Facilitators Training Guide

Introduction to Market-Based Sanitation for Implementing Partners Funded by the USAID/Bureau for Humanitarian Assistance

Facilitators Training Guide **1**
MODULE ONE: Introduction **16**
INTRODUCTION 17
REVIEW: Module One Terms and Definitions 21
SUMMARY: Introduction 22
CLOSING 22
MODULE TWO: Understanding How Markets Work **24**
TOPIC 1: Market Components and Dynamics 25
TOPIC 2: Key Market Terms in MBS 29
TOPIC 3: Market-Based Sanitation Process 36
SUMMARY: Module Two Understanding Markets 37
REVIEW: Module Two Terms and Definitions 38
CLOSING 39
MODULE THREE: Market Research **40**
TOPIC 1: Introduction 41
TOPIC 2: Stakeholder Mapping 56
TOPIC 3: Developing a Plan for Market Research 57
SUMMARY: Market Research 59
REVIEW: Module Three Terms and Definitions 60
CLOSING 61
MODULE FOUR: Product Design **63**
TOPIC 1: Product Design: HEAR, CREATE, DELIVER 64
TOPIC 2: Cost vs. Benefit 73
SUMMARY: Product Design 75
REVIEW: Module Four Terms and Definitions 75
CLOSING 76
MODULE FIVE: Business Models, Communication, Sales Planning, Viability, and Sustainability **78**
TOPIC 1: Business Model 80

TOPIC 2: Communication Planning 88
TOPIC 3: Designing a Sales Strategy 100
TOPIC 4: Viability and Sustainability 105
TOPIC 5: Summary 112
REVIEW: Module Five Terms and Definitions 113
CLOSING 115
MODULE SIX: Financing 117
TOPIC 1: What is Financing? 118
SUMMARY: Financing 124
REVIEW: Module Six Terms and Definitions 124
CLOSING 126
MODULE SEVEN: Implementation 127
TOPIC 1: Planning for Implementation 128
SUMMARY: Implementation 142
CLOSING 144
MODULE EIGHT: Closing 146
INTRODUCTION 147
TEST: Postest 149
CLOSING 150

Disclaimer
This guide is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of PRO-WASH Award and do not necessarily reflect the views of USAID or the United States Government.

Acknowledgements
This training package was developed thanks to the many individuals who contributed to this work by writing and reviewing lessons, as well as piloting the lessons during training sessions. We thank the USAID Water, Sanitation and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Activity and UNICEF for sharing important market-based sanitation materials that were leveraged during the development of this training package. We thank the Resilience Food Security Activity partners, the PRO-WASH Steering Committee members, and USAID BHA for their input into the training package and for sharing successes, challenges and lessons learned related to their work on improving sanitation coverage in rural areas.

Acronyms and Abbreviations

ATL	Above the line
BHA	Bureau for Humanitarian Assistance
BMC	Business model canvas
BTL	Below the line
CLTS	Community-led total sanitation
DIY	Do-it-yourself
EVS	Enterprise Viability and Sustainability
GIS	Geographic Information Systems
HCD	Human-centered design
IPC	Interpersonal communication
MBS	Market Based Sanitation
MF	Microfinance Institutions
MVP	Minimum viable product
NGO	Non-governmental organization
PRO-WASH	Practices, Research and Operations in Water, Sanitation and Hygiene
PSI	Population Services International
RFSA	Resilience Food Security Activity
R&I	Refine and Implement
Sani-FOAM	Acronym for a sanitation framework; Sanitation, Focus, Opportunity, Ability and Motivation
SBC	Social and Behavior Change
SHOUHARDO III	Strengthening Household Ability to Respond to Development Opportunities
ToR	Terms of Reference
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USAID WASHPaLS	Water, Sanitation and Hygiene Partnerships and Learning for Sustainability
VSLA	Village Savings and Lending Association
WASH	Water, Sanitation and Hygiene
WSP	World Bank Water and Sanitation Program

Introduction

PRO-WASH[1] developed this introductory training package on market-based sanitation (MBS) with input from partners. It builds on best practices and evidence. The training aims to support partners as they integrate market-based approaches into their rural sanitation activities during multiyear USAID Bureau for Humanitarian Assistance funded (USAID/BHA) Resilience Food Security Activities (RFSA). The training may also be of interest to other partners working in rural settings.

The training is intended to be synchronous (completed in real-time) with a live instructor. The training package can be delivered remotely or in person. Participants will identify situations in which a market-based approach can be helpful, and the phases and processes needed to integrate a market-based approach to sanitation in their work. The training also intends to cultivate comfort with the idea of proceeding with this integration while acknowledging that the challenges and ambiguity will persist. After establishing these foundational beliefs and comfort, the facilitator will present MBS techniques through examples and activities that highlight the fact that the approach is not one-size-fits-all.

This training package uses adult education methodologies and leverages existing resources to ensure this guide is complementary to them and at the same time avoid overlap. As such, this training package draws heavily on feedback received from reviewers and guidance from other organizations and projects, including USAID Water, Sanitation and Hygiene Partnerships and Learning for Sustainability (WASHPaLS), UNICEF, the World Bank, iDE, and Population Services International (PSI). It also draws on lessons learned and examples from PRO-WASH's applied research on sanitation in Niger and Bangladesh, and experience from supporting partners in Niger, Mali, DRC, Malawi, Mali, and Burkina Faso.

Training Outcomes

By the end of the eight training modules, the participants will be able to:

- Describe market-based techniques and how they can be applied to sanitation
- Apply market techniques to major components of a sanitation project
- Discuss market techniques as they relate to challenges implementing partners face in their work
- Determine where and whether MBS can be integrated into their sanitation activities

Adaptive Course Modules

Each module has been developed as a standalone module, meaning that you can complete modules in order or select which modules would be most useful for you depending on your project and the steps you need to take to design and implement your MBS activities. The exceptions are Modules 1 and 8, which are meant to be the introduction and conclusion of this course. The modules are as follows:

- Module One: Introduction
- Module Two: Understanding How Markets Work
- Module Three: Market Research
- Module Four: Product Design
- Module Five: Business Models, Communication, Sales Planning, Viability, and Sustainability
- Module Six: Financing

[1] PRO-WASH (Practices, Research and Operations in Water, Sanitation and Hygiene) is a five-year project led by Save the Children and funded by the USAID Bureau for Humanitarian Assistance (BHA). PRO-WASH works with partners to strengthen the quality, effectiveness, and sustainability of WASH practices in BHA-funded development and emergency food security activities.

- Module Seven: Implementation
- Module Eight: Closing

Note that training outcomes will vary if the facilitator selects only specific modules to complete as part of this training. Care should be taken to manage participant and manager expectations if not completing all modules. The training manual also can be used on its own for self-directed learning.

Adaptive Course Materials

The training manual is also accompanied with:

- Editable slide decks for each Module
- Module Summary Handouts or "cheatsheets" for each Module, except for the Closing Module
- A handout for each Module with a collection of the instructions and templates for participant exercises.
- Case studies and links to Videos

The facilitator may also choose to have participants read summary documents ahead of time of certain Modules to shorten the time in the classroom. There are many videos on the IRC and the PRO-WASH YouTube MBS playlists that facilitators may also choose to use during the training or as assigned viewing, prior to the course.

Key Course Components

This training relies on two models throughout the training package: (1) the Sanitation Market System (Figure 1) and (2) UNICEF phases for designing and implementing MBS activities (Table 1).

FIGURE 1: Sanitation Market System

Source: USAID WASHPaLS

TABLE 1: UNICEF's MBS Process[2]

Scope	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery Approach	3–5 months
	5	Demand Activation Design	
	6	Financing	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

The Participant

The primary intended audience, the target customers, are implementing partners that are funded by the USAID/BHA and that work on multisectoral food security activities in rural environments. This training package is for staff with management responsibilities or staff who provide technical assistance for sanitation activities. Participants may be currently designing or implementing MBS activities. Other rural sanitation practitioners may also find this training useful.

The Facilitator

The facilitator should have experience implementing MBS in contexts similar to the working contexts of the participants. If this is not possible, the facilitator should have business, value chains, sales, and marketing expertise. The WASH examples can then be supplied by the participants. Facilitators with complementary skill sets can also be paired together. For example, a facilitator with experience in adult education techniques could be paired with an expert in marketing and business to conduct this training or consider pairing a WASH facilitator with a business and marketing expert.

Course Facilitator Preparation

Suggested Time Frame

The course can take place over a five- or six-day period with approximately six hours of training per day. If you are incorporating a site visit exercise, you may adjust the agenda accordingly.

Module Topics, Description, and Duration

Eight modules in this training move through each of the UNICEF's MBS Components. Each module varies in length and time to complete. Completing all modules will take 40 hours.

[2] Adapted from https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf. Note that UNICEF has since added additional information on optimizing market interactions and market enablers.

The modules can be completed out of order and customized and tailored to the needs of training participants. Table 2 provides an overview of the eight modules in the training package and describes each lesson, objectives and description, and estimated duration. Estimated duration does not include coffee breaks, lunches, review sessions, or energizers, which facilitators should build into the agenda.

TABLE 2: Module Topics, Objectives and Description, Estimated Duration

Module/Topic	Module Objectives and Description	Estimated Duration
Module One: Introduction	In this module, participants will: • Introduce themselves (both facilitators and participants) • Review training objectives and expectations • Complete a pretest • Discuss the phases for designing and implementing MBS activities and the Sanitation Market System This module provides an overview of training objectives and expectations. This includes UNICEF's process for implementing market-based sanitation activities and USAID's sanitation market system. This module is an opportunity to get to know each other, break the ice, complete a pretest, and review training expectations and objectives.	1 hour and 45 minutes
Module Two: Understanding How Markets Work	In this module, participants will: • Define key market and MBS terms • Discuss the importance of being adaptive, iterative, flexible, etc. in the context of market shocks • Practice key market concepts (e.g., supply and demand) using examples from daily life • Apply key market concepts to the sanitation market This module will help participants understand key market concepts in a way that reflects their own experiences by drawing on examples from their daily life. It provides a foundation for understanding market-based sanitation.	4 hours and 40 minutes

Module/Topic	Module Objectives and Description	Estimated Duration
Module Three: Market Research	In this module, participants will: • Discuss the components of a market assessment • Discuss research methods • Define human-centered design (HCD) • Practice the key principles of HCD and apply them to a market assessment • Practice stakeholder mapping • Practice market mapping Good market research helps the design of a program by providing information on the current state of the market and market opportunities, as well as on different market players, people, enterprises, and organizations. To collect useful information, researchers need to use mixed research methods, including qualitative and quantitative methods. Qualitative methods such as human-centered design (HCD) put people at the center of market-based sanitation work and help program designers get deep insights on all the market actors, such as consumers and entrepreneurs.	7 hours and 30 minutes
Module Four: Product Design	In this module, participants will: • Use HCD insights to design a product • Review an example of products designed by other MBS projects Good market research and the use of HCD is only valuable if results are used during product design. In this session, participants focus on using insights to develop a prototype. They will also see examples of product design from other sanitation projects.	4 hours and 50 minutes

Module/Topic	Module Objectives and Description	Estimated Duration
Module Five: Business Models, Communication, Sales Planning, Viability, and Sustainability	In this module, participants will: • Explore common business models in sanitation • Explore common delivery models • Use the business model canvas tool • Explore steps for planning a communication strategy • Explore steps for planning a sales strategy • Explore how to recruit businesses • Explore the drivers of profitability leading to economic viability and sustainability Approaching sanitation as a business requires a shift in how sanitation practitioners design and implement programmatic activities. In market-based sanitation (MBS), it is important to consider enterprises as key partners, consider their interests, and consider how communication and sales strategies can help ensure that the businesses are viable. In this module, participants will explore common business models in sanitation and important aspects of communication and sales planning. If profitability is a key indicator of economic viability, it is essential that the strategies designed will help sustain profitability and performance. This module will thus also cover the key principle of economic viability and sustainability over time. This module draws on work completed in the previous modules, including such as stakeholder mapping, the empathy map, and the product system.	9 hours and 15 minutes
Module Six: Financing	In this module, participants will: • Examine typical financing mechanisms used with MBS approaches • Examine key factors when considering the use of subsidies MBS aims to make products available that consumers want and can afford to purchase. However, there are consumers who cannot afford to pay cash. There are also entrepreneurs interested in expanding into sanitation products but lack access to financing or business development support. This section provides an overview of financing and subsidies.	3 hours and 15 minutes

Module/Topic	Module Objectives and Description	Estimated Duration
Module Seven: Implementation	In this module, participants will: • Discuss the implications of sequencing, timing, and budgeting for MBS programs • Evaluate whether MBS is appropriate given the reality of a program and budget The aim of this module is to give participants the tools needed to start designing and implementing an MBS program and apply useful concepts from the training, such as HCD, to other types of non-market-based programming. This module builds on others in this training package and encourages participants to reflect on the components of MBS. This module aims to provide participants with the skills needed to assess whether integrating market approaches into sanitation activities is the right approach given a specific program, communities supported, and clients.	6 hours
Module Eight: Closing	In this module, participants will: • Create an action plan for moving forward that incorporates the MBS phases • Reflect on the workshop content and share their main takeaways • Evaluate level of understanding of MBS The closing module is a crucial opportunity to help participants set achievable, short-term goals, so they can put lessons learned in the workshop into action. Participants will create a plan with actionable ways forward on the MBS project. In addition, participants will complete the posttest, do an end-of-training evaluation, and be recognized for their work by receiving a certificate.	2 hours and 15 minutes
	Course Total Hours	40 hours

Build Your Agenda, Modules, and Time Frame

Ahead of the training, the facilitator should work with organizers and managers to build out an agenda.

The course planner/facilitator should review each module and determine which modules are relevant for the audience. You also may decide to take a modular approach—for example, covering one module per week over a one- or two-month period or only covering the modules that would be most beneficial to the participants, depending on their learning needs. Alternatively, you can roll out the modules over time. For example, use Modules Two and Three prior to a market assessment and then use Module Four before designing products. The facilitator guide and accompanying PowerPoint presentations are provided in editable formats to encourage you to customize the training for the target audience. The facilitator is encouraged to add in context-specific examples, findings from market research, examples from other partners, etc. The facilitator can also assign the participant to read the Module cheatsheets or summary documents ahead of time to consolidate some of the lesson time. The facilitator may also want to draw on short videos on the IRC MBS playlist: https://youtube.com/playlist?list=PLbK8slkI4E-mahbslyGS47iqmNebyeLC1 and the PRO-WASH MBS

playlist: https://www.youtube.com/channel/UCT1MZId7JlSDz1h0B6swe4Q to complete the material in the training guide.

A recent online course developed by IRC, USAID Transform WASH and Population Services International (PSI) may also be of interest to the facilitator and participants. This self-directed learning resource can be used as a complement or a replacement for some of the modules in this training package.

Market-Based Sanitation: The basics
Online course on the WASH Systems Academy
IRC, USAID Transform WASH, PSI and Water For People (2022)
https://www.ircwash.org/news/join-course-%E2%80%98market-based-sanitation-basics%E2%80%99

If you are conducting full-day training sessions, it is important to build in time for midmorning and midafternoon breaks, a lunch break of about 60 minutes, and time for energizers and reviews of the content.

Conduct Training Early – Year 1 or 2

We recommend conducting this training early during a Resilience Food Security Activity (RFSA), once key staff have been hired. This may be during the "Refine" period or during Year 1 or Year 2 of implementation. This allows ample time to implement all phases of MBS. However, staff may find elements of this training package helpful at any time during the life of the RFSA, in particular if they have already explored market-based approaches to their sanitation activities.

Support and Coach Participants

Following the training, participants may need additional and ongoing support to implement skills covered during this introductory training. This may include remote coaching or more-in-depth training on specific techniques covered during this introductory training (for example, an in-depth training on applying human-centered design or developing a sales and marketing strategy). USAID encourages BHA-funded partners to contact PRO-WASH and USAID to discuss additional capacity strengthening and technical support opportunities. Additional resources are listed at the end of each module.

GETTING READY: Notes for the Facilitator

Prior to the Training

Table 3 provides a task list for facilitators to consider before they begin the training.

TABLE 3: Facilitator Task List Prior to Training

Task	Facilitator Task List Prior to Training
Select a Modality	Determine whether this training will be delivered remotely, with a hybrid approach, or all in person. Find tips here for delivering a training remotely. If training in person, make sure to select a comfortable and spacious room.
Handouts	Each module identifies handouts to use for that module. Print all handouts in advance of the training, so participants can take notes. In some cases, handouts are activity worksheets. For virtual participants, email worksheet handouts well in advance so they have time to print the handouts themselves.
Videos	The course includes some YouTube videos. Make sure to download these in advance. Make sure the sound is loud enough for all participants to hear the video clearly. You can even provide the video in advance to ensure participants have access to the training.

