Grab the Mic webinar

Getting to Scale

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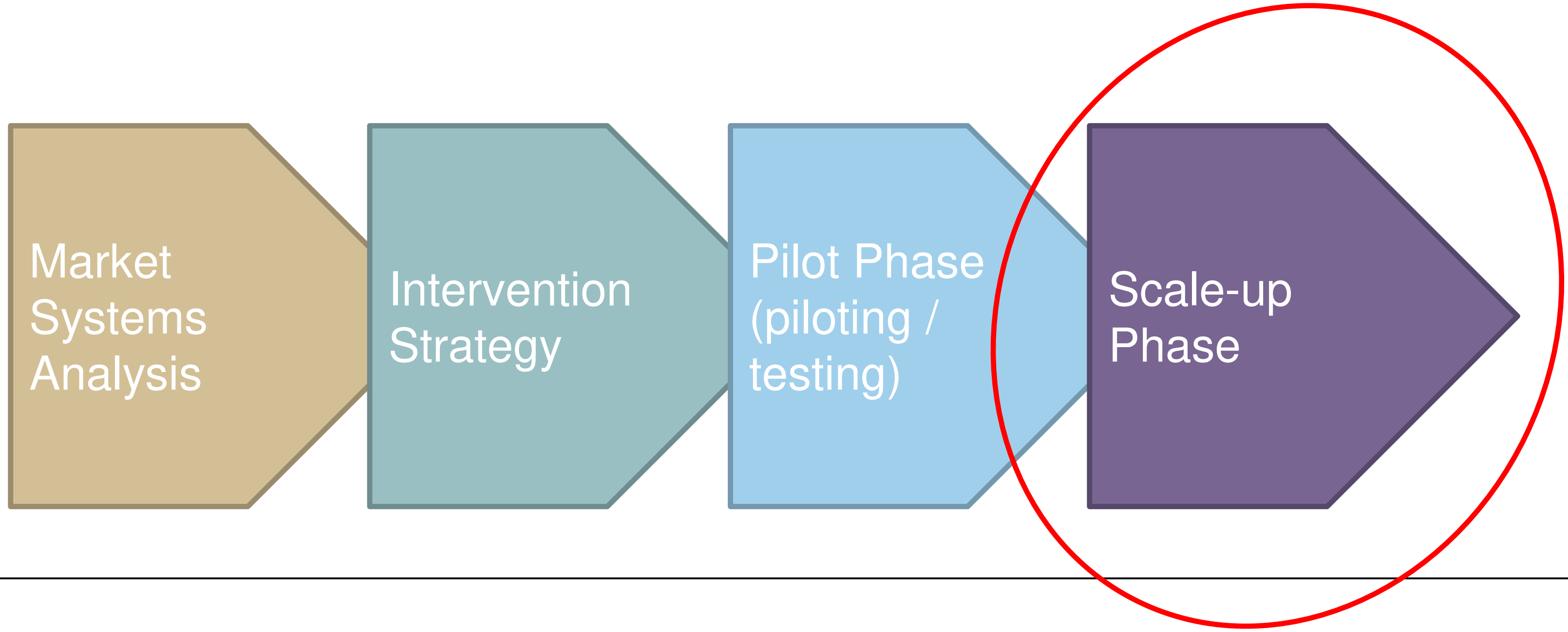
This webinar is delivered by BEAM Exchange in collaboration with Adam Smith International

Webinar Overview

- ➔ Introduction
- ➔ Strategies for Getting to Scale (‘pathways’ to scale)
- ➔ Cross-programme lessons in Getting to Scale
- ➔ Programme perspectives (1): PrOpCom
- ➔ Programme perspectives (2): CAVAC
- ➔ Q&A

Introduction

- ➔ Product or process innovation
- ➔ Pro-poor
- ➔ Sustainable (commercially viable)



Strategies for Getting to Scale

1. Achieve scale through 'big' actors

→ Partner with 1 or 2 big actors

→ Deep pockets; existing distribution networks

→ Possible to get to scale without any further competitive response

cba

Strategies for Getting to Scale

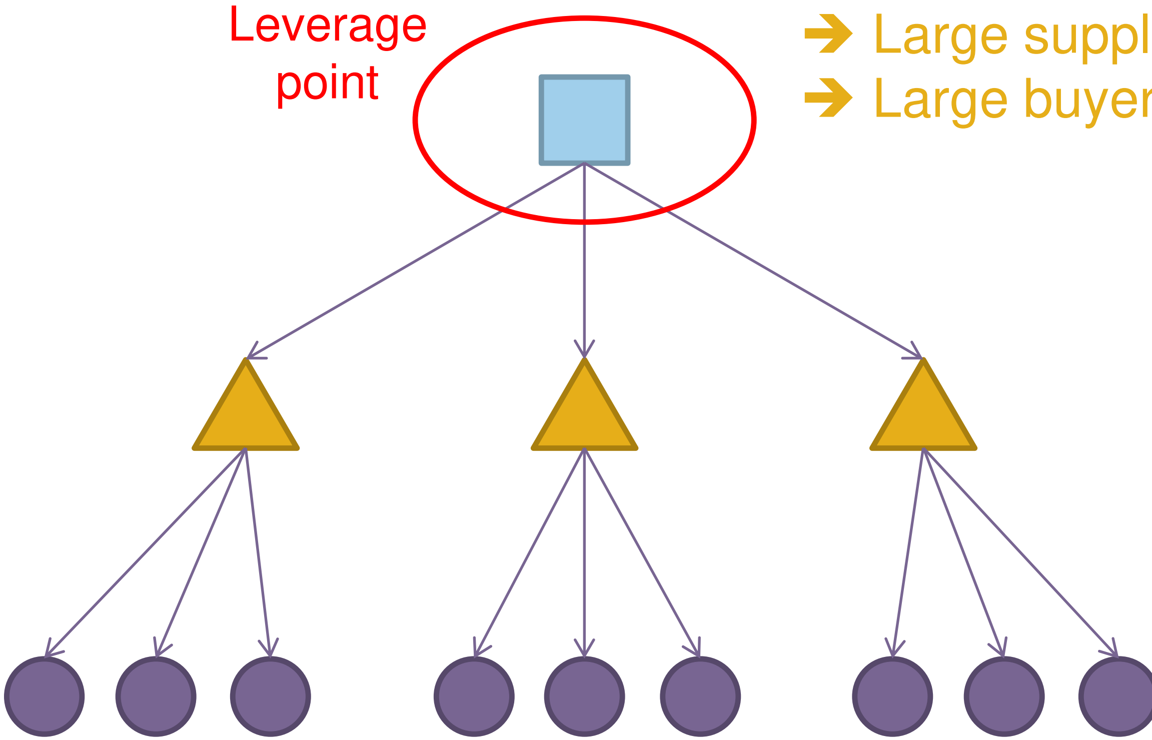
Move up or down the supply chain to find leverage points

- ➔ Large suppliers
- ➔ Large buyers

Input Suppliers
(n=5)

Input Retailers
(n=4,000)

Veg Smallholders
(n=1,000,000)



