product activities are focused throughout Kenya. They started with a focus in the Nyanza region in the western province and are slowly, gradually extending throughout Kenya including in the Andrian arid regions up in the north of Kenya.

The overall objective of this project is to support their smallholder farmers and the, both in terms of economic support and other support in changing the livelihoods of smallholder farmers and therefore focuses predominantly on the agricultural system in Kenya. Some of the specific areas of focus are both in food crops and cash crops. Cash crops such as cotton and perhaps more recently such as sunflower and also focusing on crops such as sorghum and other areas as well as cross cutting areas such as the area of input supply systems overall and how those feed into supporting the agricultural system in Kenya. The project also focuses on areas such as dairy, livestock agriculture, also in water and many areas but as I said, I'm going to focus specifically on agriculture and the input supply in retail system within agriculture.

I'm not going to be speaking a lot about the monitoring and evaluation components and you may have had questions about this at the end. I do want to point out that the SEEP network is actually doing an in depth case study on the systemic M&E components of what is taking place in this project. And there will be several workshops and discussions at the SEEP network conference this year on that if you want to find out more and a case study which will be published soon.

So today we first going to look a little bit at what do we understand by the systemic change that we're trying to aim for within the project activities and then also look at some innovative project activities that are actually taking place. So just looking at a very basic structure of the agricultural system, with small-scale producers in the middle and the input supply system feeding in from the bottom and the buyers taking and purchasing from the top. A large part of the project activities are focused on driving inclusive market growth to their system. So what do we mean by this? At the input supply level this may mean looking at or changing attitudes and behaviors from a product centered approach to me more focused on a customer-centered approach. The customer in this case would be the small-scale producer. So it's taking the focus and switching the focus to be at a – switching the focus to be more at a small-scale producer level.

From a buyer perspective, from the buyer perspective this may mean rather than a traditional trader center approach, for buyers to start operating from a more supply-centered approach. Now what does all that mean? If you look at what – if you think about the current system and if you think let's talk about the input supply industry. There's really little focus on the customer. There's very little focus on the smallholder farmer.

If you had to speak to an input supplier and say how many people in a very rural area are you supporting? And I'd say, "Well actually I don't know if those people really need inputs. They don't have a lot of money and it's really expensive to reach them. We can't really go there. And it's

just that's not a focus. If you do ask them about how many units are they selling and what's the cash flow through their business, that's the interest area. And but very little focus on that customer orientation, much more on their trader function. And the same goes for the buyer level.

So at the buyer level there's also a lot of focus on okay, how much are we purchasing? How much are we selling? But less focus on well, let's try and understand what's happening down our supply chain. In many of the buyers we speak to are saying things like well, I don't know, you know it's kind of just frustrating. These producers, the farmers, they just, they're unproductive. They're not really – they don't have the quality we really need. You know this kind of system is broken. There's not much we can do. We just kind of have to live with what we've got. And there's definitely not incentives to try and invest in that level 'cause there's not really understanding of what's happening.

There's very little information flow from the buyer level down to the producers and very little information flow even from customers that are buying from the input side. And what the project is trying to do is to try to change that attitude and that behavior. And trying to change the attitude and behavior so that the various firms in the system can start focusing on your smallholder farmer, can start focusing on customers or suppliers and in that way change how the system is operating so that the system can actually start growing and becoming more competitive while benefitting those entities in the system. At the moment there is no business case for that to be taking place or they're not seeing the business case for that to be taking place.

Let's look at an example. Here is a typical input supplier and this input supplier is currently thinking about product. They're potentially making sales. Those sales are one directional, it's just a once off sale. They're focused on cash flow through their business. They focused on how many products they're selling and they're really making no investment in the customer per se. Their focus is more on you know whether their customer comes back or not for repeat sales is not of major consequence to them. It's more about volumes going through the business, the trading function.

