
EXPLORING NETWORKS AS A POWERFUL MECHANISM FOR IMPACT

INITIAL RESEARCH REFLECTIONS

INCLUDING PARTICIPANT FEEDBACK FROM THE SKOLL WORLD FORM ECOSYSTEM EVENT, 02 APRIL 2020

1.0 INTRODUCTION

Creative Metier has been engaged by Small Foundation to conduct research into the potential of multi-stakeholder networks to address complex systemic issues in sub-Saharan Africa, and to test and adapt a “networks approach” framework developed by Converge.

The initial stages of the research have focussed on identifying the potential and the challenges facing the research participants. This phase also explored the opportunities that adopting a “networks approach” presents to expand on the potential and resolve the challenges.

The research so far demonstrates both the (often hidden) potential of locally led multi stakeholder networks to address complex ecosystem level issues, and the challenges and barriers that they face to realising the impact that they seek to create.

These summary thoughts are drawn from two SKOLL World Forum Ecosystem sessions, including the thoughts and reflections of the attendees. The session was designed to draw on attendee experiences and perspectives, to critique and/or validate the research findings, and to contribute to our emergent thinking as the research progresses. A session is available for viewing here: <https://bit.ly/CreativeMetierSkollEvent>

2.0 ADOPTING A NETWORKS APPROACH

The complex problems at the center of Small Foundation’s mission cannot be solved by any single government, company, or programmatic effort. The systemic challenges are too large and complex to be addressed by any one organisation or sector alone.

When considering a networks approach, it is important to acknowledge the nature of the problem to be solved, drawing a distinction between **complicated** and **complex** problems can be helpful. Complex problems:

- Are difficult to define
- Have multiple root causes
- Involve diverse stakeholders
- Have no obvious solutions or measures of success
- Are constantly evolving

Networks are a good way to engage with complex problems because they can increase the coherence in the system such that people and organisations can collaborate more deeply and effectively. Effective networks offer the opportunity for deeper relationships and collaboration between people and institutions in service of an aligned mission or purpose.

The solution to the challenge of complex problems lies in building what Converge has called “strategic networks”. When formed deliberately, strategic networks combine the structure and focus of an organisation with the vibrancy and trust of a community to strengthen connections, accelerate learning, and spark collaborative action across organisations, sectors, and regions.

By harnessing the power of networks to scale, self-organise, and proliferate, ecosystem actors are catalysing some of the most sophisticated, large-scale solutions to social problems around the world.

Converge have developed an approach to developing a network mindset with five key considerations:

- Clarifying purpose
- Convening people
- Cultivating trust
- Co-ordinating existing activities

- Collaborating for systems impact

2.1 Research Approach

Fundamental to our research is the Converge hypothesis that organisations addressing complex issues can achieve greater impact through a networks approach.

Research participants were selected based on careful consideration of their mission and the potential for value and greater impact to be realised in applying the key tenets of a “network approach”.

The eight research participants are purposely diverse in their audience, sectoral focus, geographic footprint, the level of their markets that they serve, the way in which they engage with technology, the length of time that they have been operating, and in the extent to which they adopted a “networks approach” prior to the start of the research.

Some participants thought of themselves as a network from the outset of their work. Others are membership organisations, alliances of organisations working towards a common purpose, or “networks of networks” seeking to address issues impacting the rural ecosystem.

The breadth and potential of the research participants is indicated in **Annex A**.

Drawing on a deep and practical experience in organisational and network strengthening over many years, the Creative Metier team developed an action research approach leveraging proven creative exercises and consulting approaches, alongside application of the Converge “5Cs” approach¹. This action research was delivered through an intensive two-day workshop with research participants’ senior leadership team and or/board members.

Clarifying Purpose: Research participants already demonstrated and articulated a clear purpose and social commitment, aligned with Small Foundation’s own mission and goal. This was a key selection criterion for participants and its clarification underpinned the Creative Metier team’s work with each network.

