



19 years in facilitating market systems change! Lessons from the field. (Lesson -2)

Lesson 2: Pilots need to be bold and big and right sized! It almost never works if we try to jump from small pilots to scale. We need a pathway approach.

Projects are essentially time bound. Can we achieve #systemschange in 3 years? How long does it take to achieve systems change? Some systems change rapidly while some takes years. Behaviors take time to change but the shifts can also be rapid given the technological advancements we are observing today. Policy and regulations almost certainly takes time and may not realize in 1 or 2 years. I believe if we analyze successful policy change interventions we will observe the mean hovering at 3 years. Let us say a project wants to promote #microinsurance for cash crops. The demand side needs to adapt, the supply side needs to build a functional and operational model to enroll insurers. How fast the demand side would adapt and respond will depend on how relevant and strong the push from the supply side, support system and regulatory system is. This is where I see projects coming short. The size or scale of the pilot is almost never based on a methodical assessment and a #businessmodel. It is dependent on the budget constraint and projects complain that there is not enough resource to address the issue. How do we tackle this?

In microeconomics, we are taught about constraint optimization. There will always be a constraint in the objective function. We do not go to the kitchen market without a budget. We do not purchase anything without a budget. The budget is given and so that should not be taken as a limiting factor. Projects should set their strategy and targets based on what is given. Here some might say that projects essentially make a compromise to achieve their output and outcome targets. But market systems projects also have a leverage- we can raise more fund from the private sector in the supply side and even the demand side. Four factors help to break the barrier of time and budget - (i) having change agents in the supply side, demand side, the support services and with the policy stakeholders (ii) a business model canvas that explains the value of the product being promoted to the customers, channels of distribution, investment rationale and strategy, along with revenue streams, resources, activities and cost structure (iii) a risk and reward based cost sharing arrangement and (iv) defining small incremental systems change to the pathway towards the bigger change. This helps us to strike the balance in strategy and define a pathway to change. But this also requires facilitators to be bold and creative to make the most out of the given constraints- the budget and the time!

Read the first part: <https://innovision-bd.com/wp-content/uploads/2023/05/Lesson-1.pdf>