Driving Organizational Change: Taking the Value Chain Approach from Principles to Practice

Presentation Transcript

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Presenter:

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Female: Good morning. Thank you so much for joining us this morning for the breakfast seminar. We have about 30 people that join us online from different countries, so they will be participating with us, and I would like to introduce Dr. Jeane Downing. Thank you.

Female: Good morning, everybody. I'm really happy to have Mina Shahid here today from Engineers Without Borders, and Engineers Without Borders has been working with us under AMAP on facilitation.

People like me talk about facilitation in a very conceptual way because I've never actually been in the field to do it, and what Mina and EWB have been doing is really discussing how do you turn facilitation from a conceptual idea into something – into action on the ground. And in particular, what Engineers Without Borders has been tackling is what kind of *[break in audio]* management and organizational is needed in order to do – in order to facilitate value chain development.

So and, also, Engineers Without Borders has done a number of documents for us. I think you'll see them online if you – when you look at the posting, but they've done a number of documents about roles, about organizational change, about management, tools that can really help organizations manage organizational change in order to do good facilitation.

So, with that, I'd like to turn it over to Mina.

Male: Just flew in from Ghana yesterday, so I'm a bit jetlagged after 30 hours of flying, but it's great to be here, and I'm excited to chat about this because this has been our focus over the past about seven years looking at different agriculture, value chains projects and how they are doing market facilitation.

We focus primarily on improving the facilitative approach of market facilitation projects which means that we don't have the implementation pressures to deliver project results from indicators. We look primarily on the internal operational capacity of market facilitation projects and ask the question, "How do you turn market facilitation principles into practice?"

And we work with market facilitation projects to understand the systematic constraints that are holding projects back from doing facilitation whether that be rigidity of project design and the way contracting works, the cycle of low investments and staff capacity which often results in a lack of conviction amongst project staff in market facilitation or how the role of middle manager plays into doing market facilitation well and how pressures donors affects short term, unsystematic change.

So today, I'll talk about – let me – before I move on, let me just go here and break this down a little bit more as to what we do. We focus on field staff capacity, so whether that's doing orientation training and bringing people up to speed on what market facilitation actually is and how to do it well or whether that's introducing new frameworks that could be used in the field to do market facilitation.

We work with knowledge management within projects. So creating processes for knowledge sharing between project management and the field like weekly learning updates or discussions or quarterly review meetings. We work with monitoring and evaluation teams to try and turn M and E into a learning tool as opposed to just a reporting tool for donors. We work with how to improve systems' thinking amongst market facilitation staff, and this is a very critical thing when dealing with market facilitation because market facilitation is inherently a systemic change process.

And we work on making facilitation principles actually embedded into project strategy, such thing as how do you ensure that, when designing your project, you're taking into consideration ownership amongst business model changes. For example, we have a staff currently working on the USAID LEAD Project in Uganda who has gone through an analysis of what it means for input dealers to take ownership over the business model change being promoted by the project.

At the end of the day, these are some of our current and previous partnerships. Current, in Uganda, we're working with the USDA Rain project which is being implemented by Mercy Corp and USAID LEAD Project which is being implemented by Tetra Tech ARD. We try to publicize as much as possible, our learning, and we have nine contributions on the Microlinks site including two of our most important frameworks. One is a guide to being a market facilitator, rules and capacity guide which we use in working with projects, and the other is an organizational diagnostic which allows projects to assess, either internally or by bringing somebody else in, how well the project understand what market facilitation is and how well they are actually doing it in practice.

All of this, at the end of the day, is to get to this stage. This is a quote from a field officer who have now turned a market facilitator based on what he identified in himself from the USAID LEAD Project in Uganda.

When I was visiting him in Northern Uganda, he was reflecting on his roles and responsibilities, and he came out with this quote, "We're not field offices. We're market facilitators," even though his title is a field officer. This is essentially what we're trying to get to at the end of the day with all the work we do within organizations as projects is having the staff internalize and understand their roles as market facilitators and have them constantly think about it in their day to day activities and how that is different from doing direct delivery aid, and at the same time how is project management and how is the donor empowering staff to think this way.

So, in today's talk, I'm going to focus on the necessary foundational elements or requirements, structures and processes for effective market facilitation to happen, and I'll also share some common archetypes that we've noticed from working with over 15 value chains projects, that projects get stuck that prevent them from doing facilitation well and then some potential fixes for what we've seen people attempt or what we've seen project management attempt and what we've tried to do within projects to help get out of these archetypes.

If we have time, I'll share a practical tool just out of interest. It's really outside of the scope of this talk, but if we have time, I'll share a practical tool on creating behavior change amongst businesses when it comes to adopting new business models.