Convening People: The research facilitated participants to create a stakeholder map to display their ecosystem, initially placing themselves at the centre and then moving them to the side, to view the potential of their ecosystem in relation to achievement of a shared purpose.

Cultivating Trust: The research surfaced the ways in which research participants currently build trust and invest in relationships. It looked at ways of convening to strengthen individual and collective relationships; further aligning members and stakeholders in service of a shared purpose. The stakeholder mapping exercise enabled a recognition that it is the depth of these relationships that delivers impact.

Co-ordinating Existing Activities: The team then worked with the participants to look again at the stakeholder map to identify opportunities to deliver on current objectives and challenges. This led to common and powerful realisations:

- To see the potential for moving from competition, feeling that they must deliver everything themselves, towards collaboration with partners in service of a common purpose
- To identify efficiencies and avoid duplications
- To enable each actor to focus on their own mission and core expertise, and to avoid mission drift

Collaborating For Systems Impact: Participants identified many potential collaborations resulting from the shift in mindset, from experiencing themselves at the centre of their network, to aligning members and stakeholders in service of a shared the mission, “the mission at the centre”. The participants saw how they could move to facilitating these collaborations and how that could achieve system level impact. Following the research, participants were able to identify significant planned and additional unforeseen positive outcomes resulting from this mindset shift.

¹ https://ssir.org/articles/entry/five_steps_to_building_an_effective_impact_network

3.0 REFLECTIONS ON THE RESEARCH FINDINGS

3.1 Emerging Common Themes

The key challenges experienced by the research participants in relation to the research findings included:



- The **invisibility of much of the work** relating to building the network and securing trust and relationships to both the network leaders, and therefore to funders.
- The challenges for networks in articulating their **value proposition**, often to include the invisible work, both to their members, broader ecosystem and to funders.
- The challenges relating to achieving **financial sustainability** and the search for blended funding models. The possibility that a shift to a network approach may result in a short-term funding gap as networks shift from “programme” focussed funding structured around inputs and outputs, compared to funding to support emergent outcomes.
- The need to access appropriate network coordination **capacity** and professional fundraising skills whilst working with a lean core team.

The research continues to identify both the potential and the challenges facing networks, and the ways that networks can effectively engage with funders to support their work.

Practical examples of the impact of the research are shared below.

3.2 Invest in Africa, Kenya

IIA(Kenya) is a private sector partnership initiative, with a presence in seven countries in Africa, working to generate sustainable impact and development by focussing on the development of small and growing businesses (SGBs) and is a participant in this research. IIA(Kenya) partners with private sector organisations and have created an extensive network of close to 2,600 SMEs and SGBs.

IIA(Kenya)’s mission is to improve trade between multi-national and large local organisations, and SGBs by addressing their most pressing challenges. These challenges include enhancing the skills of the SGBs, improving access to markets and access to finance. Their work is delivered via an online platform, which connects large organisations within the community to viable and credible SGBs for procurement opportunities. IIA(Kenya) has a sector focus, working with infrastructure development (mining, oil and gas, construction and renewable energy), food and agriculture and embeds women and youth across their work.

Wangechi Muriuki of IIA(Kenya) reported their experiences to the SKOLL ecosystem event:

“This was an interesting exercise, to step aside and see the rich network we had built, and how commonly aligned our mission was with our partners. We realised that we had been relating in a transactional way with partners and started to refocus our approach in terms of viewing them as potential collaborators in achieving our mission. Our thinking began shifting from that moment on.

We realised that two [partners] were so closely aligned, that if we deepened our relationships with them, we could achieve a large part of our own goals.

IIA(Kenya) had a specific challenge. We needed to train a specific segment of SGBs to develop a specific skill set and had been looking for funding the 2.5 years to support this work. By looking at the [stakeholder]

map, we identified one of our partners, The Equity Group Foundation, which has the same focus. IIA(Kenya) coordinated the training by connecting the SGBs to Equity Group Foundation. Training for 500 SGBs was conducted within two months, at no cost to us and without our direct involvement. We simply provided the connection; a win-win situation. Previously we would not have looked to this solution. Looking forwards, we can accelerate this impact even more. We realised that we could deliver more efficiently through partnership, by changing our relationship from a transactional to a collaborative approach.