Task	Facilitator Task List Prior to Training
PowerPoint	Each module includes a PowerPoint slide deck that supports the content.
Method of Instruction	Refer to *Table 5: Manual Icons, Purpose, and Description*. This table provides a brief purpose and description of icons used in the course. The method of instruction includes discussions, reflections, activities, and examples.
Learning Needs and Resource Assessment	Conduct a Learning Needs and Resource Assessment and customize the training based on assessment results. The assessment will help you learn more about participants and their context to adapt the training session. Take time to review any programmatic project documents related to sanitation and marketing. Build in time ahead of the training for conversations with management on how and when they will apply training content.
Develop the Pretest	Using the test bank of questions, develop a pretest with questions that apply to the modules you will cover during the training. Make sure you print the pretest or make an electronic version available for participants to complete at the beginning and end of the training.
Customize	Customize the facilitator guide, participant handouts, and PowerPoint slides for the training. Pull in relevant examples, market assessment research, information on the project, timeline, strategy, etc. to make the training well-customized to participants in the room. Prepare the case study for Module 5 using local data.
Flexible Training Options	Actions training participants plan to take after the training and at each step of the MBS approach will depend on the implementer. For example, some partners have a direct need for market research (Module Three), whereas others may need to consult or partner with another organization. This depends on each organization's capacity, expertise, and work plan. Discuss training needs and options before and throughout the training with management and participants to develop a feasible post-training action plan.
Contextual Experiences	Though not required, the facilitator can decide to ask participants (especially those with prior MBS experience) to bring short presentations to the training to present their experiences and challenges. If this is feasible, build time into the agenda. Alternatively, you can ask participants to make handouts or a short poster to tape to the wall to demonstrate key lessons learned from their experiences, such as lessons on market research, product design, etc., and encourage participants to view the handouts or posters during breaks.
Field Visit Option	If other MBS activities are already underway in your project area or nearby, you may want to build time into the agenda for a field visit. This allows participants to see activities firsthand and can be an effective adult learning technique. Conversations can be arranged between participants and entrepreneurs, customers, microfinance institutions, and others.

During the Training

Pretest

The facilitator should use the pretest question bank to create a test that includes questions from the modules and topics covered by the specific training. This should be administered both at the beginning and end of the training.

Glossary

Participants can refer to the glossary throughout the training. Encourage participants to take notes. At the end of each module, introduce the provided bulleted list of terms introduced during that module to review the terms.

Check Participant Comprehension and Expectations

Throughout the training, check for comprehension and expectations. The appropriate way to do this can vary with context, but some examples are shown in Table 4.

TABLE 4: Participant Comprehension Examples

Comprehension Examples	
Open-Ended Questions	Use open-ended questions to check for comprehension (e.g., "Would someone like to paraphrase or summarize to the group what we just discussed?"; "Can someone tell me in their own words what we mean by current state?"). When asking open-ended questions, count to 10 silently to allow participants enough time to think and raise their hand.
Contextual Examples	Ask participants to provide examples from their own experience during the discussions.
Questions, Issues, Needs	Ask participants to write down answers to questions such as: (1) What have you learned so far in this training session that you didn't know before you walked in? (2) What would you like to know more about that was addressed so far in the session? (3) How is the pace of the session so far? Too Fast/Too Slow/Just Right? (4) What did you like best about the morning (or afternoon) session? (5) How can the trainers make the rest of the session most effective for you as a participant?
Check In with Less-Engaged Participants	Check with individual participants in a large group. Talk with them during breaks, particularly with people who are less active in the large group setting.
On-Site Check on Learning	Walk around during group work and check in to make sure participants understood the instructions and answer any questions they may have.
Virtual Check on Learning	If you are virtual, ask your onsite facilitator to check in with participants. You can ask and answer questions in the group or individually as needed.
Participant Energy Level	Watch participant energy level and nonverbal signals indicating they are engaged and understanding the material. When positive signals are absent, check in with those individuals and help them.
Assess and Give Feedback	During breaks, assess training progress. If you have more than one facilitator, each facilitator should provide honest and helpful feedback to the others. Helpful feedback includes observations on whether participants are engaged, possible confusion on any portion of the session so far, whether the facilitators are going too fast or too slow, whether more time is needed for a particular portion of the session, and whether participants are interacting as a group.
Opportunities to Take Leadership	Consider assigning participants to make elevator speeches or review sessions to recap and summarize the session and key takeaways.

After the Training

Final Training Evaluation

You may want to conduct a final training evaluation to collect participant feedback and inform future training sessions. In Module Eight (closing), facilitators receive a customizable evaluation form they can use to collect feedback.

Training Manual Overview

MBS Training Icons Purpose and Activities Overview

This course offers a variety of opportunities for participant interaction and active learning. Participants are considered consumers and contributors to the content, and the modules encourage them to articulate how the content relates to their own context. Opportunities for participant-to-participant interaction encourage community building, communication, and engagement.

TABLE 5: Manual Icons, Purpose, and Description

This table provides a brief purpose and description of the icons in the course. The method of instruction includes discussions, reflections, activities, and examples. PowerPoint presentations and handouts provide visual support for the content.

Icon	Purpose	Description
	Module Objective	Identifies what the participant will learn in this module
	Guiding Question	Prompts exploration of an idea in depth and is a framework for the topic
	Why This Module	Tells facilitator and participant why they are learning this material
	Activity Time or Length	Suggests length of activity
	Facilitator Materials	Indicates materials to prepare in advance of the module
	Video	Signals video support of content
	PowerPoint	Signals PowerPoint- and slide-specific support of content for the facilitator
	Looking Ahead	Signals to facilitator and participant what is coming up in content
	Example	Provides examples supporting content and reasoning
	Reflect	Suggests reflections that provide an opportunity for participants to examine their own experiences and context as it relates to content; helps provide a deeper connection to content
	Discuss	Provides opportunity for participants to examine, contribute, and articulate content; helps participants make sense of new ideas and concepts
	Activity	Provides opportunity for participants to practice and explore content with supervision from facilitator
	Handout	Indicates handouts that support content and provide templates for participants to use and keep for future planning

Icon	Purpose	Description
	Summary	Provides important points and key takeaways from the module
	Glossary	Indicates key terms and definitions in the course; a threaded activity in the course includes review of a glossary for participants to help them understand key concepts
	Resources	Identifies additional resources to support the material

Additional Resources

Throughout this guide, there are many suggested additional resources. Three of these were very fundamental to the development of this training package:

Guidance on Market-Based Sanitation
UNICEF (2021). New York: United Nations Children's Fund (UNICEF). Retrieved from https://www.unicef.org/documents/guidance-market-based-sanitation

Scaling Market-Based Sanitation: Desk Review on Market-Based Rural Sanitation Development
USAID WASHPaLS (2019). Retrieved from https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

USAID Hygiene Improvement Project's Sanitation Marketing for Managers: Guidance and Tools for Program Development
USAID (2010). Hygiene Improvement Project. Retrieved from https://www.globalwaters.org/resources/assets/sanitation-marketing-managers-guidance-and-tools-program-development

Introductory Guide to Sanitation Marketing. Water and sanitation program toolkit
Devine, J. & Kullmann, C. (2011). World Bank, Washington, DC. © World Bank. License: CC BY 3.0 IGO. Retrieved from https://openknowledge.worldbank.org/handle/10986/17352

The short videos on the IRC MBS playlist: https://youtube.com/playlist?list=PLbK8slkI4E-mahbslyGS47iqmNebyeLC1 and the PRO-WASH MBS playlist: https://www.youtube.com/channel/UCT1MZId7JlSDz1h0B6swe4Q

A recent online course developed by IRC, USAID Transform WASH and Population Services International (PSI) may also be of interest to the facilitator and participants. This self-directed learning resource can be used as a complement or a replacement for some of the modules in this training package.

Market-Based Sanitation: The basics
Online course on the WASH Systems Academy
IRC, USAID Transform WASH, PSI and Water For People (2022)
https://www.ircwash.org/news/join-course-%E2%80%98market-based-sanitation-basics%E2%80%99

Lesson Plan

MODULE ONE: Introduction

Welcome and Overview of Training Objectives and Expectations

Duration: 1 hour 45 minutes

Module Objectives

- Introduce one another to facilitator and fellow participants
- Complete pretest
- Review training objectives and expectations
- Discuss the phases for designing and implementing MBS activities and the Sanitation Market System

Why this module?

This module provides an overview of training objectives, expectations, and key frameworks that support this training. This includes UNICEF's phases for implementing market-based sanitation activities and USAID's sanitation market system. This module is an opportunity to get to know each other, break the ice, complete a pretest, and review training expectations and objectives.

Handouts and Links

- Glossary
- Module 1 Summary Handout
- Market-Based Sanitation (MBS) Pretest

Materials

- Module One handouts
- Module One PowerPoint presentation
- Paper, pens, markers, and nametags for participants and facilitators

Advanced Preparation

- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.
- Access pretest question bank and adapt pretest to the training package, eliminating test questions the training won't cover.

INTRODUCTION

TOPIC OVERVIEW: In this module, participants will introduce themselves, take a pretest, and examine the training agenda, objectives, and expectations. They will learn about the MBS glossary, UNICEF's process for implementing MBS activities, and the USAID sanitation market system—all of which are integral throughout the training.

Guiding Questions:

- Why this training?
- How can you actively engage with content, each other, and the instructor?
- What are the steps to designing and implementing MBS activities?
- What does a sanitation market system look like?
- What is your role in MBS as it relates to the theory of change?

Welcoming environment!

Time: 10 min

As appropriate, invite convener(s) to welcome participants to the event.

Ensure participants with or without prior MBS experience that they are welcome in this workshop. The course includes plenty of time for those who are new to the MBS approach to become familiar with basic concepts. Ensure participants experienced in MBS that they will have opportunities to share experiences and brainstorm ways to use the content in their next steps.

Explain that this course offers a variety of opportunities for participant interaction and active learning. Participant-to-participant group discussions, reflections, and activities encourage community building and communication.

Activity: Introductions

Time: 30 min

Before beginning, explain that this introductory activity will allow participants and facilitators to get to know each other in a creative way.

Give each participant a piece of paper and a marker. (For the virtual environment, the facilitator must ask participants to hold their images close to the camera.)

Tell participants that they will have about five minutes to draw their dream toilet on a piece of paper. (Facilitator Note: If people are uncomfortable with drawing or unable to draw a toilet, they can list three to four words describing their toilet instead of drawing it.)

- Ask participants to make sure they add all the small details that would make their toilet special for them and write their name underneath the drawing or the words describing their toilet.
- Explain that after they finish drawing, each participant will briefly present their name, position, and dream toilet to the others and, if in the classroom, hang their drawing or list of words in the "toilet gallery" on a wall.

After about five minutes, ask a volunteer to begin by coming to the front of the room, introducing themselves (name and position), and presenting their dream toilet.

When they finish, ask them to hang their dream toilet on the wall in the "toilet gallery."

Then, ask the next person to come to the front of the room and present their toilet. Continue until all participants have introduced themselves.

Test: Pretest

Time: 15 min

Before moving into MBS training, each participant will complete a short pretest.

Instructions:

Hand out copies of the MBS pretest or provide a link where participants can take the test online. They do not need to write their names on the test. They can use a symbol or number instead but must use the same one throughout the training.

Give all participants enough time to complete the test, then collect them to review after the module is completed.

Handout: MBS Pretest

Workshop Objectives, Expectations, Agenda and Norms

Time: 15 min

Explain to participants that we will now review course objectives, expectations, norms, and the agenda.

Show the PowerPoint slide with the objectives and ask a volunteer to read the objectives aloud. Encourage participants to briefly discuss and share their thoughts and questions on the objectives. If participants request an objective that it is not possible to address during the workshop, introduce the Parking Lot and add a note there.

Tell participants the Parking Lot is a placeholder for capturing ideas and questions that will not be covered during the current training session and will be followed up later. (Facilitator's note: The Parking Lot can be physical, such as flipchart paper, or virtual, such as a Google document.) Encourage participants to jot down ideas and questions in the Parking Lot.

Course Objectives
Describe market-based techniques and how they can be applied to sanitation
Apply market techniques to major components of a sanitation project
Discuss market techniques as they relate to experiences that implementing partners are facing in their work
Determine where and whether MBS can be integrated into their WASH activities

Next, remind participants that before the workshop we conducted a learning resource assessment to understand participant expectations. Explain which expectations from the assessment will be met by referring to the Objectives. Explain which expectations are outside the scope of the training. For those expectations that are outside the scope of the training, note that these will be shared with the organizers and managers to see how best they can be addressed.

Ask, "Does anyone else have expectations to add?" Discuss and write down any other expectations participants offer.

Next, point participants toward the agenda slides. (Note: The agenda will change according to the needs of the participants.) Do not provide a specific schedule or timing, because timing is likely to change over the course of the week. Do provide housekeeping information, such as location of bathrooms, garbage cans, times for breaks and lunch, attendance criteria for a training certificate, etc.

TABLE 6: Example Agenda for the Week

Days	Goal	Description
Day 1	Understanding (Sanitation) Markets	Start Day 1 with an overview of market concepts and a discussion of the components of a market assessment.
Days 2–4	Fundamentals of MBS	Use Days 2–4 to cover practical application of MBS key components, using a case study and several activities. Introduce product design, sales and marketing, and financing. Discuss the competencies necessary for MBS implementation.
Day 5	Integrating MBS into your Program	Spend Day 5 integrating the material into the reality of participants' programs and budgets and discussing contextual implications for MBS. Dedicate time to action planning and implementation.

Next, ask volunteers to read aloud one rule each in "Rules of the Road," then share what they think it means. See whether other participants agree. Continue until all "Rules of the Road" have been read.

TABLE 7: Rules of the Road
Learner Interaction and Engagement Expectations

Acronym	Expectation Definition
RESPECT	• Respect each other (including the facilitator), the process, and the time. • Follow instructions, arrive on time, and return from breaks on time.
Be Present	• Pay attention, participate, remove distractions, and no email.
S.U.N.	• Suspend Judgment • Seek to Understand • Nurture Ideas *This is an important rule of brainstorming and helps us keep an open mind. Remember to "SUN" each other!*
E.L.M.O.	• *Excellent, Let's Move On!* *We have a lot of content in this training. If a point has already been made, then ELMO.* *Be succinct with your points and avoid repetition.*
Face-to-Face Manners & eManners	Face-to-face environment • Keep phones on silent. • Always step out if you must take a call. Virtual environment • Mute when not talking. • Be engaged, take notes. • Ask questions in the chat or raise your hand to ask questions.

Introduction to resources

Time: 10 min

Explain that during this training we will use resources from UNICEF and USAID WASHPaLS.

UNICEF's MBS Process: Explain that UNICEF identified eight major components critical to consider when designing and implementing MBS activities. These steps serve as the basis for this training and are in the glossary.

Display UNICEF's process for MBS and read it aloud (Table 8). For now, only introduce the components because we will examine each component in more depth in upcoming modules.

TABLE 8: UNICEF's MBS Process

Phase	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020. Note that UNICEF has since added additional information on optimizing market interactions and market enablers.

Sanitation Market System: Throughout this training, we will also refer to the sanitation market system by USAID WASHPaLS (Figure 2). Explain that the sanitation market system includes the sanitation market made up of the customer, enterprise, entrepreneur, business environment, and broader context. Explain that we will explore each element of the sanitation market system during the subsequent training modules.

FIGURE 2: Sanitation Market System

Source: USAID WASHPaLS

Reflect: My Vision of Change

Time: 10 min

Throughout this training, but especially as part of Phase One (Assessment and Planning), encourage participants to think about the specific **theory of change** and activities of their own programs to determine whether an MBS approach is appropriate for their context and program needs. Explain to participants that a **theory of change is** a hypothesized series of changes that are expected to occur in a given context as the result of specific integrated actions. It is typically portrayed as a conceptual diagram and is a process of articulating the way we think about a current problem, its root causes, the long-term change we seek, and **what needs to happen in order for that change to come about. A theory of change is a c**ontinual reflection on whether, how, and why change is occurring and can be adapted.

This is important as MBS is an iterative approach. A **Theory of Change** can build a common understanding around the series of incremental changes needed to reach our activity goal and provide a detailed map showing pathways of change. These pathways are based on a clear and testable set of hypotheses and make explicit how interventions will interact within the context. A Theory of Change also helps to identify critical areas addressed by external actors and how the Resilience Food Security Activity (RFSA) will link to them.

Also encourage them to think about how market-based programming may complement other sanitation approaches already being implemented in their project or project area, or that are already included in national policies. Explain that we will work on assessing and planning for their projects in Module 7. Ask learners to take a moment to individually reflect and write down what change (specifically on MBS) they would like to see in their community. Invite learners to share with the rest of the group.

REVIEW: Module One Terms and Definitions

Glossary: Throughout the training, explain that we will develop a common understanding related to market-based approaches and terminology. Participants will use this glossary to take notes on the key concepts in their own words. Note that different organizations and resources have different ways of referring to things, so participants may adjust as needed.

Handout: Glossary, Key market terminology for review

Time: 10 min

Explain to participants that we will now review the main terms discussed in this module. Clarify any terms that are unclear to the participants.

- **Market system:** A network of market actors supported by infrastructure and services, interacting within a context of institutions and rules that shape the actors' trading environment and determine how a particular good or service (including labor) is produced, accessed, and exchanged.
- **Core sanitation market:** Customers, sanitation enterprises, and entrepreneurs (business owners) and the transactions that take place between them.
- **Theory of change**: A hypothesized series of changes that are expected to occur in a given context as the result of specific integrated actions. A process of articulating the way we think about a current problem, its root causes, the long-term change we seek, and what needs to happen for that change to come about.

