



USAID
FROM THE AMERICAN PEOPLE

BEING A MARKET FACILITATOR

A GUIDE TO STAFF ROLES AND CAPACITIES

microREPORT #172

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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INTRODUCTION

Significant poverty reduction and broad-based economic growth is possible when people participate meaningfully and productively in reliable markets. Producers and businesses benefit when they are able to access commercial products and services at reasonable prices, if they can get decent prices for the goods and services they offer, and if they live in a place with fair and efficient market institutions.

Businesses benefit when they are able to see and invest in opportunities that allow them to grow sustainably, manage their business's risks and benefits, and predict their future product price, supply and demand with reasonable clarity and certainty. But often the structures and processes of market systems are not geared to involve or benefit either producers or businesses. The markets are crowded and confused, the regulation and incentives for different businesses and for crops change with government cycles and opportunities for manageable risk are hidden or inaccessible.

Market facilitation is an innovative intervention approach being adopted by development organizations with the potential to catalyze broad scale market growth. Market facilitators work to stimulate markets to evolve in a way that increasingly involves and benefits both the producers and the businesses without becoming a part of the market themselves. They seek to catalyze ongoing pro-poor market improvement, while keeping ownership firmly among market actors and avoiding dependency.

While the theory has developed rapidly, management and implementation skills have lagged due to the unique skill-set required to manage the ambiguous and complex nature of the approach, compromising the quality of results. This guide to understanding market facilitation roles is part of a series of tools. These include *Market Facilitation in Practice: Case Studies for Implementers*, which demonstrates low to high capacity in carrying out each role, as well as *Staff Capacity Role Cards*, which staff can use as quick reminders during implementation.¹ There is also the *Organizational Diagnostic for Market Facilitation* that helps implementers evaluate their current project implementation approach and look at what changes might be required within the organization to take on a market facilitation approach.² Together, these tools will assist staff on development projects in understanding the skills needed for market facilitation, assess the capacity of themselves (or others) in these skills, and think critically about how to successfully implement the approach.

¹ See *Market Facilitation in Practice: Case Studies for Implementers*, microREPORT #177, USAID, 2011. *Staff Capacity Role Cards*, microREPORT #178, USAID, 2011.

² See *Organizational Diagnostic for Market Facilitation*, microREPORT #176, USAID, 2011.

I. PURPOSE OF THIS GUIDE

The market facilitation approach is different from traditional development approaches, so good market facilitation requires that staff take on new roles. The purpose of this guide is to help market facilitators successfully understand and adopt these roles.

This tool is based on collaboration with over 15 organizations working to support market growth in Africa and working with more than 100 practitioners to enhance their market facilitation skills. It is a structured assessment tool that aims to highlight strengths and identify potential areas for improvement.

There are two specific objectives of this guide:

1. Describe the roles that market facilitators must play in the course of their work and the corresponding attitudes and capacities they should demonstrate.
2. Detail the progression of competence in the roles of a market facilitator to help staff assess their performance and plan professional growth.

MARKET FACILITATION IN ACTION: THE PROFIT PROJECT IN ZAMBIA

The PROFIT project is working to improve the livelihoods of smallholder farmers in Zambia by facilitating their increasing participation in markets. A large component of the project involves facilitating the enhancement of the agricultural input sector to benefit more smallholder farmers.

Farmers far from urban centers rarely have access to productivity-enhancing inputs or employment. PROFIT facilitated the implementation of an innovative new business model that helps farmers access both. In this model, input companies select and train community members as agents who bulk orders from the community and provide extension knowledge. This model creates new channels for accessing inputs, new employment opportunities, and new markets for the agricultural input companies.

PROFIT worked with input firms to facilitate their entrance into these new markets by communicating the potential, helping the firms connect to the communities, and providing technical business support. Finally, PROFIT worked to foster productive competition and cooperation within the industry to keep the market moving forward after the project ended.

II. WHO SHOULD USE THIS GUIDE?

This guide is for managers and field staff of market facilitation projects. This guide can be used by managers to assess staff performance and plan training workshops. Field staff can use this guide to assess their own performance and set goals for improvement.