This is just one of the examples of the power and impact of stepping out of trying to do everything, and moving to leveraging the ecosystem we have.

As we reflected on our learning, we came to a better understanding of the potential of the IIA Kenya network. Previously we focussed on connecting SGBs to larger corporates, but adopting a networks approach, we realised that the SGBs could benefit from engagement with each other. As a result, we facilitated a learning event, a tour to a large construction company for members to learn about procurement. Two business deals worth over 100,000 USD were made between the members who attended. What we thought of as a learning tour, had huge unexpected impact.

We realised that by convening the right organisations and enabling them to collaborate while we step back, there is far greater impact, and that impact is cumulative.

Another example is in our partnership with one of the leading Kenyan banks. The Bank came on board to provide finance for SME/SGB lending. As we ran through the deepening engagement exercise with Creative Metier, we reviewed our approach with them and saw that we could collaborate and leverage the network that the Bank already has. We are now looking at each other very differently. They see that IIA is unlocking an entire SGB ecosystem and that we are completely aligned for example around agriculture.

We are now looking at the same bank to bring more corporate partners on board because they have seen the value of the wider network and how that benefits the bank. It is more synergistic and a whole new way of looking at things, it is very exciting.”

3.3 AFRACA (Africa Rural and Agricultural Credit Association)

AFRACA is a pan-African network promoting rural and agricultural finance through advocacy and policy change. Its members include 19 central banks and central bank apex organisations, 17 agricultural and development banks, 20 commercial banks, 8 microfinance networks and 55 MFIs.

The research participants were supported to identify gaps in their networks. AFRACA, for example, recognised that in order to accelerate progress in access to rural finance they would need to bring agribusiness, ag-techs and fin-techs into closer conversation with central banks and commercial banks.

3.4 ANDE East Africa (EA)

ANDE EA is a regional chapter of the ANDE network, convening and connecting intermediaries, providing knowledge and advice, and influencing across the ecosystem. ANDE EA is implementing a comprehensive strategy to develop Uganda’s entrepreneurial ecosystem as part of the Uganda Entrepreneurial Ecosystem Initiative (UEEI). Out of a global membership of ANDE 297 members, more than 160 of them have operations in East Africa.

During the research, the team shared the concept of Social Network Analysis² as a mechanism for understanding and evaluating network health. ANDE EA has consciously worked to convene and build networks from the outset, and have a performance indicator relating to the number of linkages created.

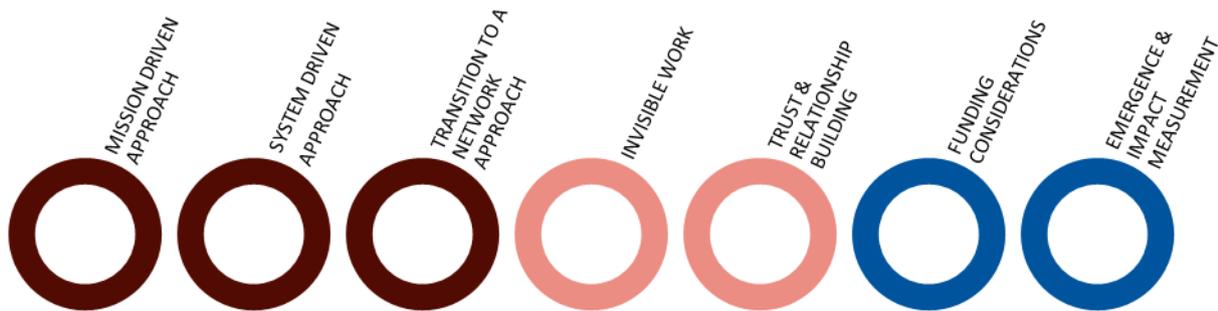
² Reference: Article on SNA: <https://medium.com/converge-perspectives/social-network-analysis-a-mini-case-study-2c4153d96540>
SNA tool: www.kumu.io

One of the questions that arose with them is how to capture the impact of those collaborations, some of which they are aware of, and some of which they may not be.