SUMMARY: Introduction

Time: 5 min

This module provides a better understanding of the course format and an introduction to the primary tools and concepts in the course. Many resources and tools are available to help with MBS activities and will be referenced throughout this training.

Take a moment to reflect and discuss with the participants how they might use what they learned in this section for their programs.

- Participants learned UNICEF's process they can use when designing and implementing MBS activities. The components include: (1) Assessment and Planning, (2) Market Assessment, (3) Product System Design, (4) Business Model Design, (5) Demand Activation Design, (6) Consumer and Business Financing, (7) Implementation, and (8) Monitoring.
- They reviewed the sanitation market system, which includes the sanitation market made up of the customer, enterprise, entrepreneur, business environment, and broader context.
- Participants reflected on their role in relation to the theory of change.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

References

Starr, L. (2019). Theory of Change: Facilitator's Guide. Washington, DC: The Technical and Operational Performance Support (TOPS) Program. Retrieved from https://www.fsnnetwork.org/resource/theory-change-training-curriculum

United Nations Children's Fund (2021). Guidance on Market-Based Sanitation. New York: (UNICEF). https://www.unicef.org/documents/guidance-market-based-sanitation

USAID (2018). Scaling Market Based Sanitation: Desk review on market-based rural sanitation development programs. Washington, DC., USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. Retrieved from https://www.globalwaters.org/sites/default/files/Scaling%20Market%20Based%20Sanitation%20JUNE2018.pdf

Lesson Plan

MODULE TWO: Understanding How Markets Work

Overview of Markets

Duration: 2 hours

Module Objectives

- Define key market and market-based sanitation terms
- Discuss the importance of being adaptive, iterative, and flexible in the context of market shocks
- Practice key market concepts (e.g., supply and demand) using an example from daily life
- Apply key market concepts to the sanitation market

Why this module?

This module will help participants understand key market concepts by drawing on examples from their daily life. It provides a foundation for understanding market-based sanitation.

Handouts and Links

- Glossary
- Module 2 Summary Handout
- Module 2 Participant Exercise Instructions

Materials

- Module Two PowerPoint presentation
- Module Two handouts
- Paper, pens, markers, and nametags for participants and facilitators
- Video How are Community-Led Total Sanitation and Hygiene (CLTS) and Market-Based Sanitation linked? Available at https://www.youtube.com/watch?v=qtGsb7fDe-I&list=PLbK8slkI4E-mahbslyGS47iqmNebyeLC1&index=18 (optional)

Advanced Preparation

- If conducting this training virtually, prepare breakout rooms for participants to use for the soap-making exercise.
- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.
- Prepare audiovisual equipment if showing the optional video.

TOPIC 1: Market Components and Dynamics

In this section, participants will study the components of markets and why it is important to be reactive and adaptive to unexpected, evolving events.

Guiding Questions:

- What are key market terms and concepts?
- What are the components of a market?
- How do markets influence the behavior of market actors?
- Why do businesses need to be adaptive, reactive, and flexible?

Welcome

Time: 25 min

In this section, participants will discuss the components of markets and how important it is to be reactive and flexible to unexpected or evolving events.

To help them build a foundation for their own MBS projects, they will learn various market concepts and definitions. First, make sure that they have their **Glossary** available. Give participants the Module 2 Summary handout.

Handout: Module 2 Summary

Then, present the slide with the Key Market Terms in MBS, and guide them through a discussion of the terms and definitions.

Key Market Terms in MBS

- A **market** is a place or set of formal or informal arrangements where buyers and sellers exchange goods, labor, and services. *For example, it could be a market in a town center, or it could be buying a service online, using the internet.*
- **Supply** is the availability of a product or service. *For example, if I go to the market right now, I might see that the vendor has a supply of soap available. Or, if I go to the tap stand, I can see if water is available.*
- **Demand** is the desire for a product or service, often referred to as consumer demand. *For example, if many people go to the market to buy potatoes, there is high demand for potatoes.*
- **Market shocks** are events that change supply and demand, or both. They are often unexpected, compelling people and/or businesses to adapt. *For example, after a natural disaster, fewer products and services may be available on the market, and the customer and the business will have to adapt.*

After discussing key terms, ask participants to take 10 minutes to come up with an example of each of the terms as it pertains to sanitation. Discuss the examples and give feedback if there is any confusion among participants.

Explain to participants that now that they have a better understanding of the concepts of market, supply, and demand, they will take a closer look at market shocks and how businesses need to adapt to unexpected events.

Take time to explain and apply the concept of market shock to soap as a product. Ask participants the following questions:

- "Who can give me an example of a market shock for soap?"

  (E.g., necessary ingredient is unavailable, contamination of ingredients, introduction of a new brand into the market, free soap distributed by NGOs.)

- "How does a market shock affect supply?"

  (E.g., supply could be reduced or, if free products are distributed, supply in the local market actually could increase if people resell their soap or stop purchasing soap at the market.)

- "How does a market shock affect demand?"
  (Depends on the shock and the product. For example, if the shock is an infectious disease outbreak, demand for some products, such as soap, could increase. If the shock is economic instability or high unemployment, demand could decrease because people might have less money to buy things.)

- "When there's a market shock, what tends to happen to prices?"

  (E.g., if it's a shock that reduces supply, prices may go up if there is still a lot of demand. But in some cases, there might be a shock that reduces demand and prices decrease.)

- "Why do businesses need to be reactive and flexible and adapt to unexpected or evolving events? Explain."

  (They need to make sure they have enough profits to continue.)

- "How might a business adapt? Explain."

  (E.g., businesses may need to adapt sales and marketing strategies, product availability, different use of inputs, etc., to continue to have products to sell.)

- "Have you ever experienced a time when a good or service was adapted from an unexpected circumstance?"

Tell participants that, in the next activity, they will learn how these concepts play out in the market, by doing a simple exercise using soap. Give participants the handout, Role-Play Decision Game.

Handout: Role-Play Decision Game

Activity: Role-Play Decision Game

Time: 60 min

This role-play will help participants learn market concepts and how different people in a market might view decisions differently. Divide participants into groups of three and ask them to sit together at a table (If virtual, explain that they will go to breakout rooms).

Instruct the groups to select a person to fulfill each of the following roles: soap maker, shop owner, and customer. Note that while each role has different wants and needs, at the end of the day, *they will all make decisions with the goal of providing and caring for their family.*

Explain that they will play two rounds of this game, with each round representing a different scenario that can happen in a market. In each scenario, the groups will have to adapt to unexpected events; i.e., market shocks. They will write down their decisions, based on their role, on a piece of paper.

Now show the slide with the different roles and scenarios in the game. Ask each participant to read the description of their role (the soap maker reads the soap maker role, the shop owner reads the shop owner role, and the customer reads the customer role).

Give participants a total of five minutes to read all of their roles and descriptions.

NAME	ROLE	DESCRIPTION
MAMADOU	Soap Maker	Mamadou's soap plant is in Niamey, Niger. He produces the soap brand LAFIA.
HOUSMAN	Shop Owner	Housman owns a shop in a town located more than 100 km from Niamey, Niger. He sells the soap LAFIA in his shop because there is always high demand for that specific brand. He sells an average 25 bars of soap per week. Housman is a longtime client of Mamadou's. They have known each other for at least five years. Mamadou usually supplies Housman with 30 bars of soap per week, so he has a buffer stock.
MARIAMA	Mother of Five Kids	Mariama usually shops at Housman's shop when she goes to the weekly market. She purchases LAFIA every week because it is a multipurpose soap she uses for personal hygiene, washing clothes, and even dishes.

Next, give participants five minutes to read all of their roles and descriptions. Show the slide with the first scenario. Ask each person to write down their decisions based on the questions listed next to their role on the slide.

Give the groups 15 minutes to make a decision.

TABLE 10: Soap Market Game: SCENARIO 1

NAME	SCENARIO	QUESTION	YOUR DECISION?
MAMADOU	Niamey has been without power most of the week. Mamadou's generator broke and could take weeks or months to fix. He must run an electric machine to mix the soap ingredients. Without this machine, he can only produce 100 bars of soap instead of 1,000.	What will Mamadou do? Will he sell the soap at the same price as usual?	
HOUSMAN	Housman cannot be out of soap.	What will Housman do?	
MARIAMA	Mariama needs soap.	What will Mariama do?	

Show the slide with the second scenario. Have participants take 15 minutes to write down their decisions, based on the questions, next to their corresponding role shown on the slide.

TABLE 11: Soap Market Game: SCENARIO 2

NAME	SCENARIO	QUESTION	YOUR DECISION?
MAMADOU	The COVID-19 crisis induced a flow of donor funding for WASH. Everyone in Niger has heard that the government will be carrying out free nationwide distribution of millions of bars of soap received from the Chinese government.	What will Mamadou do?	
HOUSMAN		What will Housman do?	
MARIAMA		What will Mariama do?	

When the group finishes the role-play and has made decisions based on the two scenarios, help them examine what they learned about the market concepts and dynamics.

Ask one person who played each role (soap maker, shop owner, customer) to share a bit about their experience.

- What did they learn?
- How did the two scenarios (market shocks) influence their decisions and behavior in their roles?

Explain that the power outage was a market shock, resulting in a reduction in the supply of soap. The COVID-19 crisis and news of the nationwide distribution of free soap were also a shock that influenced markets. These two scenarios have many possible outcomes. Ask the following questions to lead participants in a discussion of some of the outcomes.

- "When supply decreased because of the power outage, what happened to the price of soap?" *(Answer: it went up.)*
- "What was the impact of the rumor that free soap would soon be available, and what happened to the price?" *(Answer: demand went down, and price went down)*
- "When did the behavior of people in the other roles surprise you? Why do you think this happened?" *(Possible answer: One role may not have access to the information influencing the behavior/decisions of those in other roles, different people make different decisions)*
- "What part of your role did you most relate to?"
- "How did demand affect your decisions?"
- "Were you able to predict or control decisions made by others?"
- "Were you surprised by the way businesses need to be reactive and flexible?"

People everywhere encounter markets, respond to shocks, and negotiate prices. Actors in the soap market game were not told exactly how much to increase prices, but they were able to reach an agreement. This does not always happen. More often, the needs of people -- particularly the poorest and most vulnerable in the Resilience Food Security Activity (RFSA) are not met. A perfect market would regulate itself, meaning actors would adjust prices themselves as needed, and supply would follow. In reality, however, there are no perfect markets, and they rely instead on regulation by the government or other organized systems to cater to everyone's needs.

This activity also demonstrates that there are uncertainties in the market no one can predict or control, and that different actors have different influences on supply and demand.

In other exercises in this training manual, the group will discuss how costing and decisions made within the sanitation business may affect profit, viability, and sustainability. For this exercise, the main focus is on *supply and demand.*

Summary: Components and Dynamics of Markets

Time: 5 min

Participants should now have a better understanding of the different market components and dynamics. Take a moment to reflect with them on how they might use what they learned in this section for their own programs.

- Market components will help all stakeholders react and adapt to unexpected or evolving events.
- Market, supply, and demand affect one another.
- Market shocks are events that change supply and demand or both.

TOPIC 2: Key Market Terms in MBS

In this section, participants will examine key market concepts of the sanitation market. They will review the sanitation market system and a sanitation value chain. Participants will compare the differences between beneficiaries and customers.

Guiding Questions:

- What are the elements of a sanitation market system?
- What is the purpose of a sanitation supply chain?
- What is the difference between a beneficiary and a customer?
- How do MBS goals relate to your context or community?

Introduction to the Sanitation Market

Time: 20 min

Now that participants have practiced with soap, they will apply these concepts to sanitation. Ask them to again sit at the table in their groups of three (soap maker, shop owner, and customer).

Explain that groups will have 10 minutes to discuss and answer the questions listed below.

- "What are the different **materials** used to make toilets and latrines?"
- "What are the different **places** you can purchase the materials or toilets and latrines?"
- "Who are the different **actors** in the supply chain for sanitation?"
- "What are some broad challenges and **market shocks** that could affect the sanitation market?"

After 10 minutes, ask groups to return to their seats in the larger group. In plenary, review each question, asking a different group of three to share their answers to each question. Encourage other groups to add additional thoughts. Ask if there are any questions. Encourage participants to share by asking these questions:

- "How are the materials and products in the sanitation market different from those in the soap exercise?"

  (Possible answers: Ingredients for soap need to be mixed, whereas sanitation products are typically manufactured and assembled, which requires larger tools and equipment.)

- "What about where soap is purchased versus sanitation products or materials? Are they similar or different?"

  (Possible answers: Similar in that some markets have both soap/everyday household items and sanitary materials; different if looking at supermarkets and pharmacies vs. hardware shops.)

- "Overall, how are the markets for soap and sanitation products similar?"

  (Possible answers: The laws of supply and demand, the existence of market shocks, they have multiple actors and buyers and sellers, things are unpredictable, prices change, etc.)

- "How are the two markets different?"

  (Possible answers: People buy soap frequently, whereas a latrine is a one-time purchase; soap is much cheaper; soap is consumed; soap is made of a few ingredients, whereas toilets are made of several materials that could be used for other things; sanitation involves gender, disability, and cultural norms while this is less so with soap; etc.)

Time: 20 min

Market-Based Sanitation

Now that participants have discussed the components of a sanitation market, guide them through a discussion of the specific concept of MBS.

This training will use the following definition for MBS from USAID WASHPaLS. Ask participants to write this and any other notes in their glossary:

Market-based sanitation (MBS): The development of a sanitation market in which the user makes a full or partial monetary contribution (with savings or cash equivalents) toward the purchase, construction, upgrade, or maintenance of a toilet from the private sector.

In addition to MBS, some participants likely will have heard several other terms (e.g., sanitation marketing, SanMark, sanitation market facilitation, development or shaping of influencing, or sanitation as a business. The general category is MBS, but there are many different approaches and projects that fall into this category. This course will not go into specific definitions for each, but participants should recognize that these terms are related and the fact that, depending on the organization, they may be used interchangeably. This course refers to MBS.

Explain that MBS aims to increase sanitation coverage among households. It does this by supporting sustainable, competitive local businesses to better reach and serve the unmet sanitation needs of households. MBS goals are to:

- Provide customers with products and services they want and for which they are willing to pay.
- Make sanitation enterprises viable to attract and retain entrepreneurs—a sanitation enterprise earns profits by delivering products.
- Be cost-effective and scalable. (Share the definitions of both terms below.)
- Make households more likely to derive the benefits of sanitation (improved health, privacy, dignity) through the use and maintenance of toilets they value.
- Ensure that interactions among actors are NOT dependent on nonmarket intermediation, facilitation, and support (e.g., support from NGOs).

Make sure that the participants understand the following definitions.

Cost-effective: Something that is considered a good value, e.g., a program that delivers strong results relative to the amount spent.

Scalable: Characteristic of a system that describes its capability to cope and perform under an increased or expanding workload.

Reflect/Discuss: MBS Goals

Time: 10 min

Give participants an opportunity to reflect on their project and record their ideas in their notes.

Ask them to read each of the MBS goals and reflect on how each component applies to their context or community. (See questions below to help participants connect more deeply to the content.)

After they review the goals, ask: "Would anyone like to share?"

(Note: Each module will include further reflection on this topic, with Module Seven focused on implementation.)

Handout: Reflections on MBS

TABLE 12: Reflections on MBS

MBS GOALS	REFLECT ON YOUR PROJECT	PARTICIPANT RESPONSE
Provide customers with products or services they want and for which they are willing to pay.	What does this look like in your project? Who are your customers? What does "willing to pay" look like in your community?	
Make sanitation enterprises viable to attract and retain entrepreneurs—a sanitation enterprise earns profits by delivering products.	What do you think would attract entrepreneurs in the community you serve?	
Be cost-effective and scalable.	In your work, how would you define "cost-effective?" How would you define "scalable?"	
Make households more likely to derive the benefits of sanitation (improved health, privacy, dignity) through the use and maintenance of toilets they value.	How can you know what your customers value? How important is knowing what they value in MBS?	
Ensure that interactions among actors are NOT dependent on nonmarket intermediation, facilitation, and support.	Who are the actors? What do we mean by "not dependent" on support?	

The Market System

Time: 20 min

Show the Sanitation Market System slide.

Tell participants that Figure 3 from USAID WASHPaLS helps us visualize what it means when we say sanitation market system. This diagram includes the context, business environment, and core sanitation market. Give the handout Sanitation Market System.

Handout: Sanitation Market System

FIGURE 3: Sanitation Market System

Source: USAID WASHPaLS

Explain the following key MBS terms:

Context: The existing social norms, economic environment, and geographical conditions.

Business environment: The government policies, access to materials and resources, access to financial services and credit for businesses, and business development opportunities.

Core sanitation market: Customers, sanitation enterprises, and entrepreneurs (business owners) and the transactions that take place between them.