FOR MARKET FACILITATORS

- Be honest with yourself. No one is perfect, and we can all improve our skills and capabilities in different areas. An honest assessment of your skills will serve you better as you will be more aware of the areas for improvement and be able to ask for support accordingly.
- Focus on demonstrated actions. We are judged based on our actions, not our intentions. Focus on what you have actually done, not on how you want to do it.
- Seek feedback and ask for help. Skills improvement need not be done alone. Ask your manager, colleagues, friends, a mentor and the broader development community for support.
- Make a commitment to act on what you learn. As you go through this guide, you'll likely have ideas and insights about your behavior and skills. Make a note of these ideas in the side column and follow-up with them afterwards. Create a set of tangible goals that you can aim towards and check back on periodically. You'll feel great for the progress you are making!
- Concentrate on the process and outcome. The tangible numbers at the end of the assessment are valuable, but should not be the only value from this. The process of engaging with this tool—the honest self-reflection and the opportunity to engage others in this learning—is equally important.

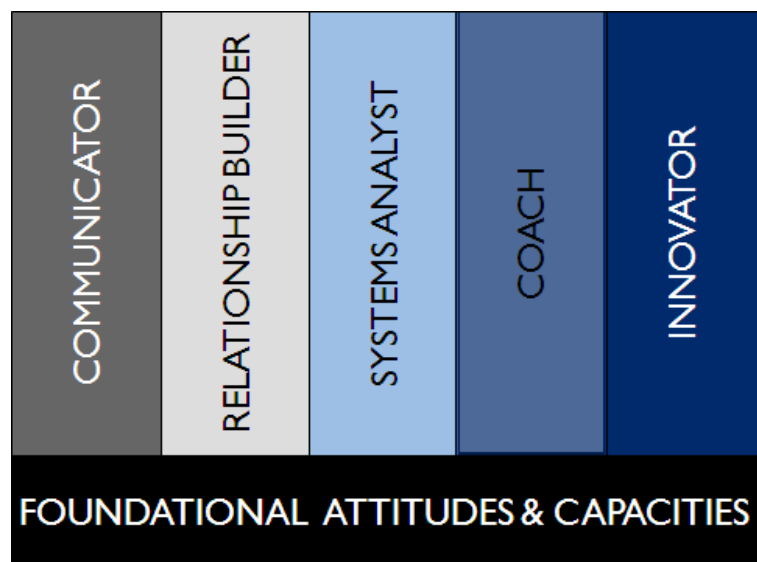
FOR MANAGERS

- Encourage your staff do a self-assessment. Do a similar staff assessment and have a discussion where there is a difference in opinion or perception.
- Use this tool as a platform to start an individual feedback session with your staff to explore their strengths, skills and weaknesses, how they want to improve and how you can assist them. Let the staff drive this conversation with you as the coach (i.e., don't accuse or say "I think you are a Level__ in this area"). Instead, engage in a conversation about why they think they are/are not at that level.
- Be genuine and open to receiving feedback yourself through this process. It is a learning activity for everyone.
- It may be useful to engage a neutral third party to work with your team and spend time with them on a day-to-day basis to assist them in improving their skills and capacity in areas that you and the staff feel are important to improve performance.

III. ROLES

This guide details five critical roles that a market facilitator must play and the foundational attitudes and capacities that cut across these roles. For each role there are key capacities: areas of competence associated with that role. The guide describes a progression of three levels of competence for each key capacity. You can think of these roles as ‘hats’ that a market facilitator puts on and takes off regularly. The most successful market facilitators will be able to change roles or ‘hats’ quickly as the need arises. The most successful teams will be able to draw on each other’s strengths and weaknesses, creating a stronger whole.

- **Communicator:** Market facilitators are constantly giving and receiving information and so must be strong communicators. In their work, they must communicate with diverse groups of people in various forms and so must adapt appropriately. Market actors and other stakeholders often seek out market facilitators to air grievances or share ideas, so market facilitators must also be adept listeners. Because they receive so much information, market facilitators must be skilled at consolidating that information into succinct reports and notes.
 - *Key capacities: messaging, active listening, investigative reporting*
- **Relationship builder:** Working with people requires that market facilitators can foster trust with others to develop good working relationships. Market facilitators must also be skilled at bringing people together to form new relationships that will stimulate new market activity. Inevitably, market facilitators are required to help resolve conflicts between parties or help overcome challenges common to several parties, and so must be skilled mediators.
 - *Key capacities: fostering trust, making connections, mediation*
- **Systems Analyst:** Market facilitators must be able to analyze a system of interconnected actors and strategically act to change this system by identifying key leverage points and creating mutually beneficial opportunities for the actors. They must have strong business skills to gain credibility and provide useful advice to market actors. They must understand and be able to apply the principles of market facilitation.
 - *Key capacities: leverage, system performance, facilitation principles*
- **Coach:** Market facilitators must be good coaches to improve the relationships of market actors while keeping ownership of the improvement process in the hands of the actors themselves. The market facilitator must be able to assess the needs of the client, give and receive feedback, and help the client reach conclusions and act on those conclusions.
 - *Key capacities: needs assessment, feedback, stimulate action*
- **Innovator:** Innovation is a driver of market improvement, and so the market facilitator must also be innovative. Market facilitators must innovate in their own work and provide new ideas to market actors. This involves a continuous process of learning and close collaboration with other market facilitators.
 - *Key capacities: trying ideas, learning, collaboration*
- **Foundational attitudes and capacities:** These are cross-cutting attitudes and capacities that the market facilitator must have to perform in any of the roles.