Emergent outcomes may be in line with previously determined objectives and in addition completely unexpected outcomes may also occur.

Understanding how to measure and record these emergent outcomes is a priority for the next phase of this research.

4.0 THEMES EMERGING FROM DISCUSSION



4.1 A Mission Driven Approach

Session participants recognised the value of focussing on mission alignment between partners and ecosystem stakeholders, and the applicability of this principle across different contexts.

“This kind of being aligned is one the best and most important aspects to consider, no matter where reporting from, the mission driven aspect is essential, we’ve seen this is many contexts.”

4.2 Taking a Systemic Approach

Some session participants shared that they are familiar with systems approaches and some use stakeholder analysis as a tool to identify motivations and mutually beneficial solutions. There is value in understanding the whole system.

“[When we] work with sectors, [the] systemic approach starting point is to identify underlying causes, go through a detailed stakeholder analysis, who are the actors involved and their power plays and what incentives are involved - what drives people - solution has to be win-win for all.”

4.3 Transitioning to a Networks Approach

Session participants were interested to explore the role of the convener compared to participant, and how to decide who is at the table when co-creating the network in an emergent ecosystem. There was broad support for the concept of allowing ownership to rest with actors in the ecosystem. Participants discussed the need for actors within the network to model the values of openness and transparency, such that all members of the network can understand the ecosystem as a foundation for collaboration.

“I liked the way Wangechi talked about moving from the transactional approach to more facilitative/partnership approach. I guess the challenge is to find the opportunities for where this can work as the way the “system” works can constrain this.”

4.4 Invisible Work

The research identified the need to recognise the “invisible work” of building the network, trust and relationships, and for this to be articulated as a value propositions in conversations both with members and funders. A related point emerged around the need for funders to also step back and allow the network to be visible and take credit for emergent outcomes and impact

“Creating a shared understanding of context and relationships in which solutions can occur is the real work of networks. It is often invisible if one is looking for transactions as evidence of work.”

4.5 Relationship Building, Trust and Authenticity

A fundamental principle of the Converge approach lies in building trust amongst network members. These challenges cannot be understated when seeking to achieve system level change in lower trust environments. Session participants recognised the challenges of moving too fast when trust is not yet built, and the need to invest time and resources in building trust. They were keen to understand more about successful approaches to building trust; how to create deeper connections between network members; how to leverage common partners to build trust and collaboration; and how to create a common thread for collaboration.

“The most effective networks I’ve seen have a focus on understanding the entire system and cultivating trust.”

“There is no shortcut [to relationship building], we know this from our own personal relationships, it is the same for relationships in a network and trust is trust, there are no short cuts.”

“It’s been a struggle to bring them together, trust and relationship building needs to happen individually. Maybe we’ve jumped ahead of this step and maybe the shared goal isn’t necessarily enough.”

4.6 Emergence and Impact Measurement

Two key themes emerged in relation to impact measurement. Firstly, that positive impact of moving to a network approach in terms of emergent outcomes can be seen immediately across the research participants. Secondly, the evaluation systems are historically biased towards measuring known inputs and outputs. The changes in human behaviour and collaborations needed to resolve complex problems are more challenging to monitor and measure. The challenges around planning for and funding unintended system level outcomes may require adjustment of evaluation practices to focus on mission alignment, network strength and shifts in the ecosystem over time.

“[What resonated with me was] How emergent outcomes are not clearly foreseen from the start but can be very powerful.”

“It is important to measure impact, against the current goal and future mission, if I must trust a new organisation and give them budget, I must be sure the goal and objectives are aligned.”

4.7 Funding Considerations

Session participants were keen to explore how funding should and could best be leveraged by networks for core costs and service delivery work. In particular, how can the shift from funding inputs and outputs towards emergent outcomes, be effected such that networks secure the funding they need, and funders have the comfort around impact? During the session, funders talked about the need to look at funding programmes from a long-term lens rather than short term outcomes.