Many of their incentives for actually growing their business are driven by the social networks, the family and friend networks. So as an example I may make money from my business because then I can hire more of my relatives and my vision of success is am I keeping my friends and family happy? Am I hiring more relatives? Am I being seen as in good standing in my social circles? It's kind of even, I've got an incentive to maybe keep that group rather small rather than expanding widely and expanding too much. And there's definitely no signal or structured feedback from my customer base from other elements of the market. A lot of the

feedback that I'm getting, a lot of the signals I'm reading are from that more closed social political friends and family network.

Part of what the market assistance program is trying to change is to lead to something that's more of a what we're calling a customer focus network. That is a farmer, not a little devil with a fork on the picture. And part of this is recognizing that a lot of that attitude or behavior shift, and I'm going to use sort of an input supply yeah, but we could be talking about anyone in the marketplace. It's focused more on how do you build value for that business entity? How do you build a value, brand value, value for that business, grow that business so that it's based on, it's based on the number of customers you have, based on the number of customers you've captured as part of the system.

It's based on what your offering is to a select group of people. It's focused on capturing and retaining customers where you are managing your growth vis-à-vis your relationship with the kind of customers that you have. If you think about a retail system in many first world country contexts, a lot of that has to do with building relationships with a certain customer and understanding what needs and wants are. It's working in the same way. It's incentivizing that business owner to invest in growing the value of their business, not just the throughput, the number of sales made through the business.

And where the business earner is starting to get signals and feedback loops, from customers and from the commercial networks, not from the family and friend networks which is traditionally the case that we're seeing. It's not a bad thing but it's not – that there's nothing in that system. If your feedback loop is from your friends and family, your social political network, what's happening is there is no incentive to drive inclusive market growth. If you start focusing more on your customer side, then you're starting to have more of value in terms of seeing well we actually want to draw more of these people in. We want to add more value to them.

Our customers they say the poor small-scale farmer, we start seeing them as a customer we start seeing the value of serving their needs or bringing them closer to us or being able to serve them. If we were a buyer we'd be doing the same thing and seeing them as suppliers. Because suddenly we'd want to bring in more of the suppliers. We'd want to understand what they're doing. We'd want to make investments in suppliers that we saw as less risky and we'll talk about how the project is determining and buying down risk so that or even I'm creating situations where whether it's buyers or input suppliers are seeing it as less risk to be able to invest in farmers that are potentially better than others or are customers that they see as being more valuable.

What the project has realized is that within the input supply component of the project, that working through the retail systems is the greatest where they'd get the greatest leverage or change. And so a large part of what we've been doing is using that retail system to change behavior and attitude in the retail system that then has ultimately a systemic ripple effect through other parts of the market system which we're already starting to see because firms are starting to change their behavior. They're starting to make decisions around investments based on an evidence base of what's happening in the market or what customers are wanting and needing. And a key part of this whole piece, and you'll see this when I'm going to come to talking about some of the innovations in the activities that are taking place, is focusing market systems and strengthening, putting processes in place so that there are explicit and implicit feedback loops or signals from the customer base in this case or from the suppliers in the case of buyers.

So what you're doing is looking at what is it that you're doing well or what should you be doing in terms of your business because of signals that you are receiving, in this case an input supplier from your customer base. In other words are people, what are people wanting, what are people needing. What are – are you working effectively 'cause more people are coming to purchase what you need, purchase from you or are they moving to a different area. Are they moving away from what you're doing? So it's a lot about signal based and feedback loops. At the moment with a one directional transaction there are no signals that you can draw from. You're not focusing your business on the value that you're actually creating for others. You're not focusing on your brand or business value and where you would be investing. And so a large part of the activities are focused on trying to get your information back up, your signals back up on those green arrows that are going back from your – in this case the rural farmer and back up to your retail set. Whereas traditionally that is not being a focus, it's not being a driver and the retail sector is probably is also felt that they have no idea how to even stop that process. And your retail sector yeah may be your large-scale input supplier providers. It might be your smallest scale agri-vets, agrodealers who are selling fertilizers, pesticides, seeds, equipment providers in the system, people that are doing other types of support industries, people that are testing soil for example, it might be insurance providers and a vast number of entities.

