



HIGH IMPACT CONSTRAINTS AND OPPORTUNITIES

ACTIVITY GUIDE

OVERVIEW

At this point in the Keystone Design Framework, you should have already identified a health need and target consumer, assessed the market performance (based on your own research or existing information), gained deep insight into your target consumer’s journey and conducted Market Functions Analysis to identify **key areas where market function is completely absent, mismatched or inadequate** for meeting the defined health need.

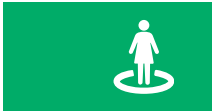
Now, we will further analyze those specific areas to produce a list of **4 to 6 high-impact constraints and opportunities** where intervention could yield the greatest health impact for the target consumer. Once created, this list can:

- Provide a menu of intervention options for your team to consider during the Decide phase of the Keystone Design Framework, and/or
- Serve as an advocacy tool to encourage donors and other market stakeholders to take action.

Production to Use Spectrum Matrix- Final Prioritized Market Constraints								
		Manufacturers	Importers/ Marketers	Distributors	Wholesalers	Retailers	Providers	Consumers
Core Functions (Demand and Supply)	Product					Low quality provider counseling		
	Price	Price distortions from public/SMO/NGO sector constraining commercial actors from investing in market						
	Place						Significant last-mile stock-outs in public sector	
	Promotion							Insufficient consumer demand generation
Supporting Functions	Information							
	Coordination		Insufficient coordination in public sector at national and provincial levels					
	Guidance							
	QA				No QA system for products and services beyond product expiry			
	Financing							
Rules	Labor / Production Capacity					Providers have low capacity/ lack training in quality counseling		
	Policy & Reg					Regulation restricts some providers from offering full method mix to all women		
	Social Norms							
	Taxes/ Tariffs							

NOTE:

This list will only indicate *potential* areas for intervention and should be considered “PSI neutral”. Just because we identify a constraint or opportunity as high-priority, it does not mean that PSI is the actor best-positioned to intervene.



WHEN TO CONDUCT THIS ACTIVITY

This step should always be conducted when the Keystone framework is applied to a program.

In some cases, this analysis may already exist – however it is still recommended that you review it against any new information, to ensure that the team feels that the prioritized constraints are valid. For example, a full analysis of the value chain and market functions is necessary for developing a health market development strategy (with a frequency of at least every 3 years) but for a specific SBC program or annual marketing planning, you will likely be more focused on the market and consumer understanding and referring to a full production-to-use analysis if appropriate/useful.

TIME, RESOURCE AND STAFFING REQUIREMENTS

<p>Who will participate in this activity?</p>	<ul style="list-style-type: none"> • Design Team • Stakeholders • Technical and Regional Advisors as needed
<p>Who time and resources are required?</p>	<ul style="list-style-type: none"> • Analysis/alignment workshop amongst the core team and stakeholders; 1-2 days • Note the workshop should include a review of all the key data learned across the steps of the Diagnose phase and then consolidate to align on the key constraints/opportunities



INSTRUCTIONS

GOAL

The goal of this activity is to answer the following questions:


1. What are the biggest **constraints** in the market that prevent your target consumer from taking up the health behavior or accessing the right products/services?
2. What are the biggest **opportunities** to grow the market (for this product/service) and serve your target consumer’s needs better?

OUTPUT

The output will be a **prioritized list of 4 to 6 opportunities and constraints where intervention could have the greatest potential impact** in terms of meeting consumers’ health needs.

Example

MHM, Ethiopia



Prioritized Market Constraints

Stock outs at every level

- Foreign currency access (currency depreciation)
- Imported raw materials or finished products

Access in rural areas is Low


Access + Stock out + distribution model / cost and low demand to pull

Forecasting

- Lack of information / information flow
- Capacity

Lack of coordination with or within the private sector

- Not in guidelines as partner
- Some NGO/UNICEF efforts hurting private sector (reusable)



NOTE

In some cases, these constraints and opportunities will represent areas where PSI can potentially intervene. Other times, we may find that many constraints and opportunities fall outside PSI's sphere of influence, and other players may be better positioned to address them. By including other players and stakeholders in the process, you can build buy-in and mobilize other organizations to take actions that can create a positive enabling environment.

PRIORITIZING HIGH IMPACT CONSTRAINTS AND OPPORTUNITIES

Convene a workshop with your team and any relevant advisors to review the outputs of the previous steps and identify the key constraints/opportunities in the market.

IDENTIFYING AND CLASSIFYING CONSTRAINTS AND OPPORTUNITIES

During the 'Assess the Market' and 'Profile the Target Consumer' steps, you identified a list of key gaps/opportunities in market performance and the top barriers/motivators along the consumer journey. Bring these into the mix (they may or may not be fully captured in the Production to Use matrix). If you didn't complete the Market Functions analysis for any reason, then the bulk of your analysis in this step will come from the outputs of Steps 2 and 3.

During your analysis of key market functions (see the 'Key Market Functions Analysis' activity guide) you should have identified clusters of issues where market functions aren't working properly. Typically, the functions are either:

- **Absent:** Inadequate or no incentive for a function (e.g., demand creation or quality assurance) to be performed.

For example, a large number of people in a remote, impoverished area might suffer from a treatable medical condition, but there might not be enough local doctors to address the problem, and no incentive for doctors to move to the area.

- **Mismatched:** A function may be performed ineffectively by a market player with the wrong capacity or incentive to do so.

