

# Common Mistakes in BDS Market Assessment: what can we do better?

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SEEP Network PLP in BDS MA



Oops!




- What are the common mistakes?
- Why did we make them?
- How can we avoid them in the future?



Mistake 1: Facilitators embark on a market assessment without determining clear hypotheses based on a market scan or a rapid market appraisal.

- Hypotheses are necessary to ensure that research results will be useful for program design- what is the market change idea that will be refined through the MA?
- Mission drift is possible- the purpose of the research is obscured




## Mistake 1: Facilitators embark on a market assessment without determining clear hypotheses based on a market scan or a rapid market appraisal. (cont.)

- When the mistake is made: facilitators fear presupposing research results
- Sample solution: conceptualize an idea for market change & work to refine the idea; conduct a market scan or rapid appraisal prior to a full-fledged market assessment




## Mistake 2: Facilitators do not link market assessment goals to overall project strategy

- Cross-sector or sub-sector?
- What is the ultimate goal of the MA?
- When the mistake is made: confusion about which approach is more appropriate for end goals
- Sample solution: determine the project goal; choose the approach that will provide the right information to reach this goal



Mistake 3: The MA team is not properly oriented in the research methodology, research tools, or local context; facilitators assume that they already possess adequate skills and knowledge for MA.

- MA results substantially based on quality of the methodology and on the staff research skills
- Data can be misleading, causing incorrect program interventions




Mistake 3: The MA team is not properly oriented in the research methodology, research tools, or local context; facilitators assume that they already possess adequate skills and knowledge for MA. (cont.)

- When the mistake is made: failure to recognize or acknowledge the gaps in the skills of the research team- additional training is ok!
- Sample solution: assess existing skills & gaps (see the list in “Building a Team”); provide training in research techniques and analysis; use a research company for specific tasks




## Mistake 4: The MA process is not managed closely enough.

- Outsource to whom? How closely should the facilitator oversee the outsourced research?
  - Firms experienced in MA for medium or large enterprises may have little experience in the weak market settings of microenterprises or in developing an entire business service sector rather than a single enterprise
  - Social research firms may not be familiar with assessment of supply and demand



## Mistake 4: The MA process is not managed closely enough. (cont.)


- When the mistake is made: facilitator believes the market research company knows exactly how to do a market assessment with microentrepreneurs



## Mistake 4: The MA process is not managed closely enough. (cont.)


- Sample solution:

- select flexible company;
- facilitator should “own” the research process;
- meet regularly with the research company and amend the MA process as necessary;
- participate in some info gathering activities; facilitator & research company should both understand the market




Mistake 5: The MA is only focused on selected variables in the BDS market, rather than a holistic picture of the market.

- Focus on demand or supply rather than demand & supply
- Lack of clear and accurate picture of all market actors and the relationships between the actors; could miss key actors or transactions
- Failure to note supporting market institutions
- Inadequate understanding of the social and cultural context




## Mistake 5: The MA is only focused on selected variables in the BDS market, rather than a holistic picture of the market. (cont.)

- When the mistake is made: a market scan indicates that one side of the market is particularly weak
- Sample solution: create a market map showing the actors, their interrelationships, and the gaps that need to be researched to have a complete picture of the market
  - include an examination of market supporting institutions and the legal, social, cultural context



## Mistake 6: MA tools are selected too late and applied too rigidly in the MA process.

- Rigid application of research tools does not yield the desired results- don't go by the book!
- When the mistake is made: facilitators try their best to respect the standard research rules without allowing for creativity and innovation
- Sample solution: qualitative tools tend to be more useful; integrate quantitative & qualitative tools for innovative solutions that lead to the best results



Mistake 7: Survey, interview, or focus group questions are not probing, do not cross-check data, or do not generate data about business outcomes.

- Poorly designed questions could lead to incorrect conclusions
- When the mistake is made: facilitators know the specific questions they want answered but research requires patience and creativity to elicit the most accurate responses
- Sample solution: link questions to the local market context for best results; rephrase and probe as necessary

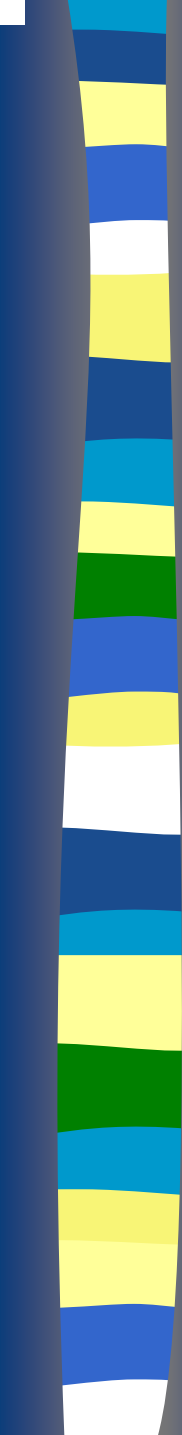
Ah ha!




- Case studies of common mistakes and how they can be avoided
  - EDA: Ashok Kumar, Sanjay Sinha
  - MEDA, ECDI: Linda Jones, Perveen Shaikh
  - TTO: Paul Bradnum

# The First Annual PLP Jeopardy Game


<b>A Tour of Washington, DC</b>	<b>Common Mistakes in BDS MA</b>	<b>Financial Ratio Analysis</b>	<b>What Jimmy Ate for Breakfast</b>
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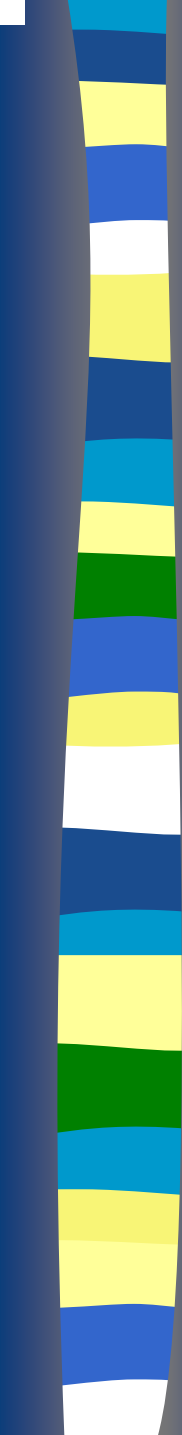
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Please jot down your questions & comments!  
Thanks for participating!