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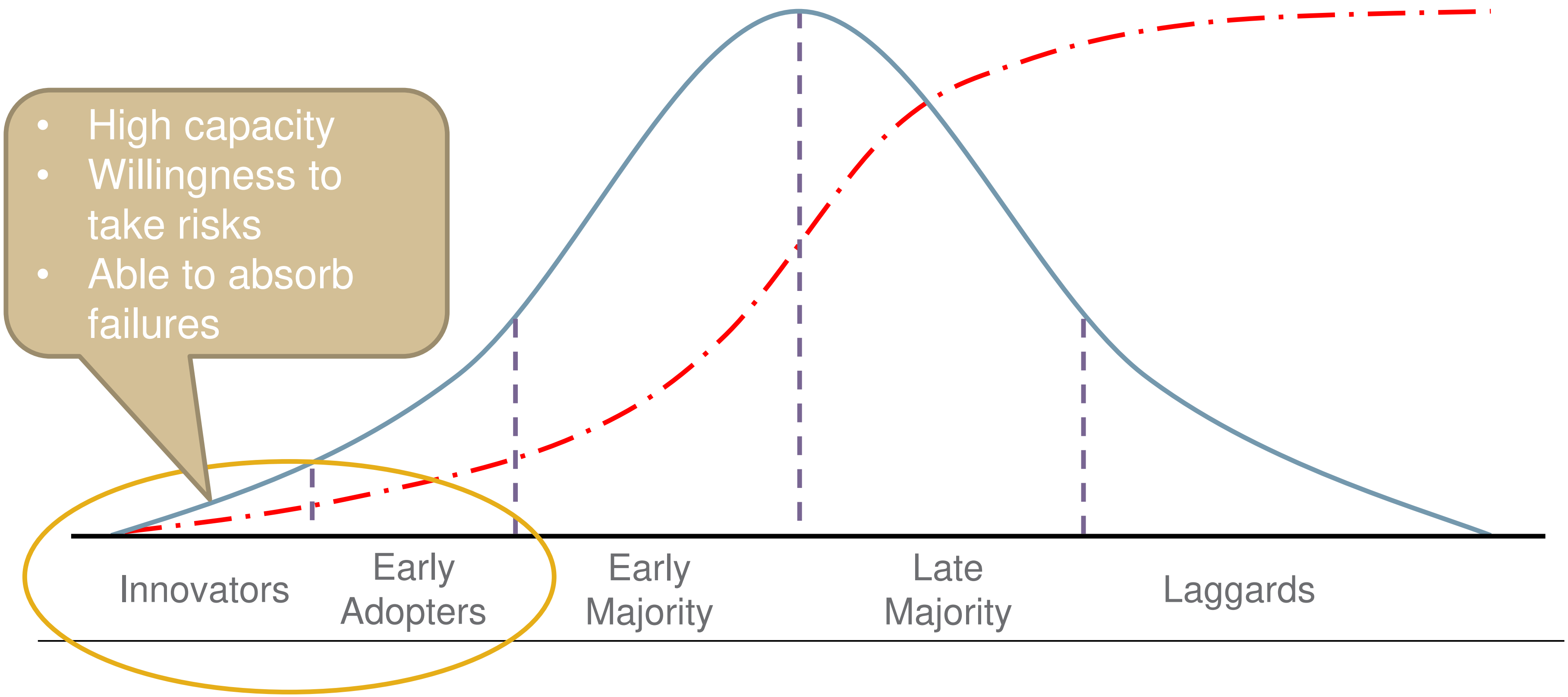
2. Work with ‘first movers’ to create a demonstration effect

➔ Partner with a few first movers to demonstrate viability

➔ Spontaneous / organic ‘crowding in’ by other market actors



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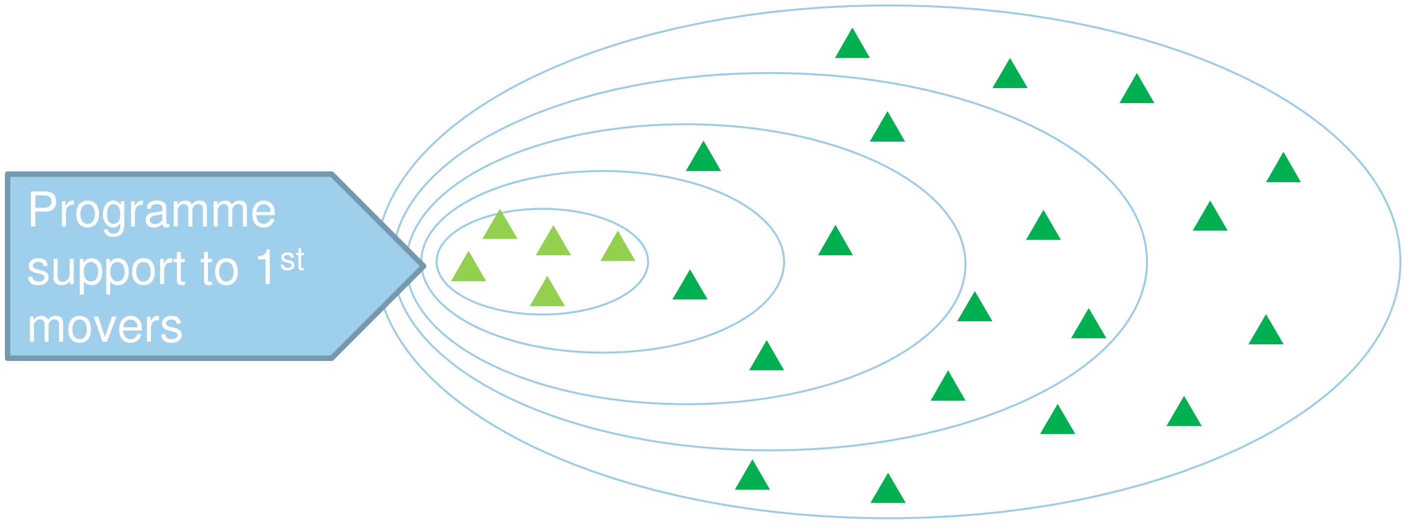


Strategies for Getting to Scale

Success for the 1st movers is visible to the 2nd movers

Improve visibility through industry workshops, case studies etc

AND 2nd movers attribute this success to the adoption of the 'innovation' by the 1st movers

AND 2nd movers have the incentives, capacity, resources to copy the 'innovation'

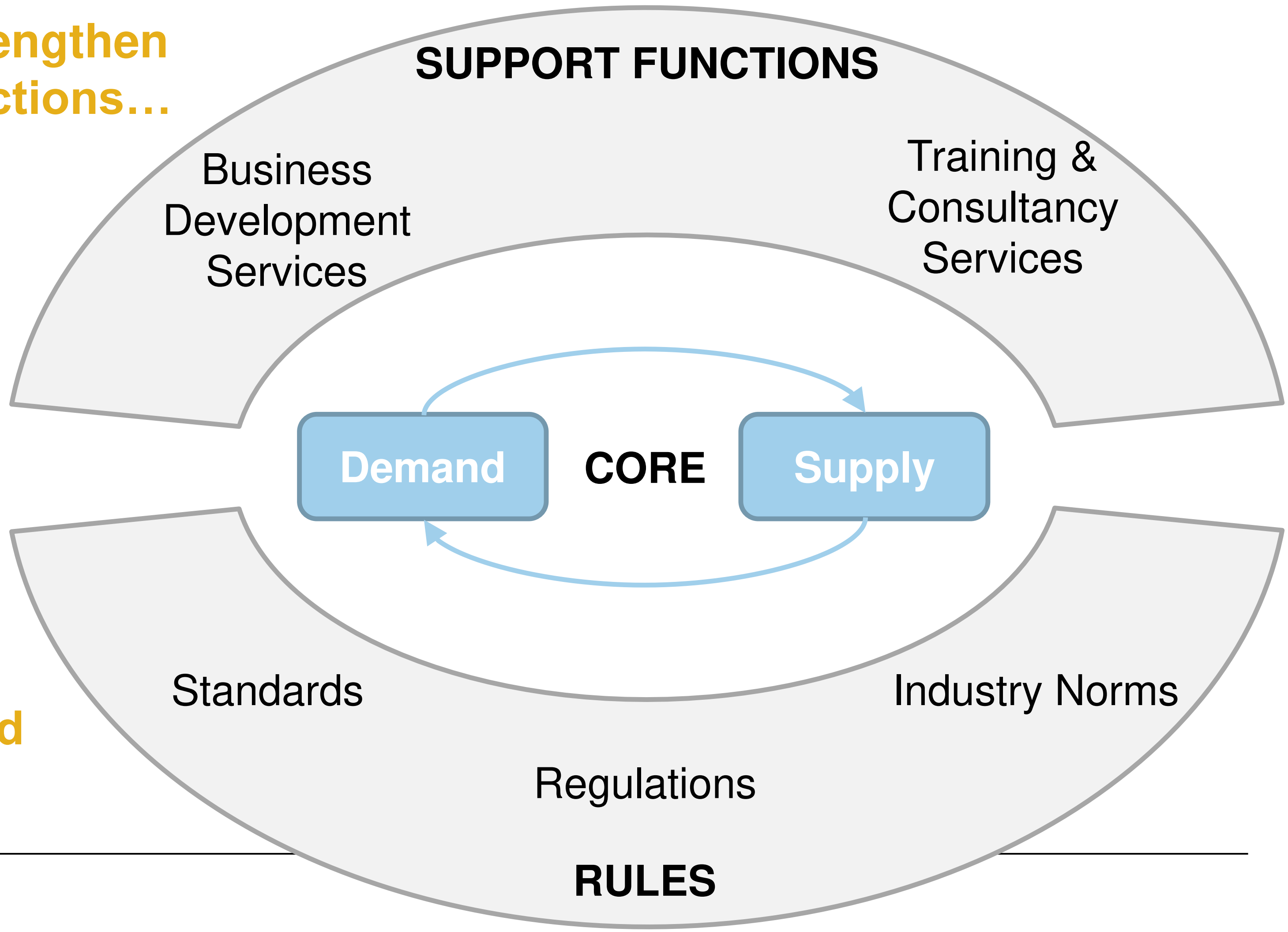
3. Actively support 2nd movers

- ➔ Address capacity / incentive constraints of 2nd movers
- ➔ May require *more intensive* support than 1st movers