COMMUNICATOR

Effective communication is at the heart of business, relationships and team work. Individual actions and project decisions are built on our understanding of what is being communicated. What we do depends on which information we see, think, share and use. Effective communication allows others to understand our perspective, but it also helps us question our assumptions and improve our actions. Listen attentively. Communicate a clear consistent message. Seek to understand the root causes of situations.

Key Capacity	Level 1	Level 2	Level 3	Observations
<p>Messaging: Effective communication of information to various audiences using a variety of media, ensuring the information is tailored to the audience. Message conveyed is consistent and the meaning is understood.</p>	With direction, delivers pre-tailored messages to businesses. Most comfortable delivering messages primarily to one type of market actor, such as the producers.	Is able to deliver focused information and messages to producers and small businesses. With direction, delivers pre-tailored messages to other market actors.	Confidently delivers tailored messages to producers, market actors, and other stakeholders (including business and NGO management) with the intention of influencing decisions/ discussions based on evidence and experience.	
[Mark your skill level in this area from 1-3.]				
<p>Active listening: Engaging with and focusing on a speaker to deeply understand and appreciate what they are trying to convey to you.</p>	Listens passively. Occasionally asks clarifying questions in meetings with colleagues or actors.	Shows engagement with speaker through body language. Asks questions to gain understanding.	Frequently asks insightful questions. Validates the speaker's feelings and ideas, and encourages the speaker. Leaves the speaker feeling 'heard.'	
<p>Investigative reporting: Constantly seeking, analyzing, sharing and using information to build a detailed understand of a situation, system and the implications.</p>	When directed, prepares narrative report that explains what happened. Communicates surface-level situational analysis.	Prepares concise reports that detail observations and provide analysis of those observations. Finds other means of communicating insights.	Communicates (through speaking and writing) concisely and proactively with observations, analysis, and implications of observations. Constantly asks "why" the situation is as it is. Seeks and communicates root-cause insights.	

SYSTEMS ANALYST

Market facilitators are required to observe, analyze and take strategic action to stimulate growth and change in an industry. This requires them to identify and leverage opportunities whilst applying the foundational principles of market facilitation. They should be confident systems analysts to accurately assess performance needs, systemic challenges and opportunities for change.

Key Capacity	Level 1	Level 2	Level 3	Observations
Leverage: Recognizing win-win opportunities to change the status-quo for the benefit of the producer, business and industry; and acting on this knowledge.	Recognizes opportunities for one market actor (e.g., producer). Struggles to understand the opportunity from different perspectives. Unable to create an offer for varying needs.	Understands needs and opportunities of producers and related businesses (e.g., aggregator) and creates an offer to address these. Addresses symptoms instead of causes.	Understands opportunities in the system and perspective of a wide variety of actors, creates mutually beneficial opportunities and stimulates action. Separates root causes from symptoms, and is able to see emerging patterns.	
[Mark your skill level in this area from 1-3.]				
System performance: Applying systems knowledge and skills—including finance, marketing, operations, benefit and risk analysis—to market and business challenges in order to improve industry and business performance.	Basic understanding of business from the perspective of one market actor (e.g., producer). Applies understanding through basic producer trainings. Unable to identify performance factors.	Understands business from multiple perspectives. Able to assess the business’s internal and external challenges. Conducts practical workshops and trainings for multiple actors. Struggles to identify and advise on performance.	Confident understanding of business and performance. Works with multiple actors confidently. Assesses and advises businesses on strategy, risk and brand management, and operations based on their real needs and performance.	
Market facilitation principles: Understanding and acting on the principles of effective market facilitation—relationships, ownership, intensity and scale-up/exit.	Sees a simple and static market system. Knows the language of facilitation but is unsure how to apply principles and ideas in practice. Focus on one actor (e.g., producer).	Sees the system as complicated and confusing. Understands the context and principles of facilitation but struggles to apply them. Unable to explain nuances of the system.	Sees the complex and changing nature of a system. Understands the principles and the nuanced interconnected nature of them. Uses these principles to guide actions and interventions.	

