Programmes adopting a market systems approach will use pilots as a method for initially testing and refining their intervention strategy. Piloting in market systems programmes involves working with an initial partner, and seeing if a new innovation works, before committing to ‘scaling up’ with other partners. This is always preferable to building a full intervention plan based on an untested understanding of how a particular market system or partner operates.

When the pilot partner is a business, it is important to cast a wide net. Search options include databases and directories, desk analysis and published reports, forums and roundtables, new ideas from existing partners, referrals (networking), trade associations and business organisations, trade fairs, and traditional media.

Once a partner is identified, this type of approach differs from traditional partnerships in that relationships are contingent on signs of partner improvement and ownership. Some things to keep in mind:
Escaping capability traps through Problem Driven Iterative Adaptation (PDIA)
The PDIA approach to enhancing state capability in developing countries

Engaging the private sector in health market systems development
Engaging the private sector in health market systems development.

The pilot should be long enough that it is an adequate test for the innovation. If it’s a change in a customer service strategy, you don’t just want to see boosts in sales, but you want to see increases in repeat customers.

The pilots should be done at a strategic time (such as a farming season). Think about the partner’s timeline and how much time you need to negotiate.

Pilots do not have to be with businesses, or ‘lead firms’, though. There are numerous examples of this type of approach being applied to areas of market governance and areas traditionally considered as public goods by the development sector as well.