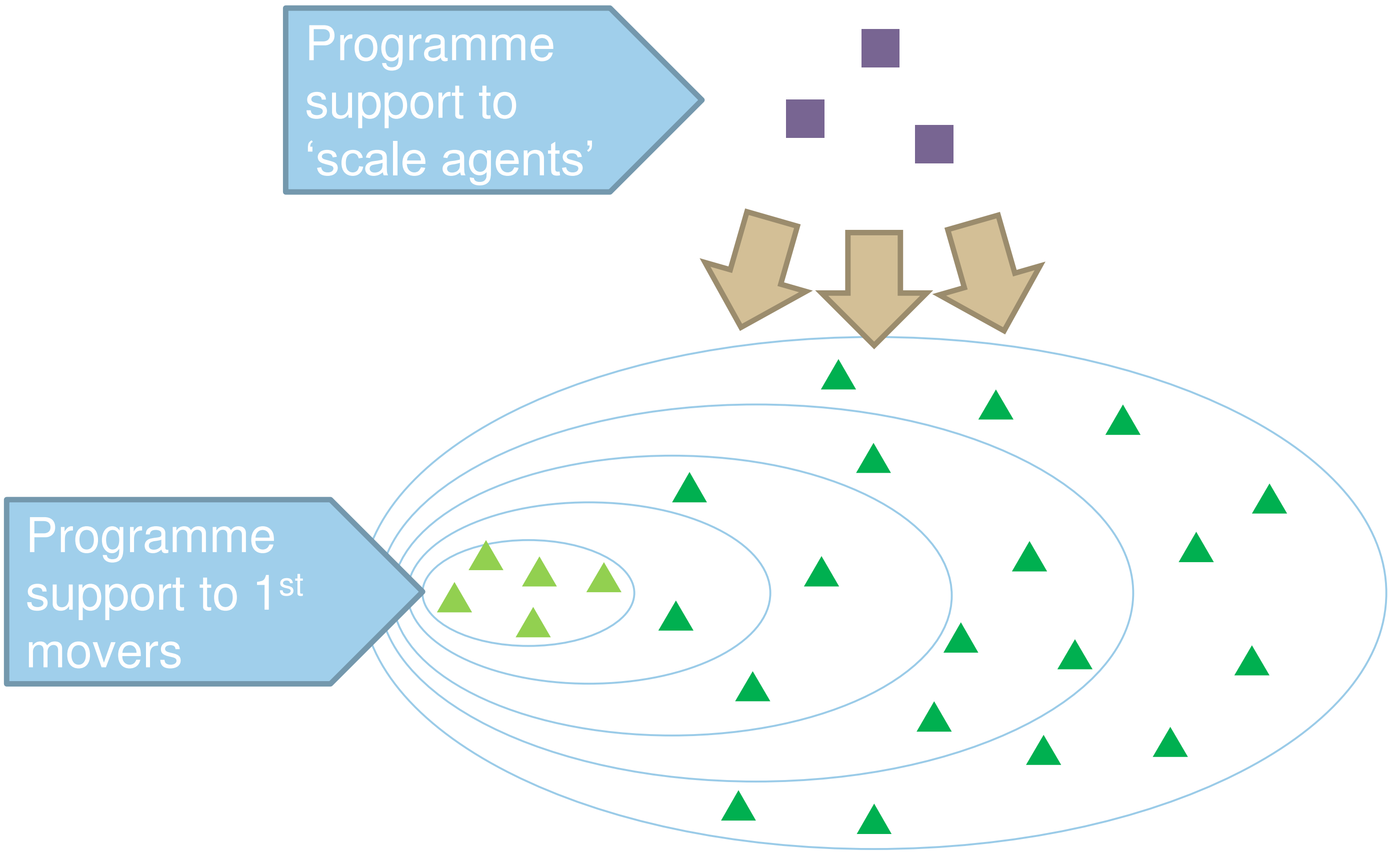
AND 2nd movers are able to access the know how ('transition mechanism')

4. Create or strengthen supporting functions…

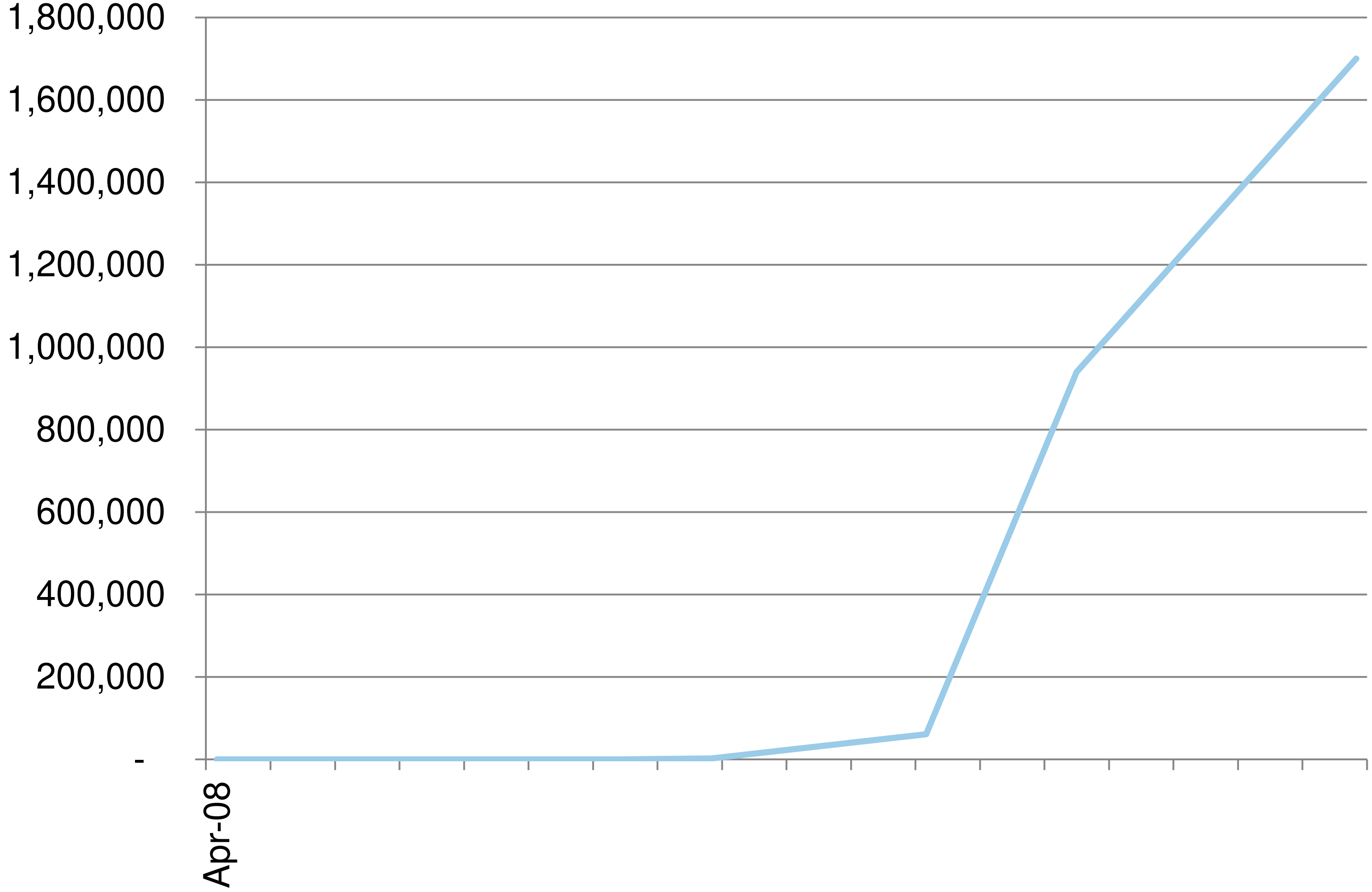
5…or rules and regulations



Strategies for Getting to Scale



#1: Getting to scale takes time… and effort



#2: Only a few interventions will get to scale

80 20

PrOpCom

Making Nigerian Agricultural Markets Work for the Poor

FSD Kenya

Financial Sector Deepening

CAVAC

Innovation In Agriculture

➔ Importance of testing lots of different innovations early on; drop those not showing potential and double-down on those that do