So, before I jump into the details, I just wanted to throw this image up there. This is the results of organizational diagnostics that we have done with projects that we have worked with. The vertical access measures how well does a project understand the principles of market facilitation, and the horizontal access – axis measures how well can they actually do this practically.

You see that there's a bunch of projects that are clustered in the bottom left corner. These projects are usually stuck in one of the four archetypes that I'm going to lay out to day which prevents them from doing market facilitation well or hinders their capacity. Whereas the two projects, in the upper right, have managed to stay away from these archetypes, have managed to really internalize market facilitation and best practices and are doing it quite well.
For today's talk, I'm going to work with this broad working definition of what a facilitation project is, and that is that it's nonlinear. So it's always changing its dynamic. It's learning as it goes. It exists to create win-win market systems change which means positive benefits for farmers, if it's in agriculture, and positive benefits for businesses, and it depends on innovative activities which are a result of continuous organizational learning and adaptation.

We can break that down further into what I've called substantial facilitation, so not just facilitation on paper but facilitation that actually has substance, that is doing good work, and I've said here that the foundational requirements, there's a whole list of them, but I've just chosen what I think are four of the most important ones, visionary project leader, integrated continuous learning within the project, not something that's thought of as an afterthought but something that is actually integrated into the way the project is being implementing.

A trusting donor relationship, this is critical because market facilitation is very ambiguous sometimes, and having a flexible and trusting relationship with your donor will allow you to be able to learn better, and from the beginning, the project design is good. It's done a thorough market analysis. It's done – it's identified good value chains to work in that have high potential for change and has effective intervention points.

In the structures side, I have here staff coaching relationships which means that, within the structure, staff are being mentored and coached to be able to do facilitation well. There's a little organization hierarchy, so a field staff will be learning from the chief of party, and the chief of party will be learning from the field staff. Staff are systemic thinkers. They're systems thinkers. They can look up market systems and understand the leverage points to create change and they're empowered with the tools for doing this.

On the processes side, I've put here adoptive planning, the project is always learning from what it's doing as adapting its approach effectively, and it has intentional, positive reinforcement of well-executed failures. I don't want to say the project is rewarding people for failing, but the project is rewarding people for sharing what is not working and sharing their working and identifying a clear path forward.

And this one is very critical. It has effective hiring of staff and clear job descriptions. Market facilitation projects are unique not only in that they are addressing systemic change but that they must be staffed and managed differently from direct delivery projects. We've noticed, through our work, that staff who pick up market facilitation principles really well are often people who are coming from the private sector who have never worked with a development project as compared to individuals who are coming from a very technical agriculture background who have many years working in the development sector, so it's important to have a good hiring process seeking out those individuals that are systems thinkers, that can deal with ambiguity of facilitation and can be innovative.

These – this definition of substantial facilitation really comes from a project that I was working with in Uganda, the USAID LEAD Project which has every single characteristic here, and a lot of it has begun with the project leader who is a champion for market facilitation and is a champion for systemic change and has done a lot to embed a culture of learning within the project in creating a safe space for staff to learn from failure and to redesign and to try new things and to be innovative and to take risks.

So that's where this has come out from, and it'd be great in the Q and A to have people either share some insights on this or what they think is missing from this. This is definitely not exhaustive.

So I'll jump into some of the common project archetypes that prevent a project from getting to this point. Okay? So the first one we call the Bolt-On, and as you can see, I have my window frame and my air conditioners bolted on underneath, so it never was part of the structure of the building but it was an afterthought to add into the building. And this is what happens to a lot of agriculture value chains projects it that they are never really designed to do market facilitation, but then at some point during the project life cycle, they say, "Okay. We want to do facilitation now."

Because the project wasn't designed to do facilitation at the beginning, a lot of the indicators that are required for the project to meet do not align with what a facilitative approach would achieve, and project management, in this way, is kind of stretched. They're being pulled this way, and they're being pulled this way trying to do two different things simultaneously.

In this case, the human resources often don't exist to do market facilitation well, either the staff do not have the capacities to do facilitation or there's simply not even staff. So I was working on a project in Ghana who exhibited this archetype, and they had two staff and a project manager, and they were trying to do facilitation across three regions of Northern Ghana, and it's just not possible.

And market facilitation, in this case, is seen as a static activity instead of a dynamic approach. So you look at the project and say, "Okay. Let's do market facilitation. So we're going to link up this fertilizer manufacturer with a couple of input dealers over here and then success," and that doesn't really work. It needs to be a dynamic approach as opposed to a set of individual activities that will create change.