So what I'm going to focus on is looking at the ag retail system and letting us – and sharing a little bit about what are some of the constraints and challenges that the market assistance program is recognizing within this system and what are some of the activities that are being put in place and tested around to address these. So some of those, and I think many of these we might feel that we're very familiar with. Some of those have to do with poor access to input. So this is looking from a _____ farmer's

perspective. And maybe they have very poor access to inputs. Maybe the inputs aren't even available in rural areas; they can't access them at all. Maybe they are not really getting support, good technical assistance on how to apply inputs, which ones are most relevant to them. Maybe they're going all the way on a bus into the more urban area, spending a lot of money to get there and describing the problem on a farm and actually they're not describing the right problem.

So they get an input which they think doesn't work and they lose all trust in the system. They're not going to buy any more inputs because it didn't work but actually they didn't describe the problem correctly. Or maybe they described the problem correctly but the person behind the counter wasn't really listening. And so they were giving them the incorrect thing in the first place. And so there's a lot of low trust. There's people trust sometimes for, low trust for legitimate reasons and sometimes not self-induced. This often links to the fact that the actual agri-dealing system has a very inefficient distribution process or distribution system. They're not in rural areas, they're not efficient in distribution; a very key constraint there.

We also recognize that low-income producers are often limited resources, so they don't have a lot of resources available. It's very high risk for them to invest in inputs in the first place. So to be able to buy something you don't have a lot of money to do it, is a very high-risk activity for you. And so we're going to look at what's the project doing to address this as well. And there's also very little information flow. So farmers often don't know what is it that we are needing to grow, what is it that we need to do better, what is the end market really want. So there's very little information on what the end market is wanting let alone any other parts within the system.

There's also often very poor quality suppliers. From the farmer's perspective, maybe those agrodealers are not very high quality in the first place and maybe the inputs they're selling are not very high quality or not actually evolving as the system evolves. And the farmer in all levels is unable to really influence that. There's really no power lying at their level. The power is very much at the retail sector level rather than at the farmer level. And one of the challenges then in terms of the agrodealer perspective is that there is very ineffective feedback mechanisms or signals from that system. Often from the farmer's perspective things are out of stock. So maybe there's not – they're not there anyway. Maybe their inputs have expired and so from the retail perspective you know this often is coming from the fact that there's very ineffective inventory management systems in place so that's a key constraint.

There is also often low trust, weak relationships. We've often seen that. I'm sure we all have in many contexts and from the retail perspective

there's no loyal customer base. I mean there's just – that relationship doesn't exist. We also recognize that there are other factors that are challenges in the system and these are sometimes fall a little bit beyond what an agrodealer can change and is in control of. There's often very poor quality training directly firms that are operating in the input supply industry and I'd say within the buyer's side as well.

And there's often unskilled staff, not very good training in the system in terms of you know you're not getting staff coming through academic institutions that you've got a large number of good quality people to choose from so often not very high quality experience to feed into the system. And there's very little feedback loop, if any, back into training organizations or academic organizations or institutions rather to say this is the kind of skill we need. This is what's needed to really grow the sector overall. Can see how that's a key systemic issue.

There's also a challenge where your inputs are low quality overall or maybe they're slow improvements in terms of – and very little investment in research and development in terms of the kind of inputs that are most relevant to the sector. There's also issues you know when you're talking about many environments where there's maybe a lot of discourse, there's a lot of mistrust, there's corruption but you're looking at a system where there's very little recourse. There's very little system for recourse or opportunities for mediation, of conflict and ways to resolve conflict in that area. Very key challenge.