#5: Do not take the demonstration effect for granted

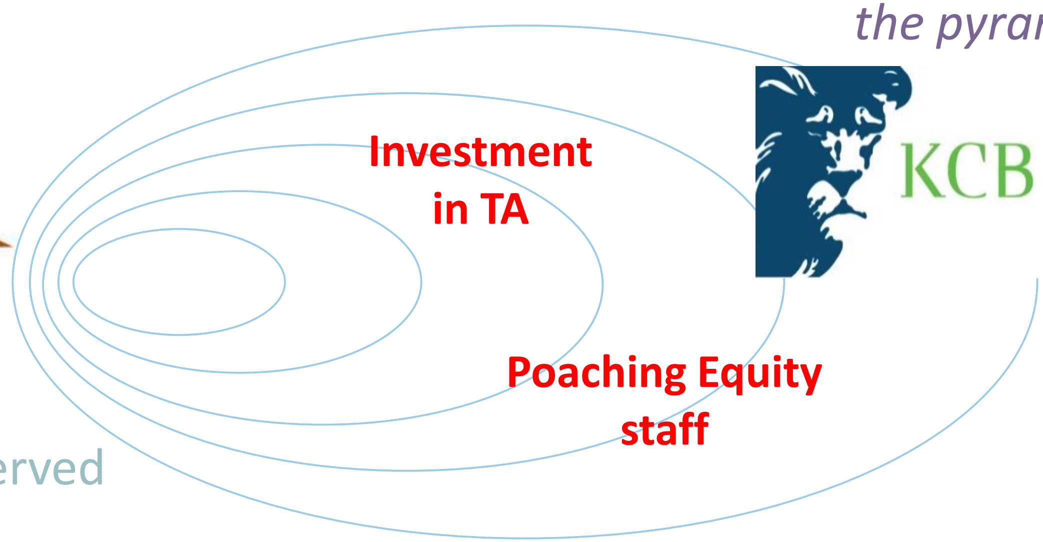
FSD Kenya

MicroSave
Market-led solutions for financial services

EQUITY
Bank • Your Listening, Caring Partner

"We have taken financial inclusion on board because of Equity. It was they who saw the importance of the bottom of the pyramid"

KCB | Making the Difference



- **Shift focus**: underserved mass market
- **Shift approach**: customer-led (rather than product-led)

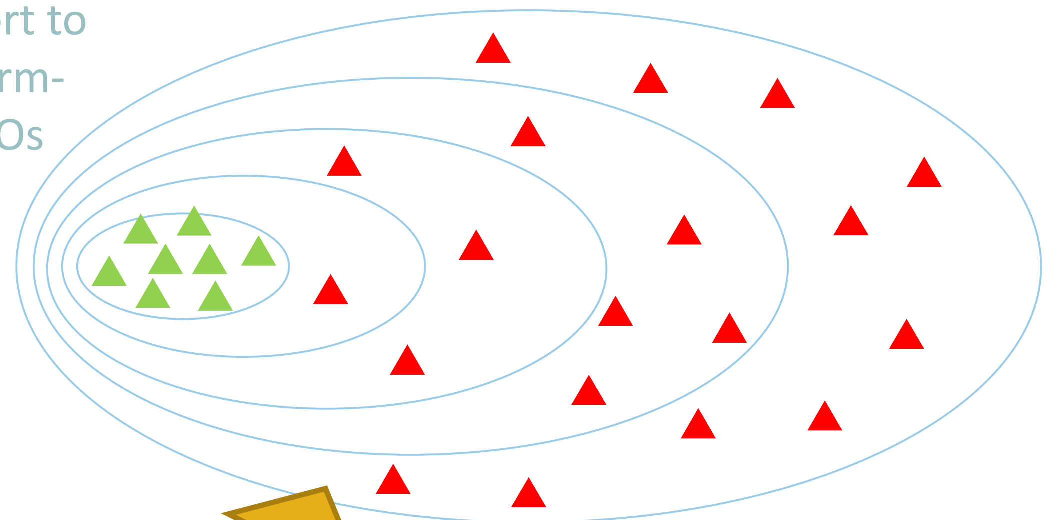
Source: FSDK / The Springfield Centre

#5: Do not take the demonstration effect for granted

"Working with individual SACCOs at best produced isolated pockets of excellence but there was no spread beyond these"

(1) Direct support to strongest, reform-minded SACCOs

FSD Kenya



(2a) Attempt to develop service market for SACCO training

(2b) Strengthen SACCO regulations to create pressure to change

Source: FSDK / The Springfield Centre

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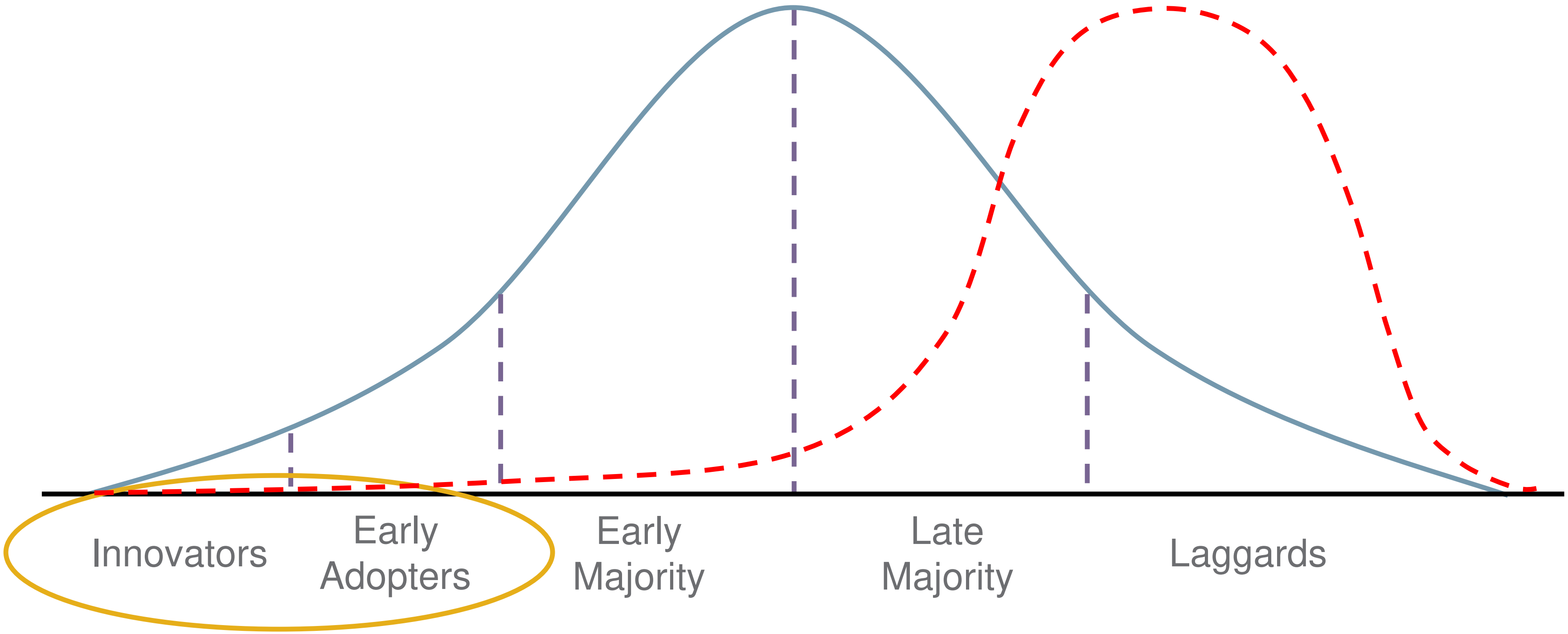
#5: Do not take the demonstration effect for granted