5.0 CONCLUSION AND NEXT STEPS

In the session, and with these notes, we have sought to highlight:

- The potential of networks to sustainably contribute to the resolution of complex problems.
- The value of a network approach in enabling deepening relationships, mutual trust and collaboration for systems impact.
- Curiosity as to how a network is different to an organisation, and the potential of networks to achieve impact and identify new ways forward.
- Curiosity about the Converge approach as applied through Creative Metier's research with just some of the rural impacting networks in Kenya and Uganda.

We would like to engage you in our next steps as we progress our research. If you would like to follow up, do contact us, emailing Ellie e.guest@creativemetier.com in the first instance and we will set up a call.

Thank you to Small Foundation for funding this research and to Converge and Invest in Africa for contributing such valuable insights during the SKOLL World Forum ecosystem event.

ANNEX A: RESEARCH PARTICIPANTS

AFRACA (Africa Rural and Agricultural Credit Association) est. 1977 | www.afraca.org

Pan-African network promoting rural and agricultural finance through advocacy and policy change. Members include 19 central banks and central bank apex organisations, 17 agricultural and development banks, 20 commercial banks, 8 microfinance networks and 55 MFIs.

AWAN (Association of Women in Agribusiness) est. 2003 | www.awanafrika.com

Women's agribusiness network delivering knowledge and targeted advocacy through an e-hub that gives members access to markets; information on regional and global trade, agro-technology, innovative finance and opportunities, through the Africa Continental Free Trade Area (AfCFTA). Membership consists of 1,367 women and/or youth-led agri-businesses and stakeholders across agricultural value chains in 39 African countries.

ANDE East Africa Chapter (Aspen Network of Development Entrepreneurs) est. 2009 | www.andeglobal.org

Regional chapter convening and connecting intermediaries, providing knowledge and advice, and influencing across the ecosystem. ANDE East Africa is implementing a comprehensive strategy to develop Uganda's entrepreneurial ecosystem as part of the Uganda Entrepreneurial Ecosystem Initiative (UEEI). Out of a global membership of ANDE 297 members, more than 160 of them have operations in East Africa.

ASSEK (Association of Start-up and SME Enablers of Kenya) est. 2018 | www.assek.ke

Association fostering development of the ecosystem for start-up and SME enablers across Kenya, seeking to develop rigorous ecosystem standards and guidelines. ASSEK has gained credibility with the Kenya Government through the Ministry of Trade and Industrialisation for driving policy and agenda for its members. Current membership: 32 start-up and SME enablers.

Invest in Africa Kenya (IIA) est. 2015 | www.investinafrica.com

Enables trade between large companies and SMEs by providing better access to markets, enhancing SME skills and improving access to finance. Connects multinationals and larger businesses to credible local suppliers (SMEs) through a procurement platform biashara.now. Membership + 2500 SME members registered on biashara.now

AWEP Kenya (The African Women's Entrepreneurship Programme) est. 2013 | www.awekkenya.org

Association equipping its members to become agents of change within their communities through education, tools and skills, to access business and leadership opportunities, and opportunities for regional and global trade. Membership consists of individual entrepreneurs and women's business networks. 1292 members.

Uganda Agribusiness Alliance (UAA) est. 2014 | www.ugandaagribusinessalliance.com

Private sector-led multi-stakeholder alliance working with its membership to grow a strong, coordinated, inclusive and more organised agribusiness industry characterised by higher productivity, efficiency, profitability, competitiveness, sustainability and resilience that creates jobs and alleviates poverty in Uganda. Membership: 32 agribusinesses, farmers associations and financial institutions across multiple crop value chains.

Innovation Village est. 2015 | www.innovationvillage.co.ug

An ecosystem builder at the heart of an interconnected network of SME enablers deepening the application of technology in powering social economic prosperity. 3,000 start ups in the network building new technologies to create jobs, tackle big problems and improve people's lives.