Often they're often unstable buyer markets. In some of these markets there's set prices and there's ceiling prices that get set in different areas and maybe these aren't being set in a way that's particularly thoughtful and relevant to the market. And they're also very weak feedback mechanisms in terms of always cross checking mechanisms to check on what is the private sector doing, what is the public sector doing. So there's very little accountability and ways to be holding that system accountable. So if we worked only on some of the areas across the top, there'd still be a lot of challenges sort of at the systemic level and some of these challenges at the bottom that really allows the system to continue to grow. And for this reason the market assistance program is not focusing only on the retail system within agriculture but also in many other – into supporting systems.

Some of those are such as looking at training and capacity delivery, research and development, the regulatory system, the policy system very important, the media system and I'll talk about some innovations there. So what I'm about to do and once again this is a snapshot of some of the activities that the project is involved in. There are others and this is focused more on the input side and there are a lot more on the buyer side

and other components. There – I'm going to talk about some of these and just talk about some of the innovations that are taking place.

Addressing the issue of access to inputs and how do you really change the behavior of your input supply retail sector to be addressing actually any of these constraints so I really want – as I talk about this, keep on thinking about what is the incentive for those firms to change the behavior and change the attitudes so that they start focusing on the customer or if you – it was a firm base they start focusing on their suppliers. That's really key to understanding the system change because that's the only way the system is going to have feedback loops and the power is almost going to start lying a little bit more in the hands of the small scale farmer or the hands of the customer which it really doesn't at this stage.

So let's choose something to focus on. I'm going to start at the sort of, one of the first ones here. One of the areas that the project has done has been pretty innovative is to work with agrodealers to be able to realize that there is value in going to far more rural areas. They might be working in a pretty rural area but they can go in, they set up rural promotion days so that the agrodealer actually finds out what is the – you know what is a day, sort of half day on Wednesday, everyone in this very rural area comes together and there's a market day and people in even more remote areas all come together and people are buying tomatoes and maybe a bucket is available or you know something, some kind of day where everyone gets together.

And the project has been working with the agrodealers to set up promotional stands at those days. Agrodealers have never really left in most cases. They're agrodealer shocked. They've never stepped out from behind the counter in the first place. Now you're telling them to go to a rural area and set up a stand and you're going to be demonstrating to farmers what your products are and how to use them, very new thinking.

So in a very interesting decreasing, cost subsidy way and initially transport was funded was supported by the project, the agrodealers are demonstrating products. They're sharing information 'cause they're sharing technical assistance on how do you use this. They've got demonstrations happening. They may even be running promotions. Now why is promotions useful? Promotion's great retail strategy that maybe they hadn't thought of implementing before but very useful to a rural farmer who doesn't have a lot of resources because it's much less risky for me to take something that I can get at a reduced cost, maybe even free because it makes business sense for the retailer to use it as a promotion that I can then start accessing something to use it immediately.

So you've got promotions happening, it's directly linked to the low risk piece that's linked to people trying something out, not having resources to have access in the first place. You've got information sharing. And suddenly you've got retailers who on the ground are investing on well, let's buy a truck 'cause we see this as so valuable. We're selling out every time and we've got so many more orders for the things we're selling; now we're buying trucks. We want to actually do this more.

Let's go and find other market days as you've got other retailer saying let's see what – we're seeing what other people are doing by stepping out from behind these doors and going to rural areas and it makes sense for us. Cause if we're to go to individual farmers it's way too costly for us. But if we're getting all these orders in one location in one point of time, you're taking away that challenge of the high cost of doing individual sales. And so suddenly you're actually interested in being able to reach out and drive – suddenly you're putting much more value on those customers and it starts making a lot of business sense.

Another interesting piece here is strategic alliances with other retailers. Because part of what you want to do is maximize your use of different distribution chains through the system. And so the project has been doing a lot of introductions and I'm building, strengthening the capacity of other retailers in the system where other support entities within the system so that they can actually partner in interesting ways. An interesting one is soil testing so the project is looking at a soil testing facility, has worked with them on how to cater down to be able to offer soil testing services to individual farmer level. Very useful for a farmer to know what soil they have 'cause they know what inputs they need or don't need and they might even be able to do something themselves without using up as many inputs.