Banks

- ✓ High visibility demonstration effect
- ✓ Strong competition between banks
- ✓ Early adopters/majority with sufficient capability/resources
- ✓ Transition mechanism (poaching)

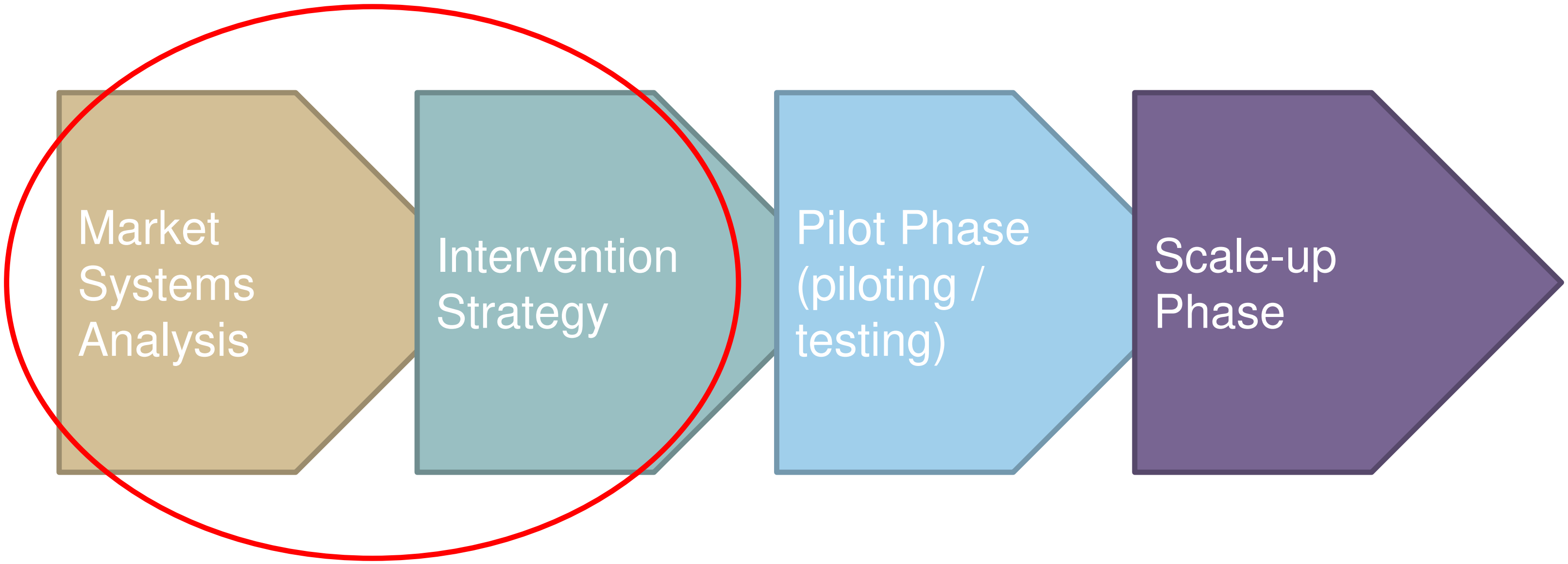
SACCOs

- ✗ Lower visibility demonstration effect (>3,200 SACCOs)
- ✗ Weak/non-existent competition between SACCOs
- ✗ Weak incentives to improve performance/invest in training
- ✗ Regulator lacked teeth

#5: Do not take the demonstration effect for granted

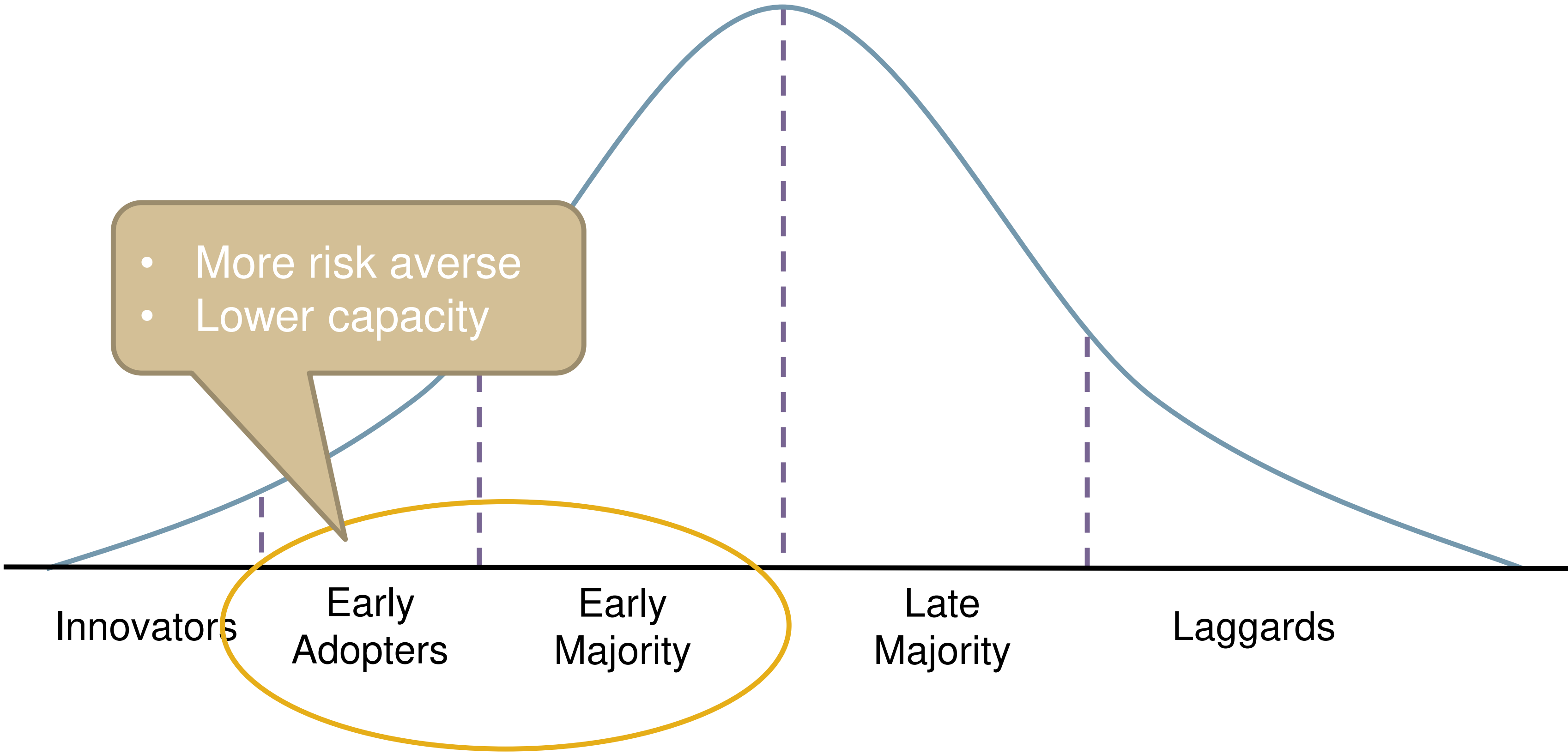
	Banks (Kenya)	**SACCOs (Kenya)**
Success for the 1st movers is visible to the 2nd movers	✓	✗
AND 2nd movers attribute this success to the adaptation of the ‘innovation’ by the 1st movers	✓	✗
AND 2nd movers have the incentives, capacity, resources to copy the ‘innovation’	✓	✗
AND 2nd movers are able to access the know how (‘transition mechanism’)	✓	✗

#5: Do not take the demonstration effect for granted



→ Programmes cannot lazily assume the demonstration effect will hold: need to think through assumptions carefully, look beyond first movers

#6: If the demonstration effect fails, programmes may need to work with second movers (often as intensively)



➔ Programme experience suggests 2nd movers often require the same or higher intensity of support as 1st movers, using a different set of tactics