For example, a public-sector agency may take on a role that private sector players could perform with higher capacity and incentives. For example, in many low-income countries the supply of medicines and health products managed directly by a government entity. In most high-income countries, the supply and distribution are often outsourced to private sector players.

- **Inadequate/ Sub-optimal:** A function may be performed by the 'right' player without the capacity or incentive to improve performance.

For example, if regulatory agencies do not have sufficient personnel or funding, they may not be able to control the importation of products leading to the presence of products that do not meet international standards for quality assurance.



PRIORITIZING CONSTRAINTS AND OPPORTUNITIES

After you have compiled a list of all identified barriers and market constraints, the next step is to **identify prioritization criteria** relevant to your project.

Example criteria for prioritization often include:

- **Scale of impact** – How much positive change an intervention in this area could create, based on whatever metrics you use to measure success.

For example, in India the PSI team realized that if it convinced policy-makers to develop and implement a system whereby the government could purchase family planning services from private sector providers, then affordability issues would be resolved for a huge number of consumers and all private sector providers in the market would benefit greatly. As a result, the team focused its efforts on the issue and successfully piloted a system that will be rolled out to several states.

- **Sequence** – In some cases, addressing one opportunity or constraint might be a prerequisite for addressing other opportunities and constraints.

For example, in Myanmar the team found that providers were prescribing a huge number of different types of hypertension treatment regimens many of which were ineffective. Rather than immediately focusing on provider training, the team decided to partner with the government to establish clear Standard Treatment Guidelines for private sector providers. The Standard Treatment Guidelines could then be incorporated into existing training programs and could form the basis for medical education in hypertension.

- **Feasibility** – Often, we would want to focus on opportunities and constraints where the relevant actors already have capacity to address the issue and face the fewest barriers (note that addressing barriers related to political instability, macroeconomic conditions, or national transportation infrastructure may not be feasible).

In Ethiopia, the team found that there was a huge amount of latent demand for menstrual hygiene products and frequent stockouts at every level of distribution. After doing some root cause analysis, the team found that the stockouts were caused by a lack of access to foreign currency. Without access to foreign currency, manufacturers could not import the raw materials that they needed. The team felt that it was infeasible to address the foreign currency issue and, instead, decided to develop new partnerships to integrate menstrual hygiene education with sexual and reproductive health programs.



Once you have determined your criteria, compare the constraints and opportunities you have identified to determine the highest-priority areas for potential intervention. Again, to ensure that your intervention program is focused, and resources are not overstretched, we recommend **narrowing the list to 4 to 6 high-priority constraints and opportunities.**

NOTE

Prioritization of constraints can be as much art as science. You may come across many possible constraints throughout your analysis. Prioritization should factor in the overall impact on use – while acknowledging that not all constraints impact the target consumer equally.

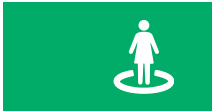
CONDUCTING ROOT CAUSE ANALYSIS

After you have prioritized constraints, it may be beneficial conducting a root cause analysis. The purpose of this is to **identify any interrelation of market constraints**, and ensure that, as we set our strategy, we focus on interventions that address the root cause of a problem, not the symptoms.

To identify root causes, it helps to outline **a causality tree** connecting 'symptoms' – the market constraints we identified – to their 'root causes'.

Applying a **"5-Why Analysis"** can also help you identify root causes, especially in cases where the chain of causality more circuitous than straightforward. This involves asking 'why' to identify the cause of a constraint until you can no longer find an answer. This is often then the root cause.

If you find that a symptom leads back to a 'root cause' constraints beyond PSI's capacity to solve or contribute to solving (i.e., constraints that your program has no capacity, resources, or mandate to address) then it might be necessary to de-prioritize that constraint or focus more on advocacy than intervention. However, before you close any line of enquiry, **verify that you have enough evidence to support your decision and that intervention in this area is truly infeasible.**



Constraint

2. Price pressure from donors and governments

Root Causes

Assumption that product price will drive cost savings

Limited recognition of implications of a nascent market

Product development/refinement and innovation impacts price

"Price plays a major role in market attractiveness and it ultimately impacts the margins the company can achieve. If the global health community requires a \$1 test, the market opportunity is no longer attractive and manufacturers will likely look toward other investment opportunities offering better returns."



IMPORTANT CONSIDERATIONS

After you have completed prioritizing and identifying root causes, there are a few more important points to consider:

- When conducting interviews as part of your market research, which stakeholders were open with you and really knew the market? If they're not in your workshop, go back and talk to them. **Run the prioritized constraints by them and get feedback before moving onto Design.**
- We have been referring to our *target consumer* as the person whose behavior we are ultimately trying to influence. For example – the adolescent who we would like to uptake a LARC or a young man to choose VMMC.

However, during this activity, **we may realize that we need to focus any intervention on a key influencer or another market actor.** For example, the provider who counsels the adolescent, a peer of the young male, or the regulatory authorities who set the guidelines. We will refer to them as the *'target audience'* for any interventions moving forward – identifying how we can influence them to ultimately have a positive impact on our target consumer.

CONCLUSION

At the end of this activity, you will have identified 4-6:

1. **Constraints** in the market that prevent your target consumer from taking up the health behavior or accessing the right products/services
2. **Opportunities** to grow the market (for this product/service) and serve your target consumer's needs better



Summarize these in the **Keystone Project Presentation template**, with a short explanation based on the data you gathered during this Diagnose phase. Then return to the **Keystone Manual** and continue with the next phase.