The fix for this or what we think the fix is is that management of the project really needs to understand the extent of the desired change that they think facilitation can bring and be realistic about what they can actually do with the bolt-on situation. So the good thing with this project in Ghana was that the manager was – he was a visionary leader. He definitely saw that facilitation was going to achieve better results than the way the project was designed to do. Unfortunately, he was met with the constraints by the project and by the donor, and he had to navigate that space to be able to do something differently. And he set realistic goals and set aside a proportion of the project and some resources from the project and managed to fit it in to some of the indicators that were there to do facilitation on a very, very small scale. So realistic about what he could do with the bolt-on situation.

He also invested in the upgrading of staff capacity, so understand that staff were never hired to do facilitation, he invested in training for them on facilitation principles, and he also hired an outsider, which was Engineers Without Borders, to come and provide embedded support to the project to try and do facilitation better. And one critical thing that he did was work with the staff to change the messaging of what the project actually was from – in this case, it was from implementing farmer training on demonstration plots for improved agriculture practices to now saying, "Okay. What needs to happen within the private sector to promote farmer behavior change?"

And he brought this thinking to the donor and created conviction amongst the donor to say, "Okay. Actually, this is – this idea of systems change is more important than doing 140 demonstration plots." So he was very good at communicating why facilitation was better and was very good at being realistic about what he could do with the bolt-on situation.

So the next archetype here is what we call achieving failure, and nobody wants to achieve failure, but we often see it happen, unfortunately. And this happens when the project tries to do market facilitation in a prescribed linear way, so it was designed from day one that you would do activities one to 20, and that would be market facilitation. And you're really good at doing those activities, but at the end of the day, you just achieve failure.

In this case, the project checks off the boxes on the annual work plans, and they present them to the donor. And the donor is very happy because they're achieving all the indicators, and the project doesn't really view market change as systemic change. It's doing market change with prescribed activities that are not necessarily connected and that are not adaptive and that are not allowing for learning, and it's not encouraging staff to think systemically.

In this case, project management often believes that systemic change is too difficult to do, so it's easier to lay out what you're going to do in market facilitation linearly as opposed to doing it in an adaptive way.

We've seen here that staff may be hired as systems thinkers, and they may have the capacity to do market facilitation well, but they become – they're not empowered to do it because they are required to carry out a linear work plan as opposed to being able to navigate the ambiguity and to innovate and to be open to change and to be suggesting new things to project management. They are required to follow work plans which limits the ability to actually do market facilitation well.

And there's no reward for failing. There's no reward for sharing failure because, even if learning is happening within staff, it's not being implemented. It's not being followed up on. The fix for this or what we've seen work is one changing up some of the staff, and I'll go back to one of the foundational requirements which is visionary project leader. And if the project leader does not have the conviction to do market facilitation in an adaptive way then it's never going to create systemic change.

So some of the staff may need to either get their skills upgraded to be able to do market facilitation, or if they don't have the conviction to actually do it and the donor – as well as creating a situation where there's no incentive to do market facilitation – then there needs to be a change. And sometimes you may need to just hit pause on the project implementation. This would require strong leadership and a flexible donor or a donor that can be convinced that market facilitation is a good thing and redevelop this strategy for how you're going to implement the rest of the project.

So we saw this happen in Uganda where the LEAD Project was essentially redesigned for the last two years of its implementation, completely overhauled, new staff, new training, new strategy development which has resulted in a project that I – that we think is best in class in terms of doing facilitation and following facilitation principles.

And if you're in a situation where the donor is not really flexible, that's something that is going to be very difficult to navigate and to be able to do market facilitation well and will require some diplomatic messaging with staff about, okay, yes, you have to go achieve the work plan, but with ten percent of your time, go see what you can do with this business. Go try and do this differently and come back with what you've learned.

The next one is what we call the outsourcer. Okay? And this happens when a project is divided up into disparate parts that don't communicate either by outcome goals or by intervention areas or by value chains. We've seen this happen where a market facilitation had five different implementers, based on geographic location, who never spoke to each other, who were doing completely different things, and the project management was in the capital city trying to coordinate and make – and create an aligned strategy which is very, very difficult.

It's highly unlikely that the project can create systemic change in this scenario because it's very difficult to have cross-functional or cross-team learning happening within – in a situation where you have several different subcontractors or local implementing partners. And sometimes this is imposed by the donor. Sometimes the donor says, “Okay. You're the implementer. We want you to hire three local implementing partners to do A, B and C.”

What can be changed here is to integrate these contractors and to structure them in a way that they’re not either distributed by geographic area or by intervention area but can be distributed in a cross functional way. So, if you have three contractors who are in three different geographical areas, maybe now you restructure them and you say that, “Actually, we’re going to restructure the project, and we’re going to focus on value chains. And for each value chain team, we’re going to have one person from each contractor working on that team.” And that embeds learning and communication within the project, and sometimes, it’s difficult to do, especially the way that contracting works out, but we’ve seen this work and have very good results.