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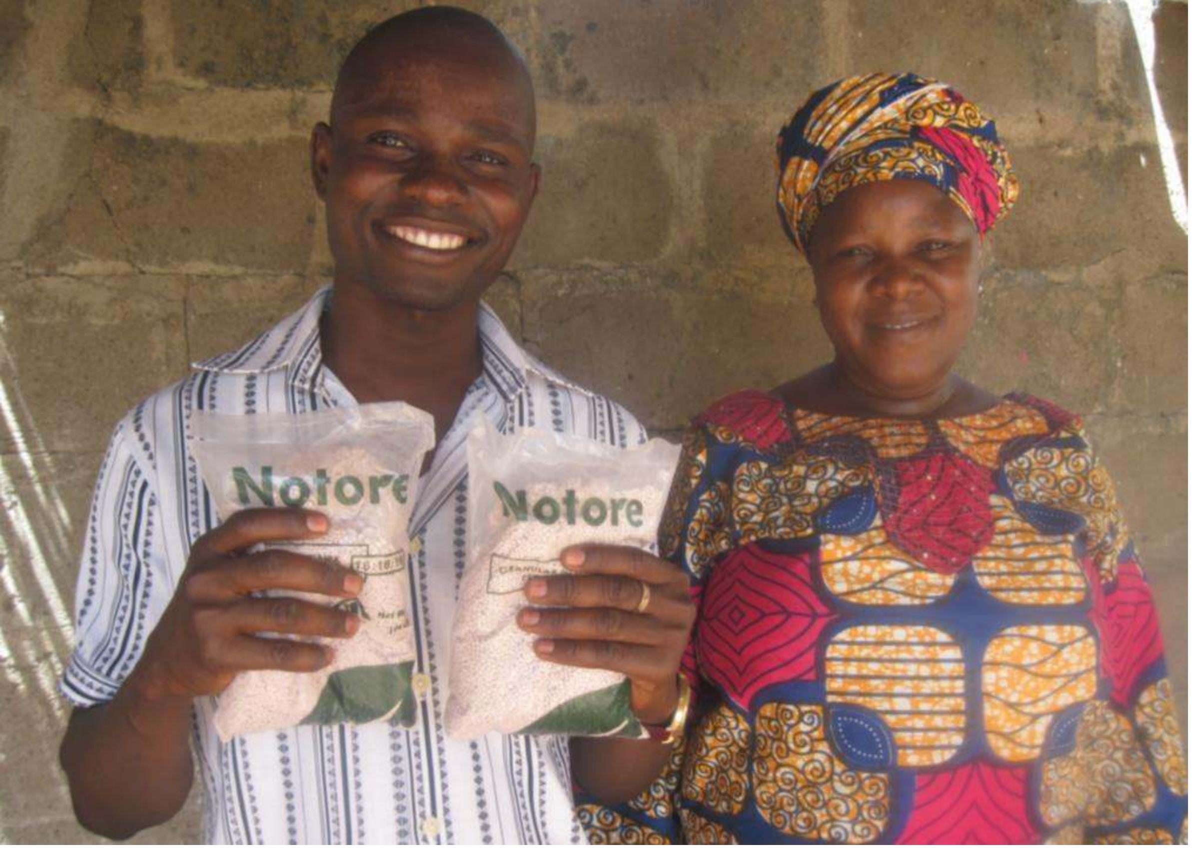
#10: Country-context and industry structure is important

- ➔ 'Thicker markets', with a range of large, well-resourced players
- ➔ High population and population density
- ➔ More developed financial sector
- ➔ Supportive business environment

- ➔ High market concentration
- ➔ Intensive competition
- ➔ High density of networks

- ➔ Programmes should consider scale-factors in their sector selection
- ➔ Donors need to recognise importance of country-context in designing programmes (milestones, programme length)



Lessons in Getting to Scale from PrOpCom

Julian Hamilton-Peach, independent

PrOpCom was implemented by Chemonics. Propcom Mai-karfi is implemented by Palladium.

Notore

Notore: Doing Good While Doing Well

About Notore

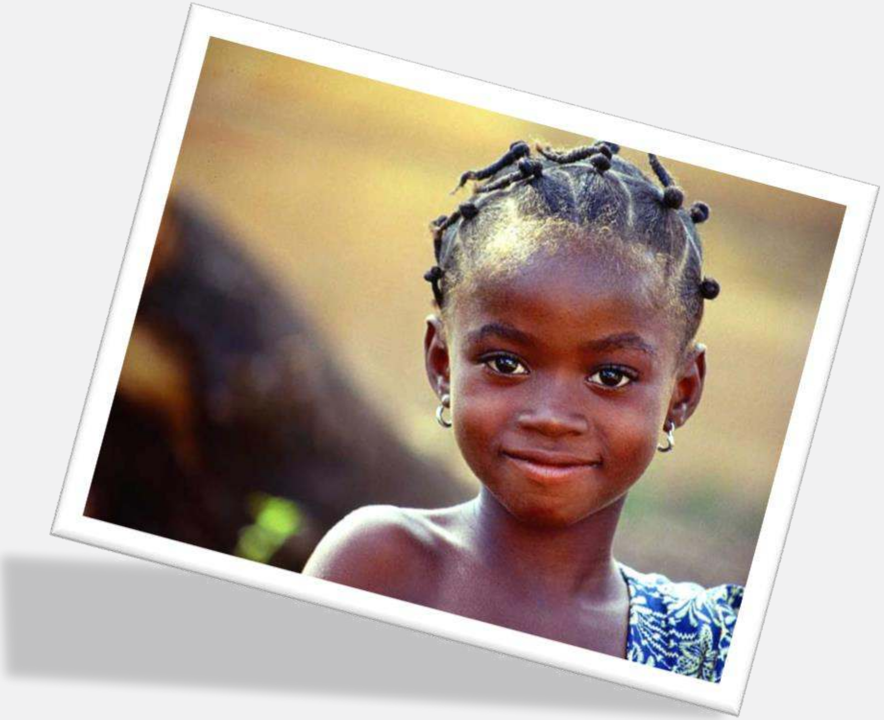
An Agro-Allied, Chemicals and Power Company

Vision

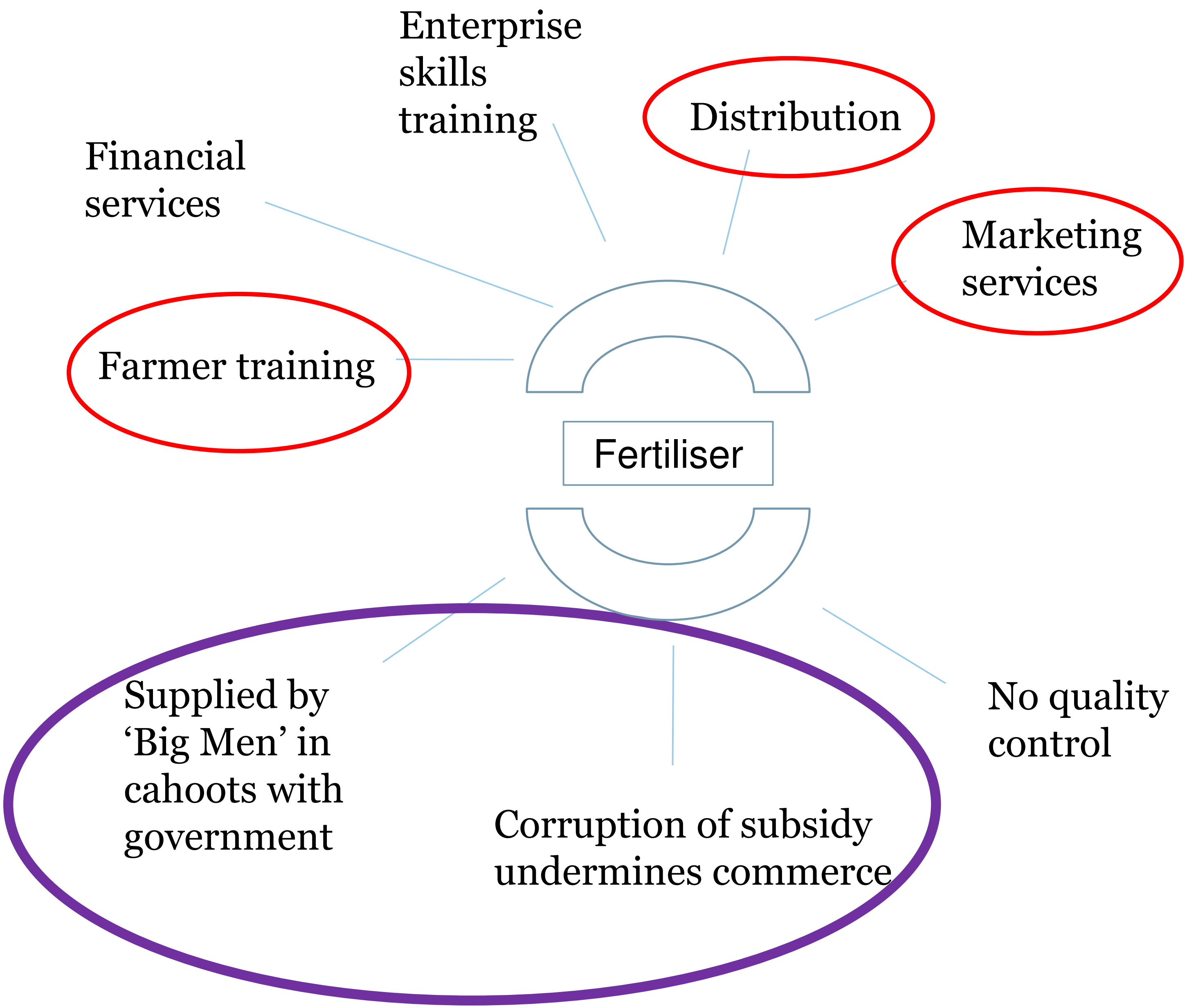
To be No 1 by market-share and profitability in our chosen business and to be a significant contributor to the development of Africa