- Markets can continually evolve. Depending on the actors, culture, government, and economy, different actors may perform different functions to meet the goal of selling sanitation products. MBS also recognizes that people invest or don't invest in sanitation for different reasons beyond just health and price. During the Module Two market research segment, we will see the importance of understanding these reasons to inform the design of MBS strategies.
- In addition to the sanitation market system, it can be helpful to think about sanitation markets in terms of the supply chain and the value chain.

Supply chain: The actors producing and trading (or taking possession) of a product or service within the market system.

Explain that when we think about the supply chain, we are thinking about all the materials that go into a product or service and how those materials move from suppliers to manufacturers to distributors and, ultimately, to the end consumer. For example, for latrines, we might look at raw materials, such as cement, wire mesh, iron bars, and PVC pipes, to see if these supplies are available in the local market. The main goal of analyzing a supply chain is to understand what goes into the delivery of a specific product or service.

Value chain: The activities carried out by multiple actors to produce and sell products and services, and to add value to them during the process.

Explain that when we think about the value chain, we are thinking not only about the materials that go into the product or service but also how actors add value to those materials during the process. The main goal of analyzing a value chain is to understand the steps in the process that contribute to the *value* of a specific product or service.

The Sanitation Service Chain and Value Chain

Time: 10 min

Explain that we will now discuss the sanitation service chain and the value chain.

Show the Sanitation Service Chain slide.

FIGURE 4: Sanitation Service Chain

Source: Bill and Melinda Gates Foundation

Explain that, to improve the supply chain for soap, stakeholders might focus on reducing costs of transporting finished soap products to the market, or ingredients to the soap maker. To improve the value chain for soap, we might add fragrance and increase the price if market research indicates customers are willing to pay more for scented soap than for unscented soap.

When some people refer to the sanitation value chain, they could be referring to the sanitation service chain, which is the capture, storage, transportation, treatment, and reuse or disposal of waste (Figure 4). However, the sanitation *value* chain takes a broader approach and considers how *all* activities carried out by actors (producing, selling, and adding value to products/services) can contribute to increasing profits in a market.

Now, show slides titled Value Chain and Key Findings from Sanitation Supply Chains Study in Eastern and Southern Africa and discuss this example.

CASE STUDY

Key Findings of a Sanitation Supply Chains Study in Eastern and Southern Africa

A UNICEF study identified that raw materials (cement, wire mesh, iron bars, and PVC pipes) for latrine construction are generally available in many countries because they are used for a variety of other purposes, including home construction. However, the study revealed that the skills and activities needed to transform these materials into sanitation products and services for the rural poor were missing. Most supply chain actors were working in isolation and had informal or short-term relationships. This made their stocks unpredictable, increased prices, and lowered the quality of services and products they could offer. The study also noted that transportation and installation of the sanitation products are another barrier in rural and sparsely populated areas. The cost to transport materials short distances from district town to village household can cost as much as 100% of the purchase price (UNICEF, 2014).

After reading the case study, ask "What challenges does this case study present for entrepreneurs? If you were working in this geographical area, what might you do?"

Customer vs. consumer vs. beneficiary

Time: 20 min

In MBS, we often use the terms customer and consumer.

- **Customer:** The person who makes the purchase.
- **Consumer:** Anyone who uses a purchased product.

For example, the mother or father who purchases the soap is the customer. All members of the family who might use that soap are consumers. A person can be a customer (purchasing the soap), consumer (using the soap), or a person might just be a customer (purchasing) but not a consumer (doesn't use the soap) or just a consumer (using the soap) but not a customer (purchasing the soap). Notice that this explanation does not use the term beneficiaries. Instead of thinking of the households in any RFSA as beneficiaries, shift to a mindset viewing households as customers.

Show the slide with the Households as Beneficiaries vs. Customers table. The slide only includes an explanation for Households as Beneficiaries.

Ask participants to take a few minutes to reflect individually what we mean when we say *households as customers.*

After five minutes, ask one or two participants to share what they came up with. Add the following points, if not already mentioned by participants.

TABLE 13: Beneficiaries vs Customers

Households as "Beneficiaries"	Households as "Customers"
• Receive a product which may or may not address their needs • May not value or use the product or service when provided for free • Their perspectives, wants, and needs are often not fully considered during the design of the product or service	• Select the product or service they feel best meets their needs • Likely to value and use the product or service because they have invested money and time into it • Their perspectives, wants, and needs are often more fully considered during design of the product or service to help improve sales

Explain That one important thing to keep in mind when we think about households as customers is that this can apply to a product *or* a service. Customers can buy a product, such as a latrine slab, or they can pay for a service, such as latrine construction or emptying. Depending on the project context, MBS may be a stand-alone approach taken to sanitation. Or it may complement other sanitation approaches, such as community-led total sanitation, community health clubs, care groups, etc.

Activity: Consider How MBS May be Complementary to Your Existing Activities

Time: 20 min

This activity will help participants determine how MBS may be complementary to their existing activities. Divide participants into small groups and give them the following instructions:

- STEP 1: In small groups, discuss and answer these questions:
  - » "How might MBS complement your existing sanitation activities?"
  - » "What are the implications of viewing households as customers with your other approaches to sanitation?"
- STEP 2: After 10 minutes, ask for a volunteer from each group to report to the entire group. Discuss and ask other participants to add input.

If appropriate, show the video: How are Community-Led Total Sanitation and Hygiene (CLTS) and Market-Based Sanitation linked? Available here: https://www.youtube.com/watch?v=qtGsb7fDe-I&list=PLbK8slkI4E-mahbslyGS47iqmNebyeLC1&index=18

Time: 25 min

Barriers to Scaling MBS

Help participants discuss some of the barriers within the sanitation market system, using these questions:

- "Where do you see yourself in the MBS?"
- "What barriers do you believe may have an impact on scaling MBS?"
- "Do you notice any barriers in your specific context?"
- "What are ways your role in MBS can eliminate potential barriers?"

Acknowledge the barriers and link them to how they affect market techniques and tools. After participants have come up with their list of barriers, share Figure 5. Support their reason to be in the course and link back to the theory of change. Note that barriers can be both on the customer side and on the entrepreneur side.

FIGURE 5: Barriers to Scaling MBS Across the Sanitation Market System

Source: USAID WASHPaLS

Summary: Key Market Terms in MBS

Time: 5 min

Participants should now have a better understanding of the key elements of MBS. Ask them to take a moment to reflect on how they might use what they learned in this section for their own programs:

- They examined market concepts of the sanitation market.
- They learned that a sanitation market system includes the context, business environment, and core sanitation market.
- They reviewed the goals of MBS and how it aims to increase access to sanitation coverage among households by supporting local businesses to serve the unmet sanitation needs of households.
- They learned a value chain that describes the steps in the process that contribute to the value of a specific product or service.
- They compared the differences between beneficiaries and customers and how to view households as customers.

TOPIC 3: Market-Based Sanitation Process

TOPIC OVERVIEW: In this section, learners will examine the UNICEF process for designing and implementing MBS activities.

Guiding Questions:

What are the phases for designing and implementing an MBS activity?

Introduction to the Market-Based Sanitation Process

Now that participants have seen the different parts of a sanitation market, help them see that the development of an MBS strategy must follow a rigorous process. This training is largely inspired by the UNICEF MBS guide.

Activity: MBS Strategy Design Phases

Time: 10 min

Show the slides with the eight components presented randomly.

Ask each participant to pair with a person sitting next to them. Give them three minutes to sort the steps into the order that is most logical to them. It's a race against time. The first team to finish wins (as long as they get the order right). After the exercise, check answers in plenary.

Then, present the slide showing the table below. Use the following questions to discuss with the group as needed:

- "Which of the steps are you currently at in your program? "
- "Do you think the time frame is realistic for your current situation?"
- "What do you like about this approach to an MBS strategy?"

TABLE 14: UNICEF's MBS Process

Scope	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Summary: MBS Process

Participants should now have a better understanding of the process for designing and implementing MBS activities. Ask them to take a moment to reflect on how they might use the process as a strategy for their own programs.

SUMMARY: Module Two Understanding Markets

Time: 15 min

Ask participants to consider what they learned about markets for sanitation. The module began with an exercise on market component and dynamics. Note that an important takeaway from this lesson is that MBS considers households as customers, rather than beneficiaries. They can select the product or service they feel best meets their needs, are likely to value and use the product or service because they have invested money or time into it. MBS ensures customers' perspective, wants, and needs are more often taken into account during design of the product or service to help improve sales.

Guide participants in sharing insights they learned during this lesson.

Ask these questions:

- "How did your ideas on markets evolve during the lesson?
- How do you feel about thinking about households as customers, rather than beneficiaries?"

Review the main points from this lesson. Participants were able to:

- Practice key market concepts (e.g., supply and demand) using an example from daily life
- Apply key market concepts to the sanitation market

- Discuss the importance of being adaptive, iterative, flexible, etc. in the context of market shocks
- Define key market terms and the fundamentals of MBS approaches.

REVIEW: Module Two Terms and Definitions

Handout: Glossary, Key Market Terminology for Review

Review the main terms discussed in this module. Clarify any terms that are unclear to participants.

Business environment: The government policies, access to materials and resources, access for businesses to financial services and credit, business development opportunities.

Consumer: Anyone who then uses a purchased product.

Context: The existing social norms, economic environment, and geographical conditions.

Core sanitation market: Customers, sanitation enterprises, and entrepreneurs (business owners) and the transactions that take place between them.

Cost-effective: Something that is considered a good value; e.g., a program that delivers strong results relative to the amount spent.

Customer: The person who makes the purchase.

Demand: The desire for a product or service, often referred to as consumer demand.

Market: A place or set of formal or informal arrangements where buyers and sellers exchange goods, labor, or services.

Market-based sanitation: The development of a sanitation market in which the user makes a full or partial monetary contribution (with savings and cash equivalents) toward the purchase, construction, upgrade, or maintenance of a toilet from the private sector.

Market shocks: Events that change supply, demand, or both. They are often unexpected, compelling people and/or businesses to adapt.

Sanitation market system: The relations between market actors in the sanitation ecosystem.

Scalable: Characteristic of a system that describes its ability to cope and perform under an increased or expanding workload.

Supply: The availability of a product or service.

Supply chain: The actors producing and trading (or taking possession) of a product or service within the market system.

Value chain: The activities carried out by multiple actors to produce and sell products and services, and to add value to them during the process.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

Additional Resources

Market-Based Sanitation: The basics
Online course on the WASH Systems Academy
IRC, USAID Transform WASH, PSI and Water For People (2022)
https://www.ircwash.org/news/join-course-%E2%80%98market-based-sanitation-basics%E2%80%99

Manual on Sustainable Value Chain Development
Springer-Heinze, A. (2018). GIZ Eschborn, 2 volumes. International ValueLinks Association e.V. Retrieved from https://www.valuelinks.org/material/manual/

Guidance on Market-Based Sanitation
UNICEF (2021). New York: United Nations Children's Fund (UNICEF). Retrieved from https://www.unicef.org/documents/guidance-market-based-sanitation

Scaling Market-Based Sanitation: Desk Review on Market-Based Rural Sanitation Development
USAID WASHPaLS (2019). Retrieved from https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

USAID Hygiene Improvement Project's Sanitation Marketing for Managers: Guidance and Tools for Program Development
USAID (2010). Hygiene Improvement Project. Retrieved from https://www.globalwaters.org/resources/assets/sanitation-marketing-managers-guidance-and-tools-program-development

References

Chapin, J. and Pedi, D. (2013). Sanitation Marketing Learning Series Guidance Note 3. United Nations Children's Fund. Retrieved from https://sanitationlearninghub.org/resource/sanitation-marketing-learning-series-guidance-notes/

Sanitation Learning Hub (2013). Sanitation marketing learning series guidance notes. Retrieved from https://sanitationlearninghub.org/resource/sanitation-marketing-learning-series-guidance-notes/

Springer-Heinze, A. (2018). Manual on Sustainable Value Chain Development, Volume 1. International ValueLinks Association e.V. Retrieved from https://www.valuelinks.org/material/manual/

United Nations Children's Fund (2020). Guidance on market-based sanitation. Retrieved from https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf

United States Agency for International Development (2019). Scaling market-based sanitation: Desk review on market-based rural sanitation development programs. Retrieved from https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

Lesson Plan

MODULE THREE: Market Research

Overview of Methodologies for Market Research for Sanitation

Duration: 7 hours 30 minutes

Module Objectives:

- Discuss the components of a market assessment
- Discuss research methods
- Define human-centered design (HCD)
- Practice the key principles of HCD and apply them to a market assessment
- Practice stakeholder mapping
- Practice market mapping

Why this module?

Good market research helps the design of a program by providing information on the current state of the market and market opportunities, as well as on different market players, people, enterprises, and organizations. To collect useful information, researchers need to use mixed research methods, including qualitative and quantitative methods. Qualitative methods such as human-centered design (HCD) put people at the center of market-based sanitation work and help program designers get deep insights on all the market actors, such as consumers and entrepreneurs.

Handouts and Links:

- Glossary
- Module 3 Summary Handout
- Module 3 Participant Exercises Handout
- PRO-WASH Learning Brief on How to Strengthen Market-Based Sanitation Strategies Using a Geographic Information System

Materials:

- Module Three handouts
- Module Three PowerPoint presentation
- Paper, pens, markers, and nametags for participants and facilitators
- Laptops (at least one per pair of participants) with Internet connection
- Audiovisual system for the market research, HCD, and GIS videos

Advanced Preparation:

- Tell participants they will need to connect to their Google account during this module. If they don't have one, ask them to create one before this session or plan to pair up in advance with another person who has an account. Participants will need a computer to go to mymaps.google.com and log in with a Google account.
- Set up the audiovisual system to play the videos.
- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.

TOPIC 1: Introduction

In this section, learners will consider why market research is essential for designing and implementing sanitation activities. They will learn what a market assessment consists of and why it is important to consider the demographics, motivation, and interest of the users. Learners will reflect on their own experience with research methodologies and the strengths and weaknesses of each method. Learners will continue to update their glossary to help them understand basic concepts used in a market assessment.

Guiding Questions:

- Why is market research important for designing and implementing sanitation activities?
- What does a market assessment consist of?
- What are the strengths and weaknesses of research methodologies involved in market research?
- Why use HCD to conduct a market assessment?

What is market research

Time: 10 min

Welcome participants to Module 3. Make sure that they have their Glossary open. Give participants the Handout: Module 3 Summary

Handout: Module 3 Summary

Explain that market research is a way to gather needed information about potential customers, businesses, and the enabling environment, which is critical to developing an MBS strategy.

Many participants likely will be familiar with market assessments. They may have completed market research on livelihoods, youth entrepreneurship, sanitation, water, food, commodities, or agricultural goods. Typically, MBS approaches will always require some component of a market assessment, whether it is to increase the scope of prior research to gain more information, identify entrepreneurs with whom programs will work, or design better products.

Note that a market assessment provides insights into the market characteristics, relationships and actors across demand, supply, and enabling environment (business environment and broader context) information across the sanitation market systems. This includes looking at:

- **Demand:** The desire for the sanitation product or service.

- **Supply:** Availability of a sanitation product or service.
- **Enabling Environment:** The business policy, regulatory, and institutional environment that influences the sanitation market.

Market research is the first phase of the program design and typically requires between four and six months from design through implementation to report writing.

TABLE 15: UNICEF's Process for Implementing MBS

Scope	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	**Market Research**	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020. p. 47.

Explain to participants that, when designing programs, it is essential to understand how the market is structured and the current practices, systems, and relationships across different components of the market. MBS programs aim to build upon existing structures and systems to minimize disruption. This is one of several reasons that experts consider MBS approaches to be more sustainable—more likely to continue without outside intervention. MBS approaches are intended to have a clearer exit strategy beyond the life of a donor-funded project intervention.

The USAID WASHPaLS Sanitation Market System diagram can help learners determine what should be included in a market assessment. Ask them to look at Figure 6 and explain the different components.

The Sanitation Market System

Show the slide with the WASHPaLS Sanitation Market System. Encourage discussion for about 15 minutes using the questions below.

- "Who is familiar with this system?"
- "What does it tell us?"
- "Who can explain its components?"

FIGURE 6: Sanitation Market System

Source: USAID WASHPaLS

Explain that key sanitation actors, such as customers (demand) and sanitation entrepreneurs (supply), are at the center of the systems.

It is important for programs to understand key actors' current sanitation practices, needs, problems, and desires that will inform the strategies they use to target end users. (These strategies are illustrated at the center of the Market System in sections titled Target Market, Product System, Delivery Model, and Sales and Marketing.)

Explain to participants that MBS interventions must build on existing systems. The WASHPaLS sanitation market system diagram refers to Broader Context and the Business Environment. The Broader Context is about national and international sanitation strategies, requirements, and guidance, while the Business Environment is about business practices (formal and informal) and business systems, as well as trade rules and regulations that influence how programs work with the private sector.

Activity: Current state of the market: What do YOU need to know? Time: 20 min

This activity will help participants better understand the different components of the sanitation market system.

Instructions:

- First, divide learners into groups of three or four. Explain that the small groups should come up with questions related to understanding the different components of the sanitation market system. Ask participants to come up with at least three to four questions per component. Tell them they have 15 minutes to complete this exercise.
- Then, groups should pair with another group and share their questions. Each combined group will combine or prioritize three or four questions. Explain that they have 15 minutes to do this.
- Finally, the combined group will present the questions to the full group. Compare the questions each group provides based on the questions in the chart below and provide feedback.