But what you're doing is you're working with for example an agrodealer who has got an envelope. And the envelope gets sold to a farmer who then takes the envelope and fills it with some soil, brings it back to the agrodealer at the market day or wherever they are. Agrodealer takes all 500 envelopes, sends them off to the soil testing facility which makes sense for them now that they can actually – the soil testing facility can – you know getting something in mass can now cater for individual small scale farmers and they either can SMS back the result of the soil testing or they can transfer the information back to the retailer.

Suddenly your retailer, your agrodealer is getting more of a relationship again and there are farmers coming back to get their soil testing may buy another input so for them it makes business sense to be able to do it. The farmer's benefiting because they get more information. Very interesting partnerships. Same is happening with different crop insurance – weather

based insurance providers and sort of interesting pieces being – some of those being explored.

Another example here is using a village agent model. So having the project is been working with agrodealers to share the idea of setting up village agents and for those that are interested, working with them and strengthening the management of a system like this where they work with village agents who are trusted and respected by the local farmers coming from their community and setting up models where those agents can actually go to rural community. They can go and see someone's land. They can see this is the problem. They can take back that – they can say, "Well we've actually got technical expertise this is the kind of input you need. Let's take your order." They are bulking those orders and so suddenly when you're bulking an order and you're going back to the agrodealer it makes sense for that agrodealer to have been catering for smaller scale farmers, working on a commission basis of some kind.

And so suddenly you're actually able to extend into rural areas. Your farmer is getting much more relevant technical assistance. You've got – you're overcoming sort of the challenge of dealing with individual sales because you're able to bulk sales. Often at that stage you're also able to bundle the sales with something that is part of the strategic alliance with other retailers. So you're able to build in a lot of these tactics. Once again the customer becomes very important.

Let's move to talking a little bit about maybe some more of those factors that are putting the customer in the forefront. I'm going to jump to the sort of third tier of examples. It starts with SMS customer surveys. This once again is looking at some of those poor quality agrodealers. If someone's not operating well in the first place what do you do? And if they're – the farmer's unable to influence that or the customer from that perspective is unable to provide influence, some of the innovative things the project is doing for example, SMS customer surveys, the project's been working with several SMS based firms in Kenya strengthening those on how do they adapt their products and services to more of a SME market that's relevant to the ag retail sector so that they can start – an agrodealer for example can start collecting cell phone numbers which farmers often have access to, either their own cell phone or 20 people share a cell, access to a cell phone whatever the situation may be. And they are able to start interacting through this.

They can do basic surveys of their customers so they can get feedback. They can also put out promotions through that system. So if they know harvesting is about to start for a particular crop, they can say, "Well come and purchase from us now from your – you know we'll be at this market, this promotion day in a rural area, this market day promotional stand. You

know we have a promotion on this.” Makes business sense for the agrodealer because they can sell more volumes. Makes great sense for a farmer because they know what kind of input they should use when. They’re getting that information flowing through the system plus they potentially getting it at a discounted price because it’s on promotion. So it’s helping them with the pricing low resource piece. So an interesting learning that’s coming from I think from that particular perspective.

Another interesting one here is mystery shopping. So mystery shopping which you may know for example in United States means someone goes into a Starbucks. They don't tell the people they're actually there doing research. They act like a customer. They see, they take note of what the place looks like. They take note of how they were treated and then Starbucks ultimately gets a sheet back saying this is the feedback we're getting from everyone that has visited your store and Starbucks can make improvements accordingly.

The same system is being implemented in rural retail stores in Kenya. So we're actually, the project has been working with mystery shopping organizations in Kenya strengthening what they're doing and – because not all these firms just exist out of nowhere right? So a lot of what the project has to do is strengthen the firms first before these partnerships can be made and these connections can be made. So they're working with a firm strengthening what they're doing and helping them to adapt their offering to the SME market, to more of your retail agro market and also be able to not only adapt to this market but you know how do they – how do they understand that market? How do they adapt their products and services for that market? That's a really key piece.