COACH

Good coaches understand that success is about the other person growing. They are able to help the coachee see where a skill, knowledge or attitude gap may exist, and work with the other person to improve. Being a good coach will enable you to provide the right type of support to different value chain actors, ensuring that they are able to carry on after you leave—a key to sustainability.

Key Capacity	Level 1	Level 2	Level 3	Observations
Needs assessment: Engaging in dialogue with a coachee to help them become aware of and understand areas for improvement.	Meets regularly with one market actor, such as producers, and listens to their problems. Is able to identify explicit needs. Enters conversation with their own ideas and opinions of needs. Doesn't listen actively.	Meets regularly with producers and market actors to identify explicit and implicit needs. Shares ideas when asked. Good listener.	Meets regularly with producers, market actors, and other stakeholders to identify and uncover obvious, inherent, and hidden needs. Shares their ideas and opinions to guide conversation. Active listener.	
[Mark your skill level in this area from 1-3.]				
Feedback: Giving and receiving constructive criticism or encouragement, based on observations of actions, to enhance future effectiveness.	Gives encouragement but rarely feels comfortable offering constructive criticism. Passively accepts feedback.	Constructively gives positive and negative feedback to select coachees. Accepts feedback and adjusts actions accordingly.	Offers specific, constructive feedback to others. Leaves the coachee feeling empowered to improve. Actively seeks out feedback to improve own actions and acts on this feedback.	
Stimulate action: Helping the coachee set goals, formulate plans for action, and act on those plans.	Encourages specific actors to make action plans. Does not drive for action or follow-up with individual or actor.	Helps market actors create good action plans. Provides support and follows up on progress.	Creates buy-in from producers and market actors to create a strategic plan. Provides support and ensures ownership over the process. Checks-in on progress at pre-determined intervals.	

INNOVATOR

The ability to try new things and recognize creative ideas is critical for market facilitation. Thinking outside the box and working with others are essential skills for working in complex and ambiguous situations. Together, these will set you up to drive forward the necessary changes that you and your colleagues are striving for.

Key Capacity	Level 1	Level 2	Level 3	Observations
Trying ideas: Creating and piloting new ways of doing business and working with colleagues.	Implements activities as they have always been done. Rarely tries new things. Discouraged by failure.	Is curious and receptive to new ideas. Has many ideas of their own and occasionally tries them out. Recovers motivations if ideas fail.	Tests out new ideas on an ongoing basis; failure encourages greater future effort. Often demonstrates and communicates creative ideas.	
<i>[Mark your skill level in this area from 1-3.]</i>				
Learning: Reflecting on actions and progress to inform future action.	Learns from own work but rarely communicates these ideas. Accepts formal training but does not necessarily remember or act on it.	Is observant and reflective; consciously learns and adjusts actions according to learning. Requests formal trainings and acts on them.	Is proactive about learning both experientially and formally. Analyzes and synthesizes knowledge. Develops insights. Is humble and constantly learns and adjusts actions accordingly.	
Collaboration: Sharing information and working with colleagues to create innovations in the team's work.	Shares essential information only if directed to do so. Works with assigned team members.	Shares information about successes and challenges regularly. Is an active team member. Occasionally seeks information from other teams or colleagues.	Openly and proactively shares information about successes, challenges, failures, and insights in a constructive way. Is a team leader. Works productively with other teams to find relevant knowledge.	

FOUNDATIONAL SKILLS AND CHARACTERISTICS

Cutting across the five roles of a market facilitator are these ten skills and characteristics that relate to a market facilitator's general work ethic, specifically their ability to think and do. If you (or the market facilitator) adequately apply these skills or characteristics, check the corresponding box.

Thinking

- Data Analysis* Able to gather evidence (quantitative and qualitative data), evaluate it, theorize trends and develop insights. Competent in statistical and mathematical analysis.
- Manage Complexity* Intelligently and continuously analyzes large amounts of information about a complex system. Constantly stepping back and looking at the bigger picture.
- Strategic Thinking* Prioritizes and plans activities based on achieving long-term outcomes.
- Decision Maker* Makes confident decisions quickly based on sometimes-imperfect information. Shows good judgment in ambiguous situations.
- Self-Aware* Humble, open, aware of own biases and assumptions.

Doing

- Organized* Coordinates a number of different tasks involving a number of different actors all at once.
- Efficient* Achieves outcomes quickly. Is resourceful and good at time management.
- Independent* Is able to work with very little guidance.
- Determined* Is persistent, willing to keep trying despite experiencing failure. Is focused on the outcome and will do whatever it takes to make it happen.
- High-Performing* Strives for excellence in their work. Motivated by success in achieving goals.