Questions to Help You Understand the Components of the Sanitation Market System	
Broader Context & Business Environment	• What national policies or strategies can impact the development of a market for sanitation? • What are the types of sanitation strategies and projects that have been implemented so far? Any successes or failures? • What are existing finance options for consumers and enterprises? • How favorable are regulations applying to the import and distribution of sanitation products, such as SATO pans? • What are the transport conditions and access to the geographic areas connected to your project (roads, public or commercial transport companies, etc.)?
Demand	• What reports and studies are already available that demonstrate consumers' preferences for sanitation products? • What are current sanitation practices? • What financing options are available for customers who desire to purchase sanitation products?
Supply	• What existing sanitation products and technologies are available in the market? • What are the different enterprises that import and distribute sanitation products in the market? • Where are these enterprises located? Do they cover both urban and rural areas? • What research has already been done on sanitation entrepreneurs (i.e., marketing and sales practices, size, financing, transport capacities, etc.)?

Reflect: Ask participants how they might get the information needed to respond to these questions.

Time: 15 min

Ask participants the following questions to help them reflect on their own:

- "What information related to these questions do you already have?"
- "Where can you get additional information?"
- "What kind of information might you still need to get using market research?"

Questions to Help You Understand the Components of the Sanitation Market System		My Context/Community
Broader Context & Business Environment	• What national policies or strategies can impact the development of a market for sanitation? • What are the types of sanitation strategies and projects that have been implemented so far? Any successes or failures? • What are existing finance options for consumers and enterprises? • How favorable are regulations applying to the import and distribution of sanitation products, such as SATO pans? • What are the transport conditions and access to the geographic areas connected to your project (roads, public or commercial transport companies, etc.)?	
Demand	• What reports and studies are already available that demonstrate consumers' preferences for sanitation products? • What are current sanitation practices? • What financing options are available for customers who desire to purchase sanitation products?	
Supply	• What existing sanitation products and technologies are available in the market? • What are the different enterprises that import and distribute sanitation products in the market? • Where are these enterprises located? Do they cover both urban and rural areas? • What research has already been done on sanitation entrepreneurs (i.e., marketing and sales practices, size, financing, transport capacities, etc.)?	

Discuss:

- Who would like to share their reflection?
- Were any of your specific contexts similar? Different?

Explain: Three Steps to Conducting Market Research

Discuss the three steps of market research:

- **STEP 1: Conduct a desk review.** Do this through secondary research and identify research gaps.
- **STEP 2: Plan and conduct primary research.** Use the most appropriate research method
- **STEP 3: Conduct a data-to-decision-making workshop.** Ensure important stakeholders are in the room.

Tell participants they will next review each market research step in detail during this session.

Explain: Step 1: Conduct a Desk Review

Share the following information with participants to help them understand what a desk review is for:

The desk review provides a foundation upon which to build the subsequent steps of market research. During a desk review, assigned staff or consultants scan existing and relevant information on a topic, analyze secondary data, and create a shared folder and reference list so all documents are organized and easily accessible to all team members.

Not all useful grey literature, such as NGO reports, is easily available on the Internet. Participants should reach out to other stakeholders (such as government offices, private sector organizations, and NGOs) who are working in or have previously worked in their project intervention area to see if the stakeholders can share information. Sources such as national Household Budget Surveys, Demographic and Health Surveys, national Statistical Abstracts, National and District Development Plans, and Census data are helpful because they can provide data on socioeconomic status. Cultural considerations, knowledge and beliefs, and latrine coverage.

Give the below example from Niger.

EXAMPLE Niger: In Niger, PSI/Practica conducted a rapid desk review as part of a broader PRO-WASH applied research award. Their goal was to develop a market development strategy focusing on availability and provision of improved latrines and handwashing-related products in the Maradi and Zinder regions. This rapid desk review revealed the market landscape based on secondary data available through examination of functions, players, relationships, and incentives within the sanitation and handwashing-related products marketplace in the targeted areas.

Explain that the Niger team (1) scanned the literature and (2) analyzed the secondary data. Next, help participants understand each of these steps.

Explain: (1) Scan the Literature

Time: 20 min

A literature scan includes reviewing journal articles, grey literature (project reports, strategies, existing studies, evaluation reports, etc. that are produced outside of traditional publishing sources), and related policies, laws, and regulations related to sanitation. It is important to keep the desk review focused. Most secondary sources are publicly available datasets or reports. Depending on the depth of the study, it can take up to three months to complete a desk review. It is important to build in enough time for recruitment and contracting if consultants are hired.

TABLE 16: Literature Scan Example: PSI Niger

Sanitation Context	• What are the basic sanitation indicators according to the project's priorities (for the introduction and to set the stage for each of the technical areas)? • What are the national policies, strategies, and guidelines on sanitation? • What are the key partners active in sanitation and hygiene? • What are the local constraints in terms of environment, infrastructure, economy, and social standards impacting the sanitation and hygiene market?
Business Environment	• What are the policy opportunities and constraints? • Which organizations are currently providing or supporting sanitation and hygiene? • What are the lessons learned? What are the availability and efficacy of financing and subsidy options?
Demand Side	• What are the current needs for sanitation and hygiene services? • How is the current demand characterized (preferences, willingness to pay)? • Which households are not yet served? • What are the constraints identified in terms of demand (ability to pay, environmental constraints)?

Supply Side	• Who are the operators that provide sanitation and hygiene products and services? • What are their capacities and availabilities? • What products are offered and at what price?

Discuss: Data Sources and Policies

Guide participants through a discussion about the data sources and policies they might use for their own programs. Ask these questions:

- "What secondary data sources are available on sanitation supply, demand, and enabling environment within your project area?" *(Answers might include: Demographic and Health Surveys (DHS), Multiple Indicator Cluster Surveys (MICS), Joint Monitoring Program (JMP) reports, Annual Poverty Indicators Surveys and family income and expenditure surveys, and NGO reports.)*
- "Who can you consult to get more information?" (*Answers might include: national statistical services, data from chambers of commerce, academic institutions, other government partners, other NGOs.)*
- "What national policies exist in your context that will affect marketing activities?" *(Answers might include: National Sanitation Policies, policies on microfinance institutions, etc.)*
- "Who is best placed in your team to lead the desk review?"

Explain: (2) Analyze Secondary Data

After completing a desk review, the next step is to analyze the data. Look for trends, gaps, and opportunities for the private sector to contribute to improving hygiene and sanitation outcomes, such as:

- Trends in the use of the private sector services disaggregated by wealth quintile
- Trend in levels of subsidy and the impact on private sector actors or households (supply or demand)

During this analysis phase, it's important for the team to take the time to do some higher-level thinking about the findings from the desk review and document learning, gaps, and opportunities.

The team should be convened to discuss and agree on the following:

TABLE 17: Analysis Phase: Discuss and Agree

What is Known	• What did we learn from the literature? What did we learn about people's preferences, financial options, private sector engagement, etc.? • What did the secondary analysis reveal?
Emerging Themes and Opportunities	• What trends and issues are emerging? • Do you see any opportunities for the private sector in sanitation?
Gaps and Questions	• What remains to be discovered, verified, and addressed during fieldwork? • Which team members are best positioned to lead or coordinate the fieldwork?

A notetaker should be assigned to capture the discussion and decisions in a Word document or PowerPoint presentation. This discussion will guide the development of the research plan. For example, if secondary data did not include financing options that might be the best fit for the context, it may need to be addressed in the research plan.

Share the below example from Ethiopia with participants.

EXAMPLE Ethiopia: The USAID Transform WASH project in Ethiopia conducted a study to understand financing practices and options for sanitation products and services. This study assessed the scope and potential role of financial institutions for sanitation financing and identified possible program interventions (mechanisms and systems) to support finance institutions with special emphasis on needs in rural areas. The study aimed to provide information on the existence and performance of sanitation financing options for enterprises and consumers and provide recommendations for sanitation financing options. (Kebede, A. and Kumela, D., 2017). The assessment team drew on both primary data (mainly interviews with stakeholders) and secondary data from documents and publications from governmental institutions, financial institutions, projects, and articles.

Explain: Step 2: Conduct Primary Research

Time: 5 min

Now that participants understand the first step in market research, conducting a desk review, move on to a discussion of the second step, conducting primary research. Field research is only required if and when a desk review has not been able to answer all questions and provide data needed to understand the current state (why things are the way they are now). While research gaps may occur in any component of the market system, they are more likely to be seen at the level of supply and demand or, as in the previous example, with very specific questions such as those related to financing mechanisms and policies.

Different research methods can be used for primary data collection, and product teams will likely have to consult a research or M&E team. Both qualitative and quantitative methods may be used in this type of research. Explain to participants that this lesson covers three methods often used but focuses mostly on qualitative research and human-centered design (HCD). Conducting a sanitation market assessment is a process that often takes three to six months and requires several types of approaches. In the next activity, the facilitator will help participants look at the types of research they have already used and the strengths and weaknesses of that research.

TABLE 18: Comparison of Qualitative and Quantitative Research

QUALITATIVE RESEARCH	QUANTITATIVE RESEARCH
Qualitative research approach can help us understand desires and preferences of consumers and entrepreneurs. In this module, we will discuss how you might use a qualitative approach known as human-centered design or HCD • HCD is a design methodology that engages users along the supply chain to design a product or service, using repeated rounds of testing and incorporating feedback. • HCD collects insights or instances of deep, often clear, understanding of a person or situation. • HCD asks for feedback from users throughout the design process and considers their values and opinions—regardless of their education, income level, and beliefs—to be rational and important. • An HCD approach considers all users to be vital stakeholders in the design of a successful solution. It ensures the program, such as an MBS pilot program, keeps their needs at front and center of the solution we are designing.	**Quantitative research approach** uses market data to help us to understand the market and how it performs, how goods are exchanged, what the prices are, how prices are changing, where goods are sold, what types of products are available, how many are sold, etc. Users collect data on the households' products and the trade systems in place (e.g., prices and other business practices with a representative sample of market players). Quantitative Information from **Geographic Information Systems (GIS)** can also be very useful for mapping areas with high vs. low commercial activity and their distance from the capital city or the nearby borders from which products and materials are imported and distributed.

Discuss: Share Your Work

Time: 15 min

Ask participants:

- "What research methodologies have you used? "

  (Possible answers: household surveys, focus groups, observations, pricing surveys, mapping locations with GPS, etc.)

- "What resources and expertise are needed for primary data collection?"

  Possible answers: need to develop a study design; if the study design involves collecting sensitive information on human subjects, there may be a need to get a Research Ethics Board approval; survey tools need to be pretested; researchers can have various expertise: anthropology, statistics, business or marketing, information systems, etc.)

Explain: Use Existing Assessments to Help You

Explain that product teams can draw on existing market assessments and methodologies to help them design their market assessment.

EXAMPLE Niger: In Niger, PRO-WASH worked with PSI/Practica and the Resilience Food Security Activities to carry out a market assessment in the Zinder and Maradi regions. PSI/Practica used qualitative and quantitative research methods and GIS.

Explain: Qualitative Research Approaches, Focus on HCD

Human-Centered Design (HCD) is a qualitative research method used to identify the needs and motivations of key stakeholders and gain key insights on the current state of the market. HCD is an approach to creating solutions in close collaboration with the person who will ultimately use the final product or service and the individuals who may interact with it, such as producers, retailers, and salespeople. It is important to consider the demographics of the users and their motivations and interests, whether they are buyers, producers, or sellers of sanitation products or services.

HCD introduces a qualitative component to the market assessment by generating insights, which are instances of deep and often clear understanding of key stakeholders or situations. HCD can be messy. Through HCD, researchers gather insights from a variety of different individuals, and that information may not fit neatly into specific categories. It might also feel overwhelming, and researchers may be unclear how to begin using this information to refine their approach. By testing different ideas, learning what works, and learning what doesn't, however, over time, product teams eventually come to a better understanding and draw closer to a solution.

Video: Show Video of Introduction to HCD

Time: 3 min

HCD is an iterative process, which means it repeats, usually with the hope of learning more and making improvements. View video at: https://youtu.be/IrUoW5Bvjd8

Discuss: Why do we do the same thing if it is not working?

Time: 10 min

Ask participants "Why do we sometimes keep doing the same thing even if it is not working well? "(Possible answers: rigid donor requirements, government policies, time or budget constraints, habits, social norms, not knowing what else to do, etc.)

Explain that HCD includes three major phases that repeat, or iterate, throughout the project cycle. The phases are:

TABLE 19: HCD – 3 Phases That Iterate in the Project Cycle

HEAR	The research phase (it can be used for the market assessment). This may also be referred to as the DISCOVER phase.
CREATE	Generate and test ideas
DELIVER	Implement these ideas in the real world—during this phase, researchers are still "hearing" what users think about a solution, then creating new ideas to test.

PRO-WASH and iDE developed an online resource center (hcdforwash.org) that provides access to HCD tools and templates for use by practitioners.

FIGURE 7: Image of the hcdforwash.org resource center

EXAMPLE Takunda: In Zimbabwe, PRO-WASH worked with Takunda Resilience Food Security Activity to use HCD to conduct "deep dive research" in five villages with varying sanitation coverage. The research during the HEAR phase included participatory and unstructured research activities focused on hearing people's stories. These included focus group discussions using journey mapping, dream latrine, and sanitation laddering activities (with separate activities for women and men), village transect walks, supplier interviews, and household interviews. Based on the findings, the Takunda HCD team has begun prototyping and testing ideas to address barriers and challenges identified in the HEAR phase.

Activity: Create an Empathy Map

Time: 60 min

Explain to participants that they will now practice using HCD by developing an Empathy Map.

An empathy map can help establish an understanding of a target audience and see the world from their perspective. This includes understanding an actor's behaviors, interests, and priorities. An empathy map provides a deeper understanding of customers and other actors. There is no set list of questions to ask customers and other actors. It is important to listen and to adjust accordingly. For example, with this information, product teams can determine the kinds of sanitation products and services end users might want. Explain that some examples of questions might be:

- "What do actors think about, how they feel?"
- "What do they physically see in their environment and community?"
- "What kinds of things do they hear from their friends and others?"
- "What hurts them, and what are their wants and needs?"

The term "deep dive" is used to describe activities completed to collect insights from users. This term also can be used generally to mean taking a close look or going in-depth to develop an understanding. When participants plot these learnings onto the empathy map, they can begin to see the actor's behaviors, interests, and priorities. This can help determine the kinds of products and services they might want.

Work with participants to complete steps one through four.

Instructions

- STEP 1: Review Handouts
  - » Separate participants into small groups. Ask groups to refer to take 10 minutes to read the Empathy Map Exercise Instructions. They can chose to focus on Idris, Vrinda or Limbani.

    Empathy Map Exercise Instructions

    - SETP 2: Gather Insights
  - » As they gather insights about the actor, participants should write those insights onto the empathy map in the corresponding section.
  - » If participants did not find a direct answer to a question by the end of the exercise, tell them to feel free to use their best guess and fill in additional information for the actor.
  - » Tell participants they will have 20 minutes to fill in as much information as they can and to discuss with their small groups.

- STEP 3: Present Your Maps
  - » Have small groups return to the large group and take turns presenting their empathy maps.
  - » Estimate about five minutes per group.

- STEP 4: Discuss: What Did You Learn?
  - » Ask participants the following questions to discuss the lesson:
    - "What are the major differences and similarities between the different actors?
    - "Did any of the insights surprise you?"
    - "Do you relate to any of these insights? In other words, do you share any of these motivations or barriers?"
    - "What do you think is the value of an empathy map in market research?"

Conclude this session by explaining that an empathy map does what its title suggests: It helps establish an understanding of the target audience and see the world from their perspective. This helps product creators understand not only the current state (why things are the way they are now) but also helps them design better because they then are designing for customer needs and wants, not their own. This can improve an MBS strategy.

QUANTITATIVE RESEARCH: Surveys

Explain: Quantitative Research Approaches – SURVEYS

Tell participants that surveys are questionnaires given to a representative sample of the population they want to research. The sample can be people in the target market (the population targeted) or key market actors such as entrepreneurs. Surveys are usually used to measure large populations with relative ease. Despite a widespread perception that surveys are easy to conduct, surveys need extensive planning, time, and effort to yield meaningful results.

EXAMPLE: Niger: Under a PRO-WASH Applied Research Award in Niger, PSI/PRACTICA conducted a household survey to quantitatively characterize the potential demand for sanitation and handwashing products at the level of households in the intervention area of three Resilience Food Security Activities. This quantitative research was informed by a desk review and initial segmentation. The potential demand data was needed for the six segments identified and only a household survey could get the data segregated by segment.

Download the results of the survey, the methodology, and the research tool on this site: https://www.fsnnetwork.org/PRO-WASH/Market-Based-Sanitation

Explain to participants that surveys also can be used to understand key characteristics of the actors in the supply side of the sanitation market system. Now, tell them they will watch a video tutorial developed by USAID WASHPaLS that addresses what they will want to consider and why when designing their supply side assessment.