Mission

Enhancing the quality of life




PLEASE, DO NOT SWITCH ON
Notore


Enterprise skills training
Financial services
Distribution
Marketing services
Farmer training
Fertiliser
Supplied by 'Big Men' in cahoots with government
Corruption of subsidy undermines commerce
No quality control

Notore leads the other fertiliser companies to the new pastures of a free market…

To increase your chances of getting to scale:

1/ Think portfolio

2/ Review

3/ “Shoot first, aim second”? Hmmm….

4/ Be curious, not scientific

5/ Pluck & luck

6/ Results that matter for scale

7/ Intent is key

Lessons in Getting to Scale from CAVAC (and elsewhere)

Peter Roggekamp

→ **Engineering a solution**, does not work in our complex socio-economic reality

→ **Designing without the partner**, hardly ever works. We never understand the complexity.

→ **Solving technical issues** instead of analysing markets, incentives and business cases.


Impact!

HOW TO GET TO SCALE, IF WE DON’T SCALE UP SMALL PILOTS?

Katalyst,
2002-2008, Bangladesh

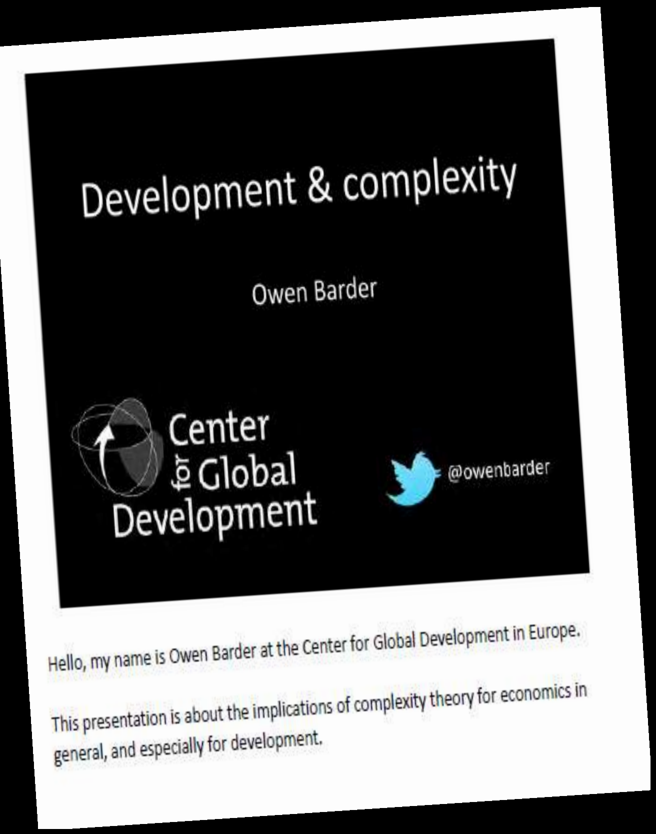
Scale?...Yes, Impact?... No real proof

CAVAC,
2009-2015, Cambodia

Scale?...Yes, Impact?... Yes, with VfM

Investing in Infrastructure,
2015-2020, Cambodia

Scale?...Sure, Impact?... Yes, complex



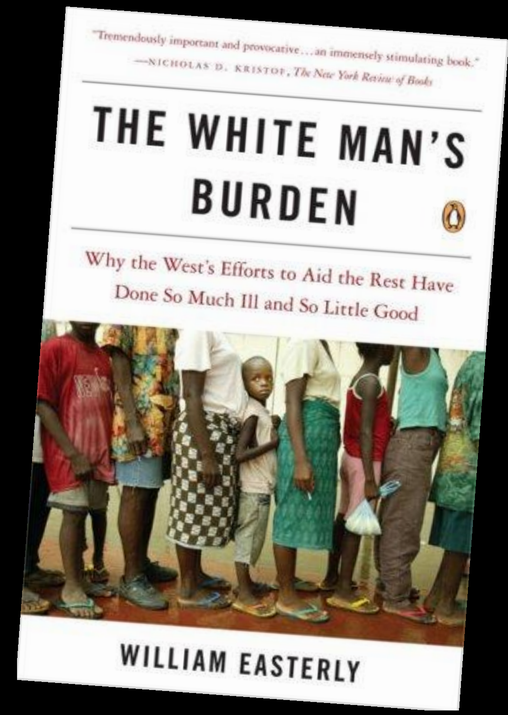
Mapping

Constraint Analysis

Intervention design

Implementation

Monitoring



An eye
for opportunities

And a partner to dance with

Katalyst,
2002-2008, Bangladesh

Trying and learning lessons

CAVAC,
2009-2015, Cambodia

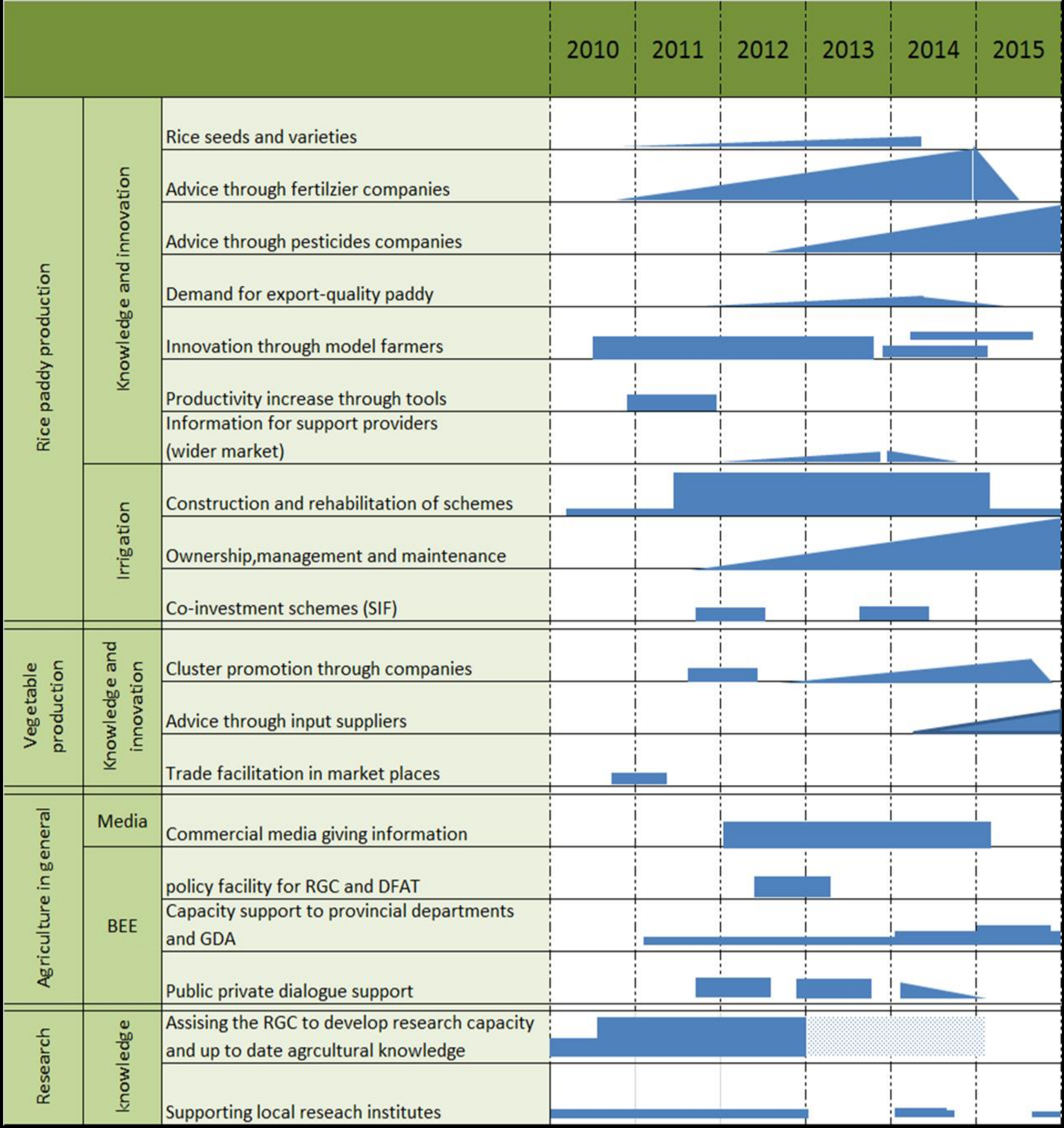
Applying the lessons:
Adaptive management +portfolio management