And another option is to get rid of some of the contractors and hire in-house staff, just hire staff to be embedded within the project office, who are supposed to do the things the subcontractors are doing but are individuals who are employed by the project as opposed to being employed by a subcontractor.

Okay and then the next – the last one, the last project archetype here is what we call no dirty laundry, and this is – this results in very little transparency about results where staff are not allowed to fail, and subsequently, there’s no reward for learning from failure. Everything is considered a success, especially if it’s checking off the boxes on the work plan. There’s no learning within the project and no adaptation of the approach, and the donor doesn’t challenge the results or punishes projects for failures.

We’ve seen this happen in Malawi where a project did an assessment of a training of input dealers, and a year after the training and they realized that only 17 percent of those input dealers were actually functional. And they went back to the donor and said, “This is what we’ve learned. We want to do something differently,” and the donor instead cut the project. So this is a very difficult situation to maneuver, and staff often become demotivated because there is a fear of failure.

In this case, it’s important for management to reward learning from failure and create a safe environment for staff to learn from failure and to lead by example with project management first taking the onus on their themselves to come out and say, “Okay. Well, we’ve designed this this way, and it’s not working. And we admit that this is not working, but let’s come together and do this differently.”

And to link learning from failure to creating true systemic change, how do you actually do systemic change when you are not learning from failure. So it’s important to get the dirty laundry out there and to be open with that but then to move forward and do things differently.

We’ve seen this work when the leadership is the one who steps up and says, “Okay. Since all the field officers are afraid to tell us that things aren’t working, we’re going to come out and say that we’re doing this, this and this, and it’s not achieving any results.

And I had a very interesting conversation with the field staff in Uganda, and he understood perfectly the logic behind wanting to share failures within in the project. And the project management is always encouraging staff to share failures, and they’re getting a little bit frustrated because staff still don’t want to share their failures.

And I asked him, “Well, what’s going on?” He’s like, “I fear failure. I fear failure.” And this conviction or this belief that you won’t get punished for sharing failures but instead will be reward is something that management needs to do.

In this case, as well, M and E can be brought in as not just a reporting tool but an opportunity to kind of institutionalize this learning from failure and to articulate this to the donor in a way that makes the donor think, “Wow, these people are really smart, and they’re really thinking outside of the box and are learning and adopting their approach, and it’s resulting in better change.”

So that’s all I have on the project archetypes and what can be done. I don't know how much time I’ve got there. Five minutes? Okay. So we’ll just conclude.

The biggest thing to note here is that these fixes are not single activities, but they are continuous processes. The project is not going to become adaptive and a culture of learning is not going to be created within a project by doing one thing. It’s a process, and it takes time.

And EWB, Engineers Without Borders, has experienced working on some of these, but we don’t come in as external consultants and solve the problems. We’re not hired to come in and solve the problems, but we are hired to come and embed ourselves within projects and work with an internal change champion who has the motivation, the time, the energy and the ownership to drive the process. This is the point at which we will be able to be successful, and it takes a long time, and as such, we embed ourselves within projects within a fair minimum of six months and often for a year, for two years to institutionalize proper and good market facilitation principles and to co-think and be a thought partner in how to turn these principles into practice.

So, to conclude, MF projects, market facilitation projects must be flexible and adaptable. They need to be staffed differently from direct delivery projects. Staff need to be invested and to understand systemic change. Management needs to coach and mentor staff and create a culture of learning and an open culture amongst the project staff, and the donor needs to be flexible with project plans and resource projects effectively.

At the end of the day, leadership is really key. We've – I think from the characteristics I laid out at the beginning of the talk, the – likely the largest and most important thing is the leadership of the project, and if the project leadership does not believe in facilitation or does not have the skills to do facilitation then it's going to be very difficult, regardless of how beautiful the project plan and the design is, to do it well.

So I don't think we have time to go over the behavior change framework, but if people want to stick around after, I can do that. And online, there is the resource. It's a working document that we just finished three days ago and we just put it up right away. And it goes through how do you actually create behavior change amongst target firms when you're promoting different business models, and it provides a very simple framework for field staff to use which helps them navigate the ambiguity of the day-to-day of market facilitation.

I'll leave the presentation with one last question, and then hopefully, people can respond with answers on the event page and create a dialogue around this, and that is, "What have you, as practitioners, of market facilitation done to overcome these project archetypes that prevent effectiveness?"

And that's all I have, so thank you.