View video: Lesson 3: market research (Supply Assessment), FSN Network [33.35 minutes]

Time: 35 min

Explain to participants that this video tutorial, which was developed by USAID WASHPaLS, addresses why and what they will want to consider and why when designing their supply side assessment. As they listen to this video, they should consider the components of a supply side assessment and how it can be used in a sanitation product or service.

https://youtu.be/w2Z2mMCEwcY

Discuss: Supply Side Assessment

Time: 10 min

Guide learners through these questions:

- "What are the three components of a supply side assessment?"

  (Answer should include: actor map and their profiles, current state of how toilets get built using HCD principles and economics, how much toilets cost to the customer and why.)
- "Has anyone conducted a supply side assessment for sanitation or for a different product or service?" (*Possible answers could be seeds, soap, fertilizer etc.*
- "What are the similarities and differences between doing a supply side assessment for that product or service?"

Explain: Rapid Sanitation Industry Assessment

Tell participants that a rapid sanitation industry assessment can be a very useful tool to understand the market in which they work as they begin to conduct a supply chain analysis. A rapid sanitation industry assessment is an exercise through which product developers can begin with the consumer and trace a product or service back through the supply chain. Think of this as following in reverse the journey that a product—and the materials and services that went into making it—took to get to the consumer.

Handout: Actors and Functions Activity Sheet

Activity: Rapid Sanitation Industry Assessment

Time: 30 min

In this activity, participants will learn how to conduct a simplified version of a rapid sanitation industry assessment. Guide them as they work through steps one through four to complete this activity:

- STEP 1: Product and Customer- 5 minutes
  - » Think about a latrine from your own community. (Note: This can also be done for sanitation services, but to demonstrate the concept we will use a product that is a bit simpler).
  - » In the middle of the innermost circle, draw or write the name of the product—a latrine—and a name or description of the customer.
- STEP 2: Components- 5 minutes
  - » In the middle circle, draw or write all components of the latrine. This will include material for the structure and a slab, as well as transport and installation, and perhaps credit.
- STEP 3: The Actor-10 minutes
  - » Think about where each of those materials or services came from. In the outermost circle, write or draw the name or description of the actor who provides that material or service.
  - » With a line, connect the actor to the component they provide.
- STEP 4: Probe for Details-10 minutes
  - » Now that you have completed a simplified version of a rapid sanitation industry assessment, let's think about how we would do this assessment in your own activity. In a rapid sanitation industry assessment, a member of your team would go to a customer and ask them to describe their latrine, paying attention to all its components. *This corresponds to the middle circle.*
  - » You would then ask the customer how they got their latrine. You would probe for details, such as who constructed the structure or dug the hole. Write down the names and locations of any shops, distributors, or service providers. *This corresponds to the outermost circle.*
  - » You would then visit each actor mentioned by the customer as a contributor to the latrine and ask them to describe all the materials or services they use to make or buy the component of the latrine they contributed. Similarly, you would probe for detail and note down the names and locations of anyone they mention. *This would lead to more circles than we have in the handout, Actors and Functions.*
  - » You would continue this process until you reach suppliers of construction materials, manufacturers of components (such as plastic sheeting used for a latrine's roof), local government, banks, and others that are providing raw materials. *This takes time, but it is also an irreplaceable way to understand the supply and value chains that already exist.*
  - » We want to be sure we understand what is happening so we can *be efficient and impactful in the way we get involved.*

Explain: Summary

We have discussed different stakeholders and actors involved in sanitation markets and the different functions necessary in a sanitation market. Later in this module, we will think about the way these actors and functions interact and we will develop what we call a stakeholders map. Understanding the relations between these actors is critical for assessing the current state.

QUANTITATIVE RESEARCH: GIS

Explain: Quantitative Research Approaches, Focus on GIS

Time: 5 min

Tell participants that using GIS as part of market research can help identify areas that are more densely populated and accessible and have more dynamic economic activity so therefore are more amenable to the development of a market that, to date, has little or no existence. GIS allows partners to better target and prioritize their interventions. GIS modeling consists of compiling various types of georeferenced data (associated with GPS coordinates) in the form of GIS layers that can be visualized cartographically and analyzed spatially. GIS also can be used to map the sales zones and villages to be visited by sales agents. Lead participants through discussion using these questions:

- "Who has experience using GIS within WASH?"
- "What are some of the advantages of using GIS?"

View video: Improving MBS Strategies by Using GIS

Time: 5 min

Tell participants that the video tutorial and quick guide take them through the steps of using GIS based on market research conducted in Niger with Resilience Food Security Activities. Explain that using GIS as part of understanding the current state might be a good option for their projects and for helping them better target their interventions based on the resources available. They can use simple GIS services themselves, such as using online mapping services, or they can hire professional services, which will require more resources but are also more in-depth.

Video tutorial: https://www.fsnnetwork.org/PRO-WASH/Market-Based-Sanitation

Handout: PRO-WASH GIS Learning Brief

Activity: Create a Map and Add GPS Coordinates

Time: 30 min

Tell participants that they will now practice using GIS. Ask participants to work in pairs. Explain that each pair needs a computer connected to the Internet.

Present the slide and guide participants through the following steps:

- STEP 1: Go to mymaps.google.com and login with your Google account. If you don't have a Google account, pair with a team that has at least one person with a Google account.
- STEP 2: Click on Create a Map and give a title to your map in the left corner of the screen where it says Map Without a Name (e.g., "My First Map"). You can provide a description as well, if you want to.
- STEP 3: Give a name to your first layer (where it is mentioned "Layer Without a Name"). Give the name "Villages" to your layer. Then, add a second layer you will name "Towns" and a third one "Cities."
- STEP 4: Click the Towns layer to select it (a vertical color bar on the left side of the layer should indicate that it is selected). Type the following coordinates in the search field: 8.7273, 5.75318 (it should bring you to a town named *Pategi* in Nigeria. Click the + icon, Add to Map, and rename the location "Pategi," the name of the town.

- **STEP 5:** Now, click the Cities layer to select it. In the search box, search for the city *Kaduna* in Nigeria. Click the + icon, Add to Map. Since you searched by name, the GPS should be named "Kaduna."

Explain to participants that in this simple exercise, they created a map with GPS coordinates on two layers. Now they can unclick the layer, and it will hide the GPS coordinates on that layer. Discuss using these questions:

- "Do you think using GIS might be useful for your project?"
- "If yes, what would you map and why?"
- "How would you develop the maps you need?"

Now that participants understand the first and second step in market research, the facilitator can move on to the final step: conduct a data-to-decision-making workshop.

CONDUCTING MARKET RESEARCH: Conduct a Data-to-Decision-Making Workshop

Discuss: Using Data

Explain to participants that once they have collected and analyzed data, they will want to conduct a data-to-decision-making workshop. During this workshop, they will use key results to feed into their market development strategy. Lead them in a discussion to consider the following:

- "Who should be involved in a data-to-decision-making workshop?" *(Answers may include senior management, program managers, award managers, entrepreneurs, microfinance institutions, donor technical advisors, national or regional government officials.)*
- "How would you ensure that the key decisions made during this workshop are based on the data? *(Answers may include beginning the workshop by presenting key findings, circulating back to the findings after each key decision is made to ensure that the decision matches the findings, etc.)*

EXAMPLE: Niger: In Niger, as part of a PRO-WASH Applied Research Award, PSI/PRACTICA organized a workshop with Resilience Food Security Activities, government, and private sector partners in Niger to discuss the key study findings and to generate recommendations for a market development strategy.

SUMMARY: Market Research

Participants should now have a better understanding of market research. Guide them as they take a moment to reflect on how they might use what they learned in this section for their program.

- They learned market research is a way to gather information critical to developing an MBS strategy. Market research includes a market assessment that looks at demand, supply, and enabling environment.
- They found that the sanitation market system requires an understanding of the current sanitation practices, needs, problems, and desires so they can build on existing systems.
- They learned three steps for conducting market research: conduct a desk review, plan and conduct primary research, and conduct a data-to-decision-making workshop.

- They learned that the two broad categories of research approaches are qualitative and quantitative.
- They learned that the three phases in HCD are HEAR (research phase), CREATE (generate and test ideas), and DELIVER (find what users think about the solution and test ideas).

TOPIC 2: Stakeholder Mapping

TOPIC OVERVIEW: In this section, learners will practice stakeholder mapping to visualize the different actors in a market system.

Guiding Questions:

- Who are the actors in a market?
- Why is stakeholder mapping a helpful tool?

Why Stakeholder Mapping?

Stakeholder mapping helps product teams understand the relationships between different market actors. It also helps them see whether some of these relationships are missing or weak.

Activity: Stakeholder Mapping

Time: 45 min

In this activity, participants will visualize the different actors within a market system. This tool is called a stakeholder map. Have participants divide into groups of three or four.

Tell participants that, over the next several activities, they are going to use a real MBS case study. Guide them through the activity as shown below:

- STEP 1: Review the Report. First, take 10 minutes in your group to scan the case study.
- STEP 2: Stakeholder Mapping. While we talk about supply, demand, and the broader environment and business context, we know that actors (and activities) don't fall neatly into one bucket or the other. Now we will practice stakeholder mapping.
  - » Using the Stakeholder Mapping handout as your template, draw the same set of four circles on a flipchart. Make sure to use the entire space, because you will then place your sticky note onto this map.
  - » As a team, take 10 minutes to place the market actors on the map.
  - » Where appropriate, keep actors who fall within the same category in the same general area of the circle.
  - » Common buckets are customers, service providers, retailers, government officials, financiers, and producers, but think outside the box and add others you believe may be stakeholders in a WASH market system. For example, are there different types of customers? Are sanitation supplies sold by one service provider or many? Who are the different kinds of government stakeholders at the national and the local level?
- STEP 3: Discuss: (PAIR/SHARE) Present your Maps. Next, ask groups to pair up with another group and present their respective maps to each other. Give them about five minutes to learn about each other's maps, then call everyone back to the full group.
- STEP 4: Discuss: (FULL GROUP) What Did You Learn? Let's consider what we learned from this activity.

» "Did you find any new actors in the report that you had not yet considered? Explain."

» "Was it clear where each actor belonged?"

» "Looking at the full map, what do you notice about it (e.g., some sections have more actors than others)?"

Explain: Stakeholder Map

Tell participants that the Stakeholder Map is a tool that enables them to quickly visualize the different actors within a market system. If they were to do this for the actual actors they encountered, they could compare reality with this hypothetical map and identify any major gaps in the existing market. This is also a useful tool to see how actors may or may not interact with each other in a way that captures the web-like nature of a market.

Further explain that the sanitation market contains many stakeholders and actors who provide necessary market functions. They all have their own motivations in response to monetary, political, and other incentives. These functions include supply-side activities, demand-side activities, and regulatory and legal activities. Some functions focus on stimulating and informing demand; addressing supply of necessary materials, products, and services (including credit); or following the regulatory framework and enabling environment. Different actors provide these functions in different markets, depending on the conditions. Some actors may both be on the supply side and also take leadership in marketing to consumers, because they see it as an opportunity to increase their profits. This can help them leverage the resources of the Resilience Food Security Activity.

TOPIC 3: Developing a Plan for Market Research

Time: 10 min

TOPIC OVERVIEW In this section, learners will reflect on how to develop a plan and scope of work for market research that can serve as a starting point for their own activity.

Guiding Questions:

- How can you plan, prepare, fund, and manage a market assessment for your own project?
- What are the next steps?
- How feasible are the components of the market assessment in your RFSA and country context?
- What would you highly value and what would you deprioritize and why? What support would you need to carry out the Market assessment?

Market Data Collection

Time: 5 min

Participants have now discussed market research and different approaches and methodologies. Each team should decide what approaches and which methods are best to fill the research gaps they found for customers, suppliers, and the market. Regardless of whether this activity is done in-house or by a consultant, they will need to develop a research plan or study design. During this section, participants will think about how they might do market data collection.

Handout: Market Data Collection: Some of What We Need to Know

Give participants the handout titled Market Data Collection: Some of What We Need to Know. Explain and ask these questions:

- "These are examples of the types of questions you might want to ask. "

- "What questions do you think are missing (if any)?"
- "Why?"

Explain: Example Terms of Reference (ToRs)

Tell participants they may want to adapt existing scopes of work for their own projects. For example, many RFSAs have already done studies and ToRs can be adapted. Tell participants to look at the example of a study ToR from the Titukulane RFSA

Handout: Example of a Terms of Reference for a MBS study

Explain that, as with any formative research, it is important to get the plan right. Discuss these concepts with participants:

- Clearly define research objectives and questions in the scope of work. This should be based on what you already know from the secondary research or desk review and what you need to know.
- Determine whether the research plan will be completed by internal staff or by an external consultant or partner.
- Budget adequate time and money for the market assessment.
- Identify a team to undertake this research. It likely will require a multidisciplinary team with different skills, including quantitative and qualitative skills, engineering, design, and SBC.
- Setting expectations and deadlines early in the process is important.
- Schedule regular team meetings to engage in higher-level thinking before undertaking studies.

The multidisciplinary team is important, so multiple perspectives are available to consider when deciding how a system can be responsive to user study findings. For example, an engineer and a designer might interpret findings differently. For example, if users report they don't like the smell coming from the toilet system, different team members might envision different solutions. The designer might suggest that a vent be built in the stall and air fresheners installed, whereas the engineer might suggest that a membrane be added to the system to reduce airflow during processing. Both are reasonable solutions to the same problem, but without both perspectives the team might not consider all options (STeP, 2020).

Explain to participants that it is important to use study findings to inform programming, such as in product design (Module Four).

Share the below example of how another RFSA designed their market research.

EXAMPLE Ethiopia: Share this example with participants. In Ethiopia, Food for the Hungry carried out an MBS feasibility study as part of a Resilience Food Security Activity. Methods included a desk review, key informant interviews, focus group discussions, and household interviews. They found:

- Most households have built latrines, but they are generally of poor quality and last only one to two years.
- People felt discouraged by frequently collapsing latrines.
- There is a widespread desire for improved sanitation products, but most people are unwilling to spend even minimal financial resources on them, even if these funds could double or triple the life of a latrine.
- Incomplete demand triggering and longstanding cultural norms have led to many communities partially reverting to open defecation practices.

- The barriers to spending on improved sanitation products include extreme poverty, poorly designed and implemented subsidies, competing priorities, and a lack of access to credit for WASH-related improvements.

Based on the study findings, the team in this case study decided to undertake a small-scale pilot where demand was recently created through the Community-Led Total Sanitation and Hygiene and Health Education Workers' activities and where there are relatively higher levels of income and population density. Based on the study findings, the pilot's goals are to:

- Build demand and awareness around simple, improved latrine products, such as concrete slabs and SaTo pans, which are relatively affordable and significantly extend latrine life.
- Partner with other organizations that have knowledge and experience implementing MBS programs in Ethiopia. This leverages existing programs and connections to expand government engagement, improve supply chains, recruit and train local suppliers, and incentivize financial providers to open up credit opportunities for household-level WASH improvements.
- Advocate for consideration of revised Government of Ethiopia policies covering phased, targeted subsidies to incentivize local suppliers and reduce barriers to importing and manufacturing WASH-related products.
- Establish sales agents through existing businesses and local residents who are willing to consider part-time opportunities and enhance supplemental income.
- Work with microfinance institutions to open access for establishing revolving funds earmarked for WASH loans.

SUMMARY: Market Research

This module provides a better understanding of market research and different techniques to use.

Ask participants to consider what they learned about market research. Note that in this module, participants discussed market research and methods, including HCD, and practiced using several techniques that help them gather information about customers, suppliers, and the market.

Review key points from this module with them now:

- Market research is fundamental to designing an MBS strategy.
- Conducting a desk review is the first step for conducting a market assessment.
- Research questions need to be prioritized depending on context, but, at minimum, you need to understand both supply- and demand-side factors and actors and the enabling environment.
- Two research approaches to help fill your research gaps: qualitative and quantitative.
- HCD is a qualitative method to get deep insights on the market actors.
- Surveys and GIS are quantitative methods used when conducting a market assessment.
- All formative research must be guided by a research plan.
- Don't reinvent the wheel; instead build on past research.
- Setting expectations and deadlines early in the process is key for successful market research.

REVIEW: Module Three Terms and Definitions

Handout: Glossary, Key market terminology for review

Review the main terms discussed in this module. Clarify any terms that are unclear to participants.

Core sanitation market: Customers, sanitation enterprises, and entrepreneurs (business owners) and the transactions that take place between them.

Sanitation Market System: The relationships between market actors in the sanitation ecosystem.

Market Actors: Any actor that contributes to form, influence, or participate in a market

Rapid Sanitation Industry Assessment: A tool for building an understanding of the market in which you work. An exercise through which you can begin with the consumer and trace a product or service back through the supply chain.

Market Assessment: Provides insights into market characteristics and relationships and actors across demand, supply, and the enabling environment

Market Data: Used to understand the market and how it performs, how goods are exchanged, what the prices are, how prices are changing, where goods are sold, what types of products are available, how many are available, etc.

Stakeholder Map: A tool for quickly visualizing the different actors within a market system. This is also a useful tool to see how actors may or may not interact with each other, in a way that captures the web-like nature of a market.