ANNEX B: RESEARCH PARTNERS

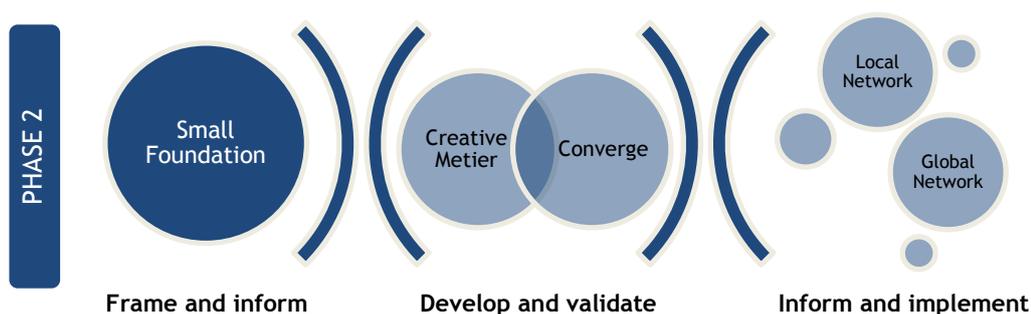


Figure 1 - Potential collaborator contributions in Phase 2

Creative Metier

Creative Metier has been engaged by Small Foundation to apply the Converge approach and to validate and adapt it for use within the context of sub-Saharan African multi-stakeholder networks, specifically those focussed on achieving rural impact and engaging with the business ecosystem.

Creative Metier has worked extensively within Africa to strengthen organisations and networks at all levels of the ecosystem including funders, intermediaries and local ecosystem actors. To underpin this work, our insight team work to understand local markets and constraints, to develop locally applicable approaches to strengthening actors at all levels of the ecosystem. This research is an example of such a study.

Converge

Converge is a network of strategists and designers committed to social and environmental impact. Converge builds collaborative networks that help individuals and organisations to connect, learn, and work together to tackle complex problems and create systemic change. The team has developed an approach to building networks which Creative Metier draws on in this research.

Ref: https://ssir.org/articles/entry/five_steps_to_building_an_effective_impact_network

Small Foundation

Small Foundation is a private, Dublin based, family foundation, seeking to contribute to tackling hunger and poverty in sub-Saharan Africa by catalysing income generating opportunities for extremely poor rural people. They do this by supporting rural impacting micro, small and medium enterprises, believing those businesses will present income generating opportunities.

The Foundation's particular focus is on the intermediaries that work with these businesses, working with intermediaries that might provide finance, technical assistance or the skilled human resources these business need rather than supporting the businesses directly. In order to achieve their goals, the Foundation is looking to invest in, and collaborate with, intermediaries that have the potential to be commercially viable.

Small Foundation realised through research that these intermediaries operate in extremely challenging ecosystems that may be disconnected or dysfunctional, and it was this realisation that lead to the work that is referenced in this session.

Small Foundation recognises ecosystem level challenges and sees an opportunity to build connection to address complex issues. The Foundation has a number of partners working in this space e.g. ANDE, AMEA, SAFIN CFF, VESF, and CSAF; collaborative entities where different stakeholders with different perspectives come together to make progress towards addressing systemic issues.

Small Foundation believe³ that bringing aligned stakeholders together, even from very different backgrounds, could be a pathway to effecting sustainable systemic change. Small Foundation's hypothesis is that networks can be a really powerful mechanism to tackle those complex issues where the solutions are not clear, and outcomes are emergent. This is where we would like your thoughts and input.

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- ³ **Small Foundation's Mission:** Catalyse income-generating opportunities for extremely poor people in rural sub-Saharan Africa
 - **Goal:** Support initiatives that improve the business ecosystems that proliferate income opportunities for those in extreme poverty by expanding the access of MSMEs to knowledge, skilled human resources, finance, technology and markets. We do this by researching, collaborating, disseminating
 - We believe networks are powerful mechanisms for tackling complex problems where collaboration is needed and outcomes are emergent