Investing in Infrastructure,
2015-2020, Cambodia

No Mid Term Review, but a scalability review

Portfolio management

- Start with many markets and many interventions
- Don't plan forever, but get in there
- Reallocate resources for scale
- Scale-up interventions at the same order of magnitude



Cambodia Agricultural Value Chain Program (CAVAC)

Internal Background Document for the Mid-Term Review Mission

20 FEBRUARY 2012

Note: This document is written for the sole purpose of giving the Mid-Term Review (MTR) team an overview of progress and the potential of the CAVAC program. It contains views, opinions and conclusions from different CAVAC staff. The 'uncensored' nature of this document will give the MTR team a more balanced basis for conclusions and recommendations. The consequence is that this version is by nature internal and should be treated as such. After the MTR, CAVAC can provide a summary document for external use, incorporating MTR views. To meet the expectation of partners, CAVAC has developed a stand alone report that provides an update of activities against Annual Workplan 2011.

TYPE OF ACTIVITIES	CHARACTERISTICS, basis for calculations						IMPACT ON YIELDS AND MONEY					
							WS		DS			
	expec-tation %	# farmers WS HH	# farmers WS&DS HH	Yield increase %	additional area ha	Quality # HH	additional volume ton	additional income M USD	additional volume ton	additional income M USD	new area ha	add. income canals M USD
fertilizer quality	60%	35000	6125	3%			1063	0.27	717	0.18		
pesticides quality and availability									0			
fertilizer advice retailers	70%	35000	6125	12%			4961	1.24	3344	0.84		
seeds dry season	50%		24000	10%					7800	1.95		
seeds wet season	80%	10000	1750	50%			6750	1.69				
pesticides application company-retailer +PDA-retailer	50%	40000	7000	10%			3375	0.84	2275	0.57		
Model farmer training, fertilizer application +se++	80%	16000	2800	20%			4320	1.08	2912	0.73		
	70%	120000	21000	10%			14175	3.54	9555	2.39		
Irrigation canals	75%	34123			42660						31995	22.56
add. seeds dry season	50%	10000	1750	10%					569	0.14		
add. AG: Fertilizer through retailers	60%	35000	6125	12%			4253	1.06	2867	0.72		
add. Pesticides through retailers	50%	10000	1750	10%			844	0.21	569	0.14		
Export, new varieties and better practices and market	60%	10000	1750	50%		10000	5063	1.27				
Export, only new market and better practices	70%	15000				15000						
Veg, seeds, irrigation and practices	50%	9000		20%	450	?						

44803 ton additional paddy per year in the wet season

11.2 million USD additional profit for WS farmers

30607 ton add. Paddy per year in dry season

7.7 m USD additional profit for DS hh

additional paddy in DS by new canals is **31995** ton per year

additional income for farmers than have new access to irr= **22.6** m USD/ yea

total yearly increases 2 years after the program	
million ton paddy WS & DS	0.24
Million USD increased hh income	41.4

- Fertilizer ……1/3 of all rice farmers reached by supported companies
- Pesticides ……1/4 of all rice farmers reached by supported companies

+

\> 300,000 households

- (Irrigation)

- ~~Agri-tools~~
- ~~Seeds and varieties~~
- ~~Model farmer dry season~~
- ~~Market infrastructure~~
- ~~PP dialogue~~
- ~~Export promotion~~

- Vegetables
- Media … 200,000 farmers impacted
- Business Environment

Getting to scale requires flexibility and adaptability	
Only a few interventions are likely to get to scale	 PORTFOLIO MANAGEMENT !
Getting to scale takes time	*Worse:* Ultimate scale *w*ill rarely happen within your project duration.
Programmes should not take the demonstration effect for granted	 Dance together, but let the company lead!!
Second movers can require as much, or more support, than first movers	
Industry structure and country context is important	
The barriers to scale often lie outside the firm	
Programmes need to check the business case early on	

Scale (Private Sector Development)

From Wikipedia, the free encyclopedia

In private sector development it was common practice to design technical pilot solutions based on western technology. It was expected that local actors adopt and adapt these foreign influences. A handful of successful development programs[1)] have proven these assumptions to be invalid.

Present best practices to get interventions to scale reveal that the secret lies in solid **portfolio management** where practitioners start programs with a wide portfolio of markets and an active reallocation of resources to achieve optional scale and impact at the end of the program.

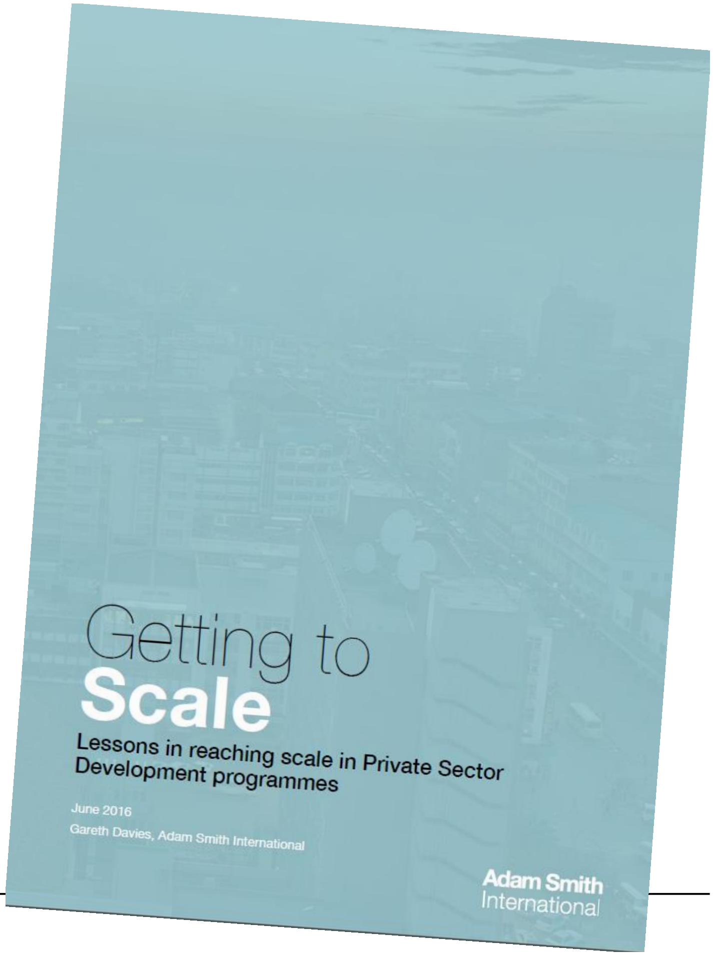
Contents [hide]

1 Comparative and non comparative scaling
2 Composite measures
3 Data types
4 Scale construction decisions
5 Comparative scaling techniques
6 Non-comparative scaling techniques
7 Scale evaluation

Q&A

Getting To Scale

https://beamexchange.org/resources/785/



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