Human-Centered Design: A design methodology that engages users along the supply chain to design a product or service, using repeated rounds of testing and incorporating feedback. A creative approach to problem-solving that starts with people and ends with innovative solutions that are tailormade to suit their needs.

Insights: Instances of deep, often clear, understanding of a person or situation.

HEAR, CREATE, DELIVER: The phases of HCD, moving from gathering insights (HEAR) to brainstorming and testing solutions (CREATE) to testing solutions in the real world (DELIVER). Hear can also be referred to as Discover.

Empathy Map: Helps product designers achieve a deeper understanding of customers (target audience) and other actors in a market, so they can better design for customer needs and wants.

GIS: Geographic Information System that allows geographically representing points or areas on a map.

Time: 15 min

Reflect: What I Learned, Where I want to Be, Who Can Support Me

Request that they take out a piece of paper and draw a box with four quadrants.

My Most Important Lessons Learned:	Steps I Could Begin or Integrate Now:
Possible Challenges:	My Support:

1. Ask them to reflect on the most important lessons they learned from this lesson and write them in the first quadrant.
2. Next, they should reflect on the steps they could start in their work right away and write it in the second quadrant.
3. In the third quadrant, they will write about the possible challenges they foresee.
4. Finally, ask them to reflect on who they can turn to for support on their challenges and write in the fourth quadrant.
5. After a few minutes, invite learners to share their reflections with the rest of the group.

Looking Ahead: Explain to participants that, in each module, they will continue assessing how the content relates to their own context and how to find support for any potential challenges. Ask them to take time now to reflect on how to use these MBS strategies and UNICEF's process for implementing MBS to identify next steps for moving forward in implementation (Module Seven) and create an action plan (Module Eight) for their own MBS project.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

Additional Resources

HCDforwash Resource Center
iDE & PRO-WASH (2022). Retrieved from https://hcdforwash.org/

The Field Guide to Human-Centered Design
IDEO (2015). Retrieved from https://www.designkit.org/resources

How to Use Human-Centered Design for Sanitation Products
PRO-WASH, PSI and Practica (2020). Retrieved from https://www.fsnnetwork.org/sites/default/files/2022-04/STC_PRO-WASH_SanitationBrief_HCD_English_508_final.pdf

Design Thinking Field Guide
IBM (2017) Retrieved from https://www-

356.ibm.com/partnerworld/wps/static/watsonbuild/media/IBM%20Design%20Thinking%20Field%20Guide%20Watson%20Build%20v3.5_ac.pdf

Quick guide to the Sanitation Possibilities Map
PRO-WASH & iDE (2021) Retrieved from
https://www.fsnnetwork.org/resource/sanitation-possibilities-map

Market-Based Sanitation: The basics
Online course on the WASH Systems Academy
IRC, USAID Transform WASH, PSI and Water For People (2022)
https://www.ircwash.org/news/join-course-%E2%80%98market-based-sanitation-basics%E2%80%99

References

Bagourme A., Gras X., Marcy J. (2019). Diagnostic du marché en produits d'assainissement et de lavage des mains sur les régions de Zinder et Maradi (Niger). Washington, DC: Save the Children. Retrieved from https://www.fsnnetwork.org/resource/diagnostic-du-marche-en-produits-dassainissement-et-de-lavage-des-mains-sur-les-regions-de

Bill & Melinda Gates Foundation (2020). Reinvented toilet pilot playbook: Streamlined guidance for technology and commercial partners [version 1; not peer reviewed]. Gates Open Res 2020, 4:183 (document). Retrieved from https://doi.org/10.21955/gatesopenres.1116700.1

Kebede, A. and Kumela, D. (2017). Assessing Financing Practices and Options for Sanitation Products and Services: Findings. SNNPR, Ethiopia. USAID Transform WASH. IRC. Addis Ababa. Retrieved from https://www.ircwash.org/resources/financing-practices-and-options-sanitation-products-and-services-findings-snnpr-ethiopia

UNICEF (2020). Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF). Retrieved from https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf

USAID (2018). Scaling Market Based Sanitation: Desk review on market-based rural sanitation development programs. Washington, DC., USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. Retrieved from https://www.globalwaters.org/sites/default/files/Scaling%20Market%20Based%20Sanitation%20JUNE2018.pdf

USAID (2010). Sanitation marketing for Managers: Guidance and Tools for Program Development. Hygiene Improvement Project. https://www.globalwaters.org/resources/assets/sanitation-marketing-managers-guidance-and-tools-program-development

Lesson Plan

MODULE FOUR: Product Design

Using Human-Centered Design for Product Design

Duration: 180 minutes

Module Objectives

- Use human-centered design (HCD) insights to design a product
- Review an example of products designed by other market-based sanitation (MBS) projects

Why this module?

Good market research and the use of HCD is only valuable if results are used during product design. In this session, participants focus on using insights to develop a prototype. They will also see examples of product design from other sanitation projects.

Handouts and Links

- Glossary
- Module 4 Summary Handout
- Module 4 Participant Exercises Handout
- How to use Human-Centered Design for Sanitation Products (case study)

Materials

- Module Four handouts
- Module Four PowerPoint presentation
- Paper, pens, markers, and nametags for participants and facilitators
- Projector and computer to play the video on Human-Centered Design for MBS: https://youtu.be/KsM6nDyobfE

Advanced Preparation

- Update PowerPoint presentations to meet the learning needs and resource assessment and training agenda.
- Prepare the Cost vs. Benefit Excel file in advance.
- Download the following video: Human-Centered Design for Market-Based Sanitation https://www.youtube.com/watch?v=KsM6nDyobfE&t=58s

TOPIC 1: Product Design: HEAR, CREATE, DELIVER

TOPIC OVERVIEW: In this section, participants will consider different phases of product design using the human-centered design (HCD) process (HEAR, CREATE, DELIVER).

Guiding Questions:

- What are the design phases for desirable, feasible, and viable sanitation products?
- Why is it important to use HCD to design sanitation products?
- How does product design help generate new product ideas for a future MBS project?
- How does product design allow discovery of future customers' needs and preferences in an MBS project?

Introduction to the Topic

Time: 10 min

Welcome participants to the training session. If participants have completed Modules Two, remind them that completing Module Three: Market Research in this course means they have completed Component 2 of UNICEF's process for implementing MBS. Make sure that participants have their glossary open and distribute the Module 4 Summary Document handout.

Handout: Module 4 Summary Document

Explain to participants that we are now moving into Component 3, the product design phase. We will continue to use HCD throughout this module.

UNICEF's Process for Implementing MBS

Phase	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	**Product System Design**	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

The content of this module also corresponds with the product system stage of USAID's WASHPaLS sanitation market system (see diagram below).

FIGURE 9: Sanitation Market System

Source: USAID WASHPaLS

To help participants understand product design and discover their customers' needs and preferences, we will practice using elements of HCD. If participants have NOT completed Module Three, it is important to note that completing product design typically requires having done some research to understand consumer desires and needs when it comes to sanitation products.

Activity: Your Ideal Toilet Experience

Time: 35 min

The purpose of this activity is to allow all participants to practice using HCD.

In HCD, we hear, create, and deliver. First, we listen to people and HEAR what they need. Then we bring together ideas that will help us CREATE solutions and prototypes, and only then can we DELIVER solutions by carrying out the prototyping and planning. Let's consider these three phases of project design. We will begin with the first phase, HEAR.

Explain that HCD practitioners often start the product or service design process by considering both the current experience and the desired experience to form a question such as "How might we…?" For example, "How might we ensure we all have an enjoyable toilet experience?" Or it can be more specific: "What products or services would ensure we have an enjoyable toilet experience?"

To help participants practice product design using elements of HCD, we start by asking them to describe an ideal toilet experience. Give each participant a Product Design handout, and then follow the instructions below and ask each question.

Handout: Product Design Exercise

Current vs. Ideal Situation

To get started, instruct participants to take a step back and practice "hearing" from their current consumer: other participants in the course. Ask some to think of two to three words or phrases they would use to describe an enjoyable toilet experience. Instruct them to keep these words and phrases in mind when considering product design.

Instructions:

- Ask participants to quietly read instructions in the Product Design Exercise.

- Request that they write answers to the questions in their own words.
- When they are ready, ask them to interview at least two to three other people.
- Tell them they will have 15 minutes for this activity (3 minutes per interview).

After this exercise, bring the group together again. Ask them:

- "Did anyone add new words or phrases to their list?"
- "Did anyone hear anything that surprised them? Why did it surprise you?"

A crucial element of HCD is gathering insights from as many different people as possible. Explain that if we stop the exercise after participants list their own preferences for a latrine, they would not be able to design a product that meets the needs of the group. This is often described as "checking your assumptions." We assume other people want things similar to what we want, but this is a very narrow approach to product design.

Discuss: Gender, Demographic Approach

- What other people defined by demographics not represented in the room could participants have interviewed to increase the diversity of their research? (Possible answers: People who are older, children, people who are disabled, etc.)
- Consider a gender approach in the HEAR phase. Collect insights from both men and women.

Ask each participant to describe current and ideal states of the toilets in their communities. After each person has answered the questions on their own, they should share answers as a group, noting perspectives that are absent in their group, such as certain age groups or other diverse members of the community. Next, facilitators will guide participants through the process of bringing together ideas to CREATE solutions and prototypes. The second phase of product design is CREATE.

Activity: Create

Introduce participants to the concept of a lightning brainstorm, which moves the group into the CREATE phase of HCD. A lightning brainstorm is a creative exercise used by designers to help generate ideas and encourages people to think outside the usual set of solutions. Follow steps one through four to complete this activity.

Instructions:

- Ask participants to find a partner and sit together. They should read instructions in the handout on the lightning brainstorm. Partners will work together to list as many ideas as they can using the Rules for Brainstorming.
- Remind participants there are no wrong answers during a lightning brainstorm, so they should feel free to add their ideas even if they do not know how they would build the product. In fact, inform them that including impossible ideas can help teams think creatively. For now, encourage them to suspend judgment, seek to understand, and nurture each other's ideas.
- Ask partners to be ready to generate ideas for products or services that:
  - » Mitigate some of the negative aspects of the latrines they encounter OR
  - » Help create positive elements of an ideal latrine.

  For example, a product might be a mop and bucket people bring everywhere they go. A service might be paying for someone in the community to create a map of the nicest toilets in the community.

- Explain to the partnered groups that they will complete two rounds of lightning brainstorming. In each round, they will have two minutes to list as many ideas as they can. They should write everything down and not stop writing until the timer stops.

ROUND 1: Lightning Brainstorm

- Tell partnered groups they have two minutes, then say "Go!"
- Encourage high energy and push everyone to move quickly. Make sure all groups are continuously writing as many ideas as they can.
- After two minutes, announce that time is up.

ROUND 2: Investment!

- Explain that partners will complete another lightning brainstorm session, but this time they should imagine they have billions of dollars at their disposal to invest in a new high-end sanitation product. They will again list as many ideas as they can, keeping in mind they have more resources to develop a product.
- Tell participants they have two minutes, then say "Go!"
- Encourage high energy and push everyone to move quickly. Make sure all groups are continuously writing as many ideas as they can.
- Once time is up, ask participants to return to the main group.

Ask participants what they learned from this exercise, and encourage them to share their favorite idea, worst idea, or funniest idea. Summarize this exercise for the group by noting that participants have just completed a creative exercise to learn the CREATE part of product design. Explain that the group will now continue with another activity to help them create a prototype to test their ideas.

Activity: Parallel Product Design

Introduce the exercise called parallel product design.

Instructions:

Explain that participants will have 15 minutes to complete this exercise. Because the group is limited on time, ask them to focus solutions on products (not services). Instruct them to combine each two-person group with another group to create groups of four. The new groups should take five minutes to review parallel product design instructions in the handout. They should then examine the two sets of ideas they developed as groups of two independently but simultaneously (i.e., in parallel) and see where their ideas overlap. This is a form of user-testing. Identifying ideas shared by another team validates the ideas and increases the likelihood that an idea would be applicable to a broader set of users.

Activity: Prototyping

Explain to participants they will now build on the creative process that they undertook to create their first prototype. A prototype is a model or diagram of a product or service that is used to test or validate ideas. Because they are going to draw their prototype, they can gather feedback on the product without having to invest much time or money. A drawing of a product is a low-fidelity prototype, whereas a high-fidelity prototype could be made using a 3D printer or even by combining existing products to make a new one.

Give groups 10 minutes to read the prototyping instructions in the exercise handout and then develop their first toilet prototype. Remind them to list their assumptions and then set a price at which they

would sell their product to consumers (i.e., each other). Remind participants to draw on the ideas that came out of the lightning brainstorming and parallel product design sessions as well.

After completing the prototyping exercise, ask participants to return to the large group. Congratulate them on the development of their first prototype! Ask them:

- "Did anyone's ideas for a solution change significantly when they spoke with others?
- "How do you feel about your solution? Are you excited about it? Why?"

Explain that lightning brainstorm, parallel product design, and the prototyping exercise are tools they can use within a team or with stakeholders. They could invite masons, shopkeepers, or customers to participate in a brainstorming session and guide them through sharing their lists and noting common ideas. They could even conduct this exercise without requiring participants to write by providing a facilitator in each group to note ideas. They might also ask their team or stakeholders to draw their own prototypes. Just as some of the course participants might not think of themselves as artists, stakeholders may be hesitant, but if it is a welcoming environment (and drawing supplies are provided), they may be surprised to see how even serious adults enjoy an opportunity to be creative and share their ideas.

HCD Criteria

Tell participants the group is now going to discuss the three key criteria used in HCD to design and evaluate solutions. The key criteria are desirability, feasibility, and viability. Ask participants to take out their glossary and find the three circles that overlap in a Venn diagram. Explain that, when a solution performs well across all these criteria, it is said to be in the "innovation sweet spot," marked by the arrow.

Ask: "Can anyone share what they think would be a way to measure desirability? Feasibility? Viability? Encourage discussion and note the correct elements for each.

Show the Design Innovation Sweet Spot slide. Explain: The best product is the product that meets all three criteria.

FIGURE 9: The Design Innovation Sweet Spot

Desirability is a measure of whether a user would want the solution. Desirability is based on insights collected at the HEAR phase and relates to the expected or desired user experience. Ask these questions:

- Does it respond to their needs?
- Does it solve the right problem?

Feasibility is a measure of whether a solution is technically possible. For feasibility, think about the communities and the households the product supports. Ask questions, such as:

- Is the solution realistic given their circumstances?

- Will it be possible to DELIVER the desired product or service?

Viability is a measure of whether a solution is profitable and sustainable. Viability measures whether the product or service can be delivered in a way that is affordable and sustainable from a business perspective. Questions to ask:

- Do you believe there's a market for these supplies? Why?
- Can households afford this product?

Activity: Present and Evaluate Prototypes

Use the three criteria—desirability, feasibility, and viability—to evaluate participant prototypes. They will follow the six steps below to complete this activity.

Instructions:

- Select a presenter. Each group should select a member from their team to present their prototype to the larger group, including the main features of their toilet, what problems it solves, and the price to the consumer.
- Score criteria. While one person is presenting, everyone else should give the prototype a score from 1 to 5 based on how well it meets each criterion. They should use the Evaluating part of the exercise handout to score prototypes. Each team should provide a score for their prototype, too.
- Take notes. As they listen to the presentations, participants should take note of the features they like and dislike the most.
- Present. Each team will have three minutes to present their prototype to the group. Ask for a first team to volunteer. Ask each team to write a number on their drawing corresponding to the order in which they present. In their presentations, make sure they describe key features, the problem that the solution addresses, and the selling price. Remind participants who are watching to pay attention, take notes, and record their scores as the presentations are given.
- Share results. Once every group has presented, share scoring results. Use the scorecard (Evaluating Prototypes) to tally up the scores for each prototype and produce an average by dividing the value by the number of participants. For the total, simply sum up the averages. You also use Excel if you prefer.

Wrap up this activity by asking participants if the results are surprising. Then ask:

- "For the prototype that performed the best overall, could someone from a different team explain why they think that prototype performed best?"
- "Looking at the notes you took, can several volunteers share what they liked or disliked about the winning prototypes?"
- "For the team that scored the lowest, why do you feel your prototype scored lower than the others? What would you do differently next time?"

Explain to the participants that if they were to continue this exercise, they would revise their prototypes based on the feedback from users and then test them again against these criteria. Over time, they would "increase the fidelity" of the prototypes, investing more as they rely on fewer assumptions and build the prototype to look more and more like the real thing.

Tell participants that HCD creates opportunities for them to work with the end user throughout the design process; we don't simply "hear" then leave and design something. Prototyping is often done in the community with the users themselves. We can build models of a product or service and then gather feedback from households.

Remind participants that it does not matter how well something functions in a lab or office setting; if it does not work once, it is out in the market day-to-day. Similarly, it is not enough for them as the developers of a product to believe that it addresses the end user's problems—the end users themselves need to believe this, and a great way to ensure that they develop a product end users want is to show them what the team is thinking with a prototype—a model or even a sketch.

Share the tips below from UNICEF on prototyping. After sharing, ask participants, "Which of UNICEF's six tips on prototyping do you consider most critical when prototyping? Why?"

UNICEF Prototyping Tips

In their MBS guidance, UNICEF has provided six tips on prototyping.

Tip 1: ASK FOR FEEDBACK

Think about how you will ask for feedback. Just as we did during this exercise, it is important to consider both men and women, but also differences you might have between rural and peri-urban clients or between other groups.

Tip 2: SHOW THREE OPTIONS

Always show at least three options, so users can compare and contrast the options.

Tip 3: PRESENT EQUIVALENT QUALITY

Present prototypes of equivalent quality—otherwise, people will always pick the better-drawn or better-constructed one.

Tip 4: TEST

Test your prototype before showing it to users. You do not want it to break the first time it's being tested.

Tip 5: QUESTIONS TO LEARN

Prototypes are built to answer questions—know what you want to learn when you build or select a prototype. For example, what is the optimal size and shape for the defecation hole?

Tip 6: FEEDBACK FOR IDEAS AND CHANGES

Encourage feedback—prototypes are "sacrificial concepts" used to generate ideas and make changes. When testing with customers and businesses, encourage them to offer suggestions for improvements or changes, and do not try to explain or defend a particular idea. Be prepared to let go of ideas.

Product Design: Deliver

Now that participants have heard what people need, and how to create solutions and prototypes, help them consider the third phase of product design, DELIVER. At some stage, a team would have done enough prototyping and decided to test their product in the real world, which is the DELIVER phase of a program. This is done using what's called the minimum viable product or MVP.

Explain to participants that the MVP is a real-life example of how a solution should work but without all the features of the final solution. For example, in the context of a toilet kit, the prototype might include purchasing a container and the products that will be included in the kit, assembling them, then selling them to friends informally in the room. Where a prototype may just be a model, the MVP

functions in the real world, and it allows a more sophisticated level of feedback since users will use the product. However, the team may not have yet come up with a logo or know where exactly they will sell the product or where they will eventually source products from. Even so, this prototype product functions as it should.

Discuss with participants the idea that markets are unpredictable, even after having spent extensive time trying to understand them using HCD. During program planning, they may hear the phrase fail fast used or references to the lean start-up approach. Fail fast means that in order to succeed, we have to be open to failure but also use these failures to learn from our mistakes as we quickly modify, reset, and then redo if necessary.

Explain that a lean startup can help develop businesses and products that aim to shorten product development cycles and rapidly discover whether a proposed business model is viable. This is achieved by adopting a combination of business-hypothesis-driven experimentation, iterative product releases, and validated learning.

Both the fail fast concept and the lean start-up approach are related to the idea that it is better to get quickly out and test an idea before investing too many resources into it rather than spending time and money perfecting a product that still may fail given the unpredictability of the market.

Ask "Does anyone have an example from their work experience of when you failed fast and learned an important lesson you could not have otherwise learned? How did that affect your work moving forward?"

Case studies: Tell participants, now that the group has discussed HCD and products, they are going to take a closer look at several case studies of product design. As teams develop prototypes and finalize different sanitation options, it is important to use an iterative approach. In Niger, PRO-WASH worked with PSI/Practica to use HCD to develop and test several sanitation solutions. This prototyping resulted in several options that are perceived as desirable and affordable for the communities within the Resilience Food Security Activities.

WATCH Human-Centered Design for Market-Based Sanitation:
https://www.youtube.com/watch?v=KsM6nDyobfE&t=58s

Give participants the handout, PRO-WASH Case study: How to use HCD for Sanitation Products. Show products on slide and discuss key messages from the video.

Handout: PRO-WASH Case Study: How to use HCD for Sanitation Products

TABLE 20: Range of potential products to be evaluated

Product	Overview	Targets	Features	Estimated Costs
SUPERSTRUCTURES				
Banco		Urban and rural households with toilets Households with toilets without a durable superstructure	Toilet and shower 2 x 2 x 2	50,000 West African CFA franc (FCFA)
INTERFACES				
Integration of PVC pipe bowl		Urban and rural households with non-improved toilets	Manual flush, local product	6,500 FCFA
SATO pan bowl integration			Manual flush, imported product	3,000 FCFA
PITS				
Stone masonry pit		Urban and rural	Diameter : 1 m Depth : 1.5 m	20,000 FCFA

In addition to Niger, share the following examples:

EXAMPLE 1: PSI MALI: From PSI's experience in Mali, the latrine slab was sold for 12,000 Central African Francs (CFA) and the costs of production totaled 6,500 CFA. This left 3,500 CFA for profit for the operator and 2,000 CFA for a sales commission for the promotor. Reference: PSI Resource (UNICEF and PSI 2019) (French).

EXAMPLE 2: GHANA WASH: In Ghana, the WASH for Health USAID Activity focused on using HCD to improve the durability of latrines. Global Communities embarked on research and design of a technology option that could provide affordability, ease of installation, and durability. After design testing and successful field trials, Global Communities prototyped what is now known as the Digni-Loo. The Digni-Loo has a slab with one ring and a vent pipe for installation. Additional rings can be purchased to lengthen the lining at the time of installation. This sanitation option costs around $80 and is easy for households to install. It can be moved once full. The Digni-Loo is seen both as an entry point and an aspirational product, with the hope that households will construct solid superstructures to accompany a substructure that is less likely to cave in (USAID 2019).

Case Study Examples: Remind participants that the group discussed different case studies related to the design process. Ask "Were each successful in their design process? Why? Which one did you relate to the most? Why?"

Summary: Product Design: HEAR, CREATE, DELIVER

Time: 15 min

Participants should now have a better understanding of product design. Next, take a moment to help them reflect on how they might use what they learned in this section for their own programs.

- They learned that product design includes three phases: HEAR, CREATE, AND DELIVER.
- The HEAR phase is when they listen to the customer's needs.
- The CREATE phase is when they bring their ideas to create solutions and prototypes.
- The DELIVER phase is when they use MVP or real-life examples of how a solution would work.

TOPIC 2: Cost vs. Benefit

TOPIC OVERVIEW: In this section, participants will examine cost versus benefits and the importance of keeping costs in mind when designing their products. They will learn the importance of balancing what people want with what is available, affordable, and profitable. The course provides various case scenario examples to help them reflect on different contexts related to costs and benefits.

Guiding Questions:

- What are the phases for designing desirable, feasible, and viable sanitation products?
- Why is it important to use HCD to design sanitation products?

Introduction to the Topic

During prototyping, we need to think about making programmatic decisions with the goal of achieving a high number of latrine sales for the lowest project cost. Before we do this activity, we will define a new term.

Sales conversion rate: The number of interactions that result in a sale. It can also be defined as the cost of advertising per sale.

This is an important number because it has a big impact on how much profit the business can make. For example, if you spend a lot of time and money sending sales agents door-to-door to sell toilets but very few consumers end up buying the toilets, your profit margin will be affected.

Give participants a copy of the Excel handout for the activity, Costs vs. Benefits, as shown below.

Handout: Cost vs. Benefits

Activity: Costs vs. Benefits

Time: 25 min

To help us understand the costs versus benefits of products, this activity asks participants to find a way to bring the cost per latrine down as a way of maximizing total profit. The team that achieves the lowest cost per latrine and the team achieves the highest total profit win. Complete step 1 and 2 to complete this activity.

Instructions:

- STEP 1: Share Instructions for the Activity

- Split participants into groups of four.
- Ask each group to open a copy of the Excel File "Costs vs Benefits."
- Tell them they will have 20 minutes to complete the exercise.
- Tell participants to read the instructions and then immediately begin the activity. Remind them that they can make multiple attempts to bring down the cost per latrine and to maximize total profit.
- Once teams have finished the exercise, ask them to return to the main group.

- STEP 2: Discuss: Share Cost and Profit
  - Ask each group to share the cost per latrine and total profit that they achieved.
  - Award prizes to the team (or teams if it's a tie) that achieved the lowest cost per latrine and the team that achieved the highest total profit.
  - Allow the winners two minutes to present the decisions they made and why.
  - Encourage other teams to share their insights from the activity.
  - Note whether the same team(s) achieved both the lowest cost per latrine and the highest total profit. Discuss with participants why this was the case.

Explain: As we develop prototypes and finalize different sanitation options, it is important to keep costs in mind. This includes how much each input will cost: raw materials, labor, sales, and transportation (for example, cement slabs are more expensive to transport than plastic slabs). Different product designs and sales strategies will have implications not only on how many products the business will be able to sell but also how much profit they will be able to make from a sale. In some cases, it will be important to work with the businesses to redesign toilets, which represents additional costs.

EXAMPLE: In Mozambique, the SanPlat was designed to eliminate the need to use imported rebar, which was expensive and scarce (USAID 2018). In many cases, new sanitation marketing businesses have used large, heavy concrete slabs as their product of choice to date. However, these are difficult to transport and profit margins can sometimes be too low to make it an attractive business proposition. As part of their market research and product design, they may want to explore other products that are lighter weight, such as plastic slabs.

There will always be a balance to be struck between what people want, what is available, what is affordable, and what is profitable for the business.

Summary: Cost vs. Benefits

Participants should now have a better understanding of cost versus benefits. Help them take a moment to reflect on how they might use what they learned in this section for their own programs.

- Remind participants that they learned the sales conversion rate is the number of interactions resulting in a sale that have a big impact on how much profit the business can make.
- They also examined the importance of keeping cost in mind when developing prototypes.
- In addition, they learned there is a balance to be struck between what people want and what is available, affordable, and profitable for the business.

SUMMARY: Product Design

Time: 10 min

This module provides a better understanding of HCD and product design.

Ask participants to consider what they learned about sanitation product design by thinking back to the beginning of this lesson. The module began with the example of products or services that would make the experience of using toilets more enjoyable. First, each person thought about the prompt independently. Then, everyone received additional perspectives from others in the room. Next, partners brainstormed creative ideas, followed by the parallel product design activity. Finally, the group moved on to developing and evaluating prototypes.

Guide participants in sharing insights they learned during this lesson. Ask these questions:

- "How did your ideas of what to include in the toilet kit evolve as we moved through this lesson?"
- "What important factors did you overlook when you were thinking alone?"
- "Which activity revealed the newest factors?"

Note for participants that the lesson continuously added more perspectives through feedback from additional people, as the group moved through the design process and toward more concrete ideas. This is an important part of the design process—there is no substitute for additional perspectives!

Review the main points from this lesson:

- Use HCD insights to design a product.
- Review examples of products designed by other MBS projects.
- Consider a gender approach in the HEAR phase.
- Test prototypes to achieve the MVP.
- Balance costs with benefits.
- Be prepared to let go of good prototypes that are not feasible or viable.

REVIEW: Module Four Terms and Definitions

Handout: Glossary, Key market terminology for review

Review the main terms discussed in this module. Clarify any terms that are unclear to participants.

Prototype: A model or diagram of a product or service used to test or validate ideas.

Low vs. High Fidelity: Description of how closely a prototype mimics the real product.

Desirability: A measure of whether a user would want your solution. Desirability is based on insights collected at the HEAR phase and relates to the expected or desired user experience.

Feasibility: A measure of whether a solution is technically possible.

Viability: A measure of whether the product or service can be delivered in a way that is affordable and sustainable from a business perspective.

MVP: A real-life example of how a solution should work but without all the features of the final solution

Sales conversion rate: The number of interactions that result in a sale. It can also be defined as the cost of advertising per sale.

Participants have now finished the lesson on understanding product design. Help them take time to reflect on how they might use what they learned to communicate key elements of their own MBS project.

Reflect: What I Learned, Where I Want to Be, Who Can Support Me

Ask participants to take a moment to individually reflect on what they learned in this lesson on product design. To do this, ask them to take out a piece of paper and draw a box on it with four quadrants.

My Most Important Lessons Learned:	**Steps I Could Begin or Integrate Now:**
Possible Challenges:	**My Support:**

1. In the first quadrant, list what they thought were the most important lessons learned in this module.
2. In the second quadrant, reflect on the steps they could start in their community right away.
3. In the third quadrant, reflect on what possible challenges or barriers they foresee in product design.
4. In the last quadrant, reflect on who they can turn to for support on their challenges.
5. After a few minutes, invite participants to share their reflection with the rest of the group. Take time to work through options for the potential challenges and ways they could gain support.

Looking Ahead: Explain that, in each module of this course, participants will have the opportunity to continue assessing how the content relates to their own context and how to find support for any potential challenges. Take time now to reflect on how they may be able to use these MBS strategies to identify next steps for moving forward with implementation (covered in more detail in Module Seven) and create an action plan (Module Eight) for their own MBS projects.

CLOSING

Thank participants for participating in the module. Discuss next steps, as appropriate with the group.

References

UNICEF and PSI (2019). WASH marketing en milieu rural dans un contexte de fin de défécation a l'air libre au Mali : Guide opérationnel de mise en œuvre pour les porteurs de projet et les partenaires financiers (not available online).

USAID (2018). Scaling Market Based Sanitation: Desk review on market-based rural sanitation development programs. Washington, DC., USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. Globalwaters.org. https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

USAID (2019). Performance Evaluation of The Ghana WASH for Health (W4H) Activity. Washington, DC. USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. https://www.globalwaters.org/resources/assets/washpals/performance-evaluation-ghana-wash-health-w4h-activity-summary-findings-and

Lesson Plan

MODULE FIVE: Business Models, Communication, Sales Planning, Viability, and Sustainability

Overview of Common Business Models in Sanitation and Important Aspects of Communication and Sales Planning

Duration: 8 hours

Module Objectives

- Explore common business models in sanitation
- Explore common delivery models
- Use the business model canvas tool
- Explore the steps for planning a communication strategy
- Explore the steps for planning a sales strategy
- Explore how to recruit businesses
- Explore the drivers of profitability leading to economic viability and sustainability

Why this module?

In market-based sanitation (MBS), it is important to consider enterprises as key partners, consider their interests, and consider how communication and sales strategies can help ensure that the businesses are viable. In this module, participants will explore common business models in sanitation and important aspects of communication and sales planning. If profitability is a key indicator of economic viability, it is essential that the strategies designed will help sustain profitability and performance. This module will thus also cover the key principle of economic viability and sustainability over time. This module draws on work completed in the previous modules, including stakeholder mapping, the empathy map, and the product system.

Handouts and Links

- Glossary
- MBS Game: Designing Viable Sanitation Enterprises, developed by USAID WASHPaLS (This game has three parts shown below.)
  - MBS Facilitator's Guide (facilitator only)
  - MBS Game Materials for Printing (facilitator to print for participants)
  - MBS Excel Sheet for Scoring (for participants)
- Module 5 Summary Handout
- Module 5 Participant Exercises Handout

Materials

- Module Five handouts

- Module 5 PowerPoint presentation
- Computers: At least one laptop per group of three or four participants
- Projector and speakers
- Video: *Episode 2—Visualizing Your Business Model* (Stategyzer, 2013, 3:40. https://www.youtube.com/watch?v=wlKP-BaC0jA)

Advanced Preparation

- Before the course begins, consider inviting participants from Resilience Food Security Activities who work on the social and behavior change team. Their input into the sales and marketing strategy and communication objectives will be important to ensure a coordinated approach to behavior change within the Resilience Food Security Activity.
- Prepare the **research for the Persona exercise.** There are a few options for this exercise, if participants work on projects which have already produced market research, they should bring these reports. If they do not have primary research, you will want to prepare a short case study with insights from their context, using secondary data. If none is available, you can create a fictional report, or develop a case study using reports from other organizations such as iDE, PSI or others.
- Prepare video ahead of time, so it is ready in advance. Make sure there are speakers in the room and the sound is loud enough for participants in the classroom to hear. For online participants, send the video in advance with the handouts.
- Print MBS Game Materials on thick paper such as cardstock—print enough to produce a game set for each team. Cut out circle board game pieces in advance and place one set of pieces (not the board itself) into an envelope for each team.
- **Review handouts for the MBS Game: Designing Viable Sanitation Enterprises.** This game has three parts. The guide lays out details for the one-hour game during which participants design a viable sanitation enterprise. Facilitators must understand the game and prepare materials for it in advance. The MBS Facilitator's Guide contains more details, including a suggested script, definitions, and explanations of the impact of strategic choices. Below are the detailed MBS Game handouts (the guide also provides a simplified version of the steps):
    - MBS Facilitator's Guide
    - MBS Game Materials for Printing
    - MBS Excel Sheet for Scoring
- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.

TOPIC 1: Business Model

Time: 130 min

TOPIC OVERVIEW: In this section, participants examine different types of business models. They play a game that USAID WASHPaLS developed to help people learn about sanitation business models.

Guiding Questions:

- What is a business model?
- What is a delivery model?
- What is the difference between a business model and a delivery model?
- What is the purpose of the business model canvas (BMC)?

Introduction to Module 5

Time: 15 min

Welcome participants to Module 5. Make sure that they have their Glossary open and give participants the Module 5 Summary Document.

Handout: Module 5 Summary Document

Tell participants that, based on the sanitation market system diagram, the course is now covering the delivery model. Also explain that in this module, the training is now in the fourth component of UNICEF's process: Business Model Design and Delivery.

FIGURE 9: Sanitation Market System