As that is happening and even to have a conversation with SME's in that market, that's a new piece. As that's happening they're stimulating interest through the retail system, the ag retail system, the agrodealers on how might they be interested in implementing mystery shopping type concepts. So that suddenly the agrodealer is getting a you know, contracting a mystery shopping firm at a cost that makes sense because they've worked with the mystery shopping firm in how to adapt their products and services in a way that makes sense to the SME market. They're getting a report back saying, “Well from a customer perspective this needs to improve, this wasn't clear.”

Sending those signals and that feedback is coming through and that way it's pretty explicit feedback. And they can start changing what they're doing because of the feedback in the market. They're starting to see their business and their brand in a different way. So very interesting pieces there and it's all about signals and it's all about making the customer the one that's driving a lot of this which is the small-scale farmer. So we're

really changing a lot of what's happening. If this can happen in the retail system and like the intention is to then reverberate as a demonstration and the retail system to reverberate other sectors and entities, it can really have much bigger system change.

I'm going to jump to another one which is called software application. So this is something we often think software application, of course. The key here and this is talking about a critical constraint about it being out of stock, entities not running well, the whole issue of inefficient inventory management. So something that the project did was say, "Well you know it would be really helpful if some of these stores, some of them have very basic computer systems. System is a stretch.

They have a very basic computer and part of what they're doing is if they had some kind of computerized inventory management, maybe it's even something that can work on a cell phone; maybe it's on a computer. It would really help that store to work especially if they've got maybe two or three other stores that are connected. And part of what they're looking at is how do they find software that's relevant to them? So the project's been working with ICT firms in Kenya to allow them to understand the SME sector to start driving their interest in that sector and adapting their products and services for that sector so they can channel through into retail in the ag sector. You know basic things.

Like one guy said recently, "You know all we did is," he said, "I actually got on a motor bike and I went to a rural area of Kenya. I'm Kenyan but I've never been there. And I realize that all I needed to do to make our software really relevant was make it so that you didn't have to be online the whole time. All you had to do was be able to use this and go online once a day and would channel everything through the system and you'd get your readouts." He said, "We could program that in a second. We just didn't know that's what we had to do." So very basic changes so you can start shifting the firms in the sector that are support firms to start thinking about how do they change their products and services that they can provide to your agrodealer sector to really make a difference.

The other examples for example, other examples for example, there going to be many other examples coming then right? Looking at things such as building up loyalty clubs, this is just – the project's just started exploring this, is how do you build up loyalty clubs so that you actually starting to capture your customers as a base which adds value to your business. If I know that I have got your cell phone number and you're part of a loyalty club and I'm extending promotions to you, that means my business is growing in value. My business is growing in value because I'm bringing all of those customers with me and I'm generating repeat sales from those

customers and I'm being driven by – I can actually adapt by what those customers want. They still challenge us.

You know we spoke in the beginning where we spoke about a lot of this being driven not by customers, not by signals from the market but rather by my interaction with friends, family, my political social networks. So an example, coming back to the ICT software piece, one of the agrodealers says “Great. You know actually you've convinced us. We're going to be changing the system. We're going to be implementing the ICT inventory management but it didn't work well.” It worked terribly because suddenly they found out that actually it was relatives that were running all the different stores and these relatives didn't actually want something that would be tracking a little bit of what they were doing in that system. And actually maybe it wasn't the manager didn't actually own the company, his wife did and was all her relatives. And so he wasn't going to step on toes.

So a lot of these pieces come out to say that often it is really your social and political networks that are driving growth and driving your signals and constraining and how do you start setting other pieces in place. A few other examples, looking sort of at some of the key supporting systems, the projects working with private sector training providers, it's working with universities and starting to look at how to start SME training courses. One of the university's actually going to start an SME institute so they could actually reach out their universities and training institutions that are based in rural areas. So they're doing ag training, they're right there. It's setting up, looking at how to set up systems where SME's your retail agrodealers can start feeding information back to those training institutions on what is most relevant to them.

