Choosing a value chain and engaging with your research partners

Laurie Bonney
Oleg Nicetic
Ray Collins

September, 2012
Two neglected concepts

• Value chain projects are often chosen without consideration of factors critical to success

• We often spend far more time selecting commercial value chain partners and communities than selecting institutional research partners
Choosing a value chain R&D project

No two chains are the same…not all have equal potential…

• **People criteria**
  – Local authorities are supportive and ready to engage
  – Key group leaders see an opportunity and ready to engage
  – Participants motivated to collaborate with each other & chain partners
  – Participants have experience and resources

• **Market criteria**
  – Stable market window of opportunity
  – Ability to supply into a window
  – Scale is achievable through collaboration or business growth
  – Potential for ‘growing the pie’

• **Product criteria**
  – Product is valuable +/- relatively rare (scarce) +/- not easily substituted
  – Production constraints can improve in the project timeframe
Getting the balance right between partners – stakeholder analysis

Definition: Understanding who is affected by the decisions and actions in the project, and who has the power to influence the project outcomes (Reed et al. 2009)

• Adopt a systems perspective
• Formalise the process as part of project design and implementation
• VC projects currently use inclusive, empowering (normative) methods for chain participants, so…
• Adopt similar approaches for project institutional partners:
  – Step 1: Establish a focus with clear system boundaries
  – Step 2: Identify stakeholders and their stake
  – Step 3: Differentiate between and categorise stakeholders
    • Top-down categorisation
    • Bottom-up reconstructive categorisation by stakeholders
  – Step 4: Investigating relationships between stakeholders
    • Social network analysis
    • Knowledge mapping
Engagement with partners #1: Clear guidelines + analyse incentives

Everyone is in a value chain (Mentzer, 2001) … including institutions…

[Diagram showing a value chain involving Donor Agency, MARD, Institutions, Provincial Departments, and Districts, with institutional value creation. Below, a flowchart for Organisational incentives, split into Economic and Normative (policy, KPIs), and Social (expectations, leadership). Further down, a flowchart for Individual incentives, split into Economic, Social (recognition, identification), and Intrinsic (knowledge, satisfaction).]
Engagement with partners #2: Multi-disciplinary teams
So in scoping & implementation perhaps we should consider more thoroughly...

- Systematically assessing the development potential of the people, market and product aspects of prospective value chains
- Conducting formal stakeholder analysis
- Providing clear guidelines and incentives for the institutional partners at multiple levels
- Ensuring multiple disciplines as well as multiple institutions on value chain teams
- Thankyou, it’s been a pleasure meeting you I look forward to the rest of the program…