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# Does scale matter?



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All blogs

How will all the nine billion people in the world of 2030 obtain safe, good food?

The scale of that challenge or opportunity is vast and so the response should be in equal measure.

## So, what do we mean by scale?

In essence, it is defined by the size of the potential market. Let's consider some examples. If there are a million coffee farmers in Vietnam and your group is working on an off-taker finance innovation that effects 10,000, that's a start, but is it at the scale of the market potential demand?

If there are 3.5 million coconut farmers in the Philippines, and your group is working to get a digital service to 15,000 farmers, is that at scale?

If there are 3.4 million families growing rice on small farms in Myanmar, and your group is designing a farmer education initiative reaching about 5,000, is that at scale?

In these examples, I have not made any assumption about the size of the potential market. However, if the potential demand is in the order of millions, then the market response needs to be at least in the 100,000s, and not in the thousands. If not, we will continue to live in a world where almost **one in nine** suffer from chronic undernourishment.

A good **report on *Getting to scale*** reviewed experience in aid programmes that are working with the private sector. The key findings of this report are outlined here.

Please consider them with your colleagues when deciding how to grow your businesses:

- **Getting to scale takes time.** Allow at least five years, particularly in agricultural markets with seasonality and climatic variability. If you plan to learn from a pilot, plan at the same time for the follow-on if the pilot shows promise.
- **Only a few ideas are likely to get to scale.** Plan for risk and failure, manage a portfolio of initiatives, not just one. Be flexible and adapt as you learn; invent, create and implement new ideas; combine resources, complement each other and collaborate to succeed.
- **Check the business case early on, or fail to get to scale.** Design for profit for all; don't design for charity or dependence on subsidy. It's the profit incentive that attracts investment, spurs creative innovation and achieves success at large-scale.
- **The quickest route to scale is through one big actor, but .....** Be careful of the risks of relying on one, and of cementing an advantage that undermines competition. If you choose to let one business lead, invest early to allow followers to rise up and challenge.
- **Do not presume others will follow the leader's example.** Don't lazily assume that farmers or businesses will follow a promising idea that has been shown to work. Promotion is a valid cost for business growth. **This should inspire you** to see that it is the first follower that transforms the lone nut into a market leader. As a group, conspire to facilitate followers to get up and invest. Support the first followers to sustain the momentum of change.

And finally, a biggie:

- **Barriers to scale often lie outside the business.** Rules, policies, and the way things work in a country all determine how far a business idea can grow, as does the nature of a market: competitiveness, concentration, infrastructure. As a group, you may need to develop a strategy to influence these conditions on the long-term so that businesses can grow.

The world is coming together: the nations and **businesses that wish to be united** have agreed on 17 sustainable development goals, many are related to agriculture. The **World Economic Forum has identified system leadership** as the key to facilitating the changes that are needed. In many countries there are groups of people from business, government and civil society working together to get markets to grow for the benefit of all. Come, join these people standing by the flag that has been raised. Make your mark in words and actions. Let's respond in proportion to the scale of the challenge and make business for all from this opportunity.

I look forward to hearing your views on this topic; let's share experience and encouragement.