The project's doing a lot of work on aligning those institutions to start understanding their audience, start understanding how do they read signals, how do they have meetings. There's a conservation agriculture courses being introduced through certain entities so that there's good quality training that can happen throughout the system and looking at student internships within the ag sector, within agrodealers that whole issue of low-level staff being available. So you're kind of upping the staff level, you're creating interest in some of the what's happening in that ag sector. There is agriculture training happening, SME training, working with research and development firms, so some of the major research and development entities in Kenya looking at seeds, different kinds of inputs that can feed into different sectors so that when you're channeling the inputs through the system, whether it's different types of hay for dairy or different types of seeds for cotton or whatever it might be that you've got quality feeding through.

Setting up for example the challenge we spoke about meet – you know there's often no system for recourse if there's corruption that happened or a conflict that happened in the system. And so I'm looking at setting up mediation systems and training people as professional mediators that can be called on in the sector and working with some of the sort of development authorities that oversee different sectors or different crops for example and working through them on how do they bring in and get trained on mediation so that's not just a stick, let's stop things from happening but they rather can act as sort of this mediation function where that's most appropriate, often at that first step. Looking at some pricing support, support around procurement, whatever it might be more at a government level where that affects different components of the sector. And maybe the last piece I'll speak about which I think is fascinating, is a focus on media.

So the project is actually focused on – has media as one of their main areas they focus on staff or hire specifically to focus on strengthening the media sector. Media that's most relevant in this case is radio, radio reaching rural areas, small-scale farmers, but at the moment I'm radio operating what's called a pay to play system, so you know, you want to be able to – you're a private sector firm. You want to be able to give money and you say to me as the radio station, "Well actually I'm going to pay you and I want half an hour slot. I'll decide what, the private sector will decide what goes into that slot and they'll give the message."

So there's no accountability to the listenership right? There's no one really cares what the message is that's going out. The radio station just care about getting money in, getting ad revenue. And so it's really working with radio stations throughout the country to be able to change that mindset of saying how do you take control of the messaging that gets extended to your listenership. And so how do you then find sponsors to support that messaging?

What that's doing is it's allowing a channel for accountability by an information to feed through from your listenership which is often your smallholder farmers or other entities. So they're able to feed through and say okay, this is a program about this method of doing something or this is a program about this equipment that's available or this is a program about input supplies in general and they go out and interview people and they get people in the radio and they're saying things and they're interviewing and they're calling out systems that aren't working. They're saying, "This is not working." We're seeing this in this area. This isn't an issue.

So suddenly your radio system becomes really important in that overall market system change because what you're doing is you're using it as a voice for the listenership, the voice for the people rather than something

that's just being driven by ad revenue. So large, very, a key sort of mindset shift and change that has to happen in that space but something that's really, really effective in being able to drive change through the system and being able to once again if you come back, if you think about what we were speaking about in the very beginning, is this is all about creating a ripple effect through the market system where you are starting to focus back on your small scale farmers. You're focusing back on your small-scale producers. How are they able to provide an implicit and explicit signals or feedback into that system which ultimately will drive growth of the system overall but drive growth in an inclusive way where you know that small scale, poorer or rural farmers or other producer entities are able to drive along with that growth and they're able to be pulled in and to benefit.

And I think that's one of the really key messages for myself in terms of being involved in this project. I think a big light bulb for me was how does everything drive the change of behavior and attitude for different firms in this sector so when any of the systems that are being worked in so that those entities that we actually want to benefit are a critical part of driving the growth. Because if there's no market incentive or mechanisms in place for them to do it, the sectors will grow or they either won't grow much or they will grow without it being inclusive growth. So with that thank you.

