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From principles to technical strategy: a model for building a new technical approach



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All blogs

In Dispatch #2 from USAID's Agricultural Value Chains (AVC) project in Bangladesh, they share how they set goals for systemic change.

In our [first blog](#), we presented the core internal organisational changes that we rolled out with our project and management team to clarify roles, streamline decision making and foster a more collaborative, creative working environment. Investments in AVC's organisational structure and staff are made to optimise our team's ability to nimbly manage and drive AVC's new market systems technical approach. Adapting the market systems approach meant that virtually all of the project interventions needed to be reevaluated, adapted, or completely overhauled; but which ones?

In this blog, we present the four guiding principles and share one of our first large-scale, successful activities that achieves each one. The guiding principles are one of many tools that our team has rolled out to support the new approach, and help us ensure that the whole staff (including us) are on the same page in terms of what it means to design and implement sustainable, systemic, market-driven interventions.

Guiding principles for systemic change

Our challenge was to translate the theory of market systems development into actionable guidance that the AVC team could immediately begin to apply. From a

technical standpoint, we knew it would take time to shift our ongoing interventions and relationships with key market stakeholders to get everything aligned under our new approach. We also needed to continue delivering against contract objectives, where we were significantly behind and our year 3 work plan was due in under a month! To help the team navigate year 3 work planning, we synthesised the AVC market systems approach into four guiding principles that present the essence of our approach. Everything the project does – every activity, every relationship, every grant – should support all of these principles.

Create competitive pressure on other market actors to adopt and copy:

Interventions should always focus on creating wide-spread market change. This means that interventions should align with business interests and contribute to business success of all parties involved. The success of AVC partners applies market pressure on similar businesses/organisations, effectively crowding other market actors into the desired activity or behaviour change. Interventions should provide partner companies with a competitive advantage that other companies will seek to duplicate.

Generate repeat transactions between market actors: Activities that create sustainable change must not only promote positive relationships, interactions, and transactions between market actors, but must also ensure that this positive interaction is repeated in future relationships and collaborative activities. This means always considering the potential for the activity to repeat itself during intervention design. AVC doesn't support one-time shopping sprees, we support enduring customer-to-business and business-to-business relationships that contribute to a more vibrant and resilient overall market system.

Result in interactions that are perceived as fair and valued: One of the key inhibitors to positive market interaction is lack of trust between market actors. For example if one side, typically a farmer, feels undervalued or cheated in a transaction- whether real or perceived- it will cause reduced market information flow and market transactions, which in turn exacerbate the lack of trust and fairness. This problem is more common in weak market systems where market actors have limited market information and selling options, or where there is no viable recourse when contract terms are not followed. AVC interventions will aim to increase communication between market actors to build trust, accountability, and increased market information flow – all of which support a stronger market system.

Generate new interactions between market actors: To build a dynamic and robust market system, interventions should bring new combinations of market actors together to troubleshoot shared systemic challenges and establish new market channels. Interventions should support market actors to become more informed about the broad market environment so that they can identify new opportunities for sales, partnerships, and competition. Expanded business networks

and collaboration will support an environment for innovation and growth, benefiting all parties.

Market systems approach in action

Even after breaking down the market systems theory into these four distinct goals, AVC staff (these authors included) still had trouble identifying specific interventions that met these four criteria. Previously, many of AVC's most significant investments were in producer training and expansion of contract farming mechanisms into the Delta. Both of these types of activities aimed at addressing the immediate needs of the producers or suppliers and achieving project performance indicators head on (# of farmers impacted, %change in yield etc). However they did not address market-level constraints that would set in motion cascading positive impact and new market dynamics that naturally propel achievement of project results and more.

As we started working with partners, the types of activities we targeted focused more on product promotions, piloting of new technologies, and work on a series of cross cutting issues that were impacting all of the value chains such as standards and certifications, access to finance, dispute resolution, and transportation. Shifting to these higher-level, systemic issues required us to reset expectations with partners. We were now asking them to work with us to try new strategies that could seem risky compared to business as usual.

The recent Flower Fest- put on by the Bangladesh Flower Society and Windmill, a local event planning firm, is one of AVCs most successful large-scale activities that achieves all of the guiding principles described above. The Bangladesh Flower Society (BFS) is a membership based flower industry association based in Dhaka and long term partner of AVC in the flower value chain. Previously, AVC collaboration with BFS focused on improving flower quality at the farm level through farmer trainings and study tours. This February, we approached them to gauge interest in a new collaborative activity. AVC played a facilitative role in partnering BFS with Robi, one of the largest telecommunications firms in Bangladesh, to support an innovative promotional campaign. Under the new market systems approach, the AVC flower team and BFS crafted a strategy to help the local flower industry establish a stronger brand with the growing middle class market, harnessing market demand to propel sales and grow the flower sector. With help from the new media and marketing team, AVC encouraged collaboration between BFS and large-scale private sector businesses, such as Robi, by facilitating meetings around planning joint promotional events. On Valentine's Day, a team of Robi canvassers handed out over 40,000 flowers in Dhaka. Each flower had a heart shaped card with both a Robi cellular data promotion and a personal narrative about the farmer who grew the flower.

This activity has it all: an innovative new partnership, a fun, culturally relevant scheme to attract new consumers, promotions to keep customers coming back for repeat purchases, and the creation of tightly aligned business interests to encourage both participants to engage in future collaborations. Behind the scenes, planning to the promotion involved coordination and planning between BFS and flower growers, flower packagers, Robi, and the AVC flower team, developing productive business-oriented relationships. Collaboration on such an innovative win-win-win commercialization model set the tone for ongoing, positive, and creative market collaboration.

This successful activity set the bar for the AVC's new strategy, and allowed for a tangible intervention that met the whole package of AVC's newly defined goals and provided a clear example of AVC working to serve the role of facilitator in interventions rather than directly intervening in the market. Robi produced this [video](#) as part of the campaign that included a social media component. We hope you check it out!

Read blog #1: [Market systems in practice: field notes from AVC Bangladesh](#)

Read blog #3: [Integrating adaptive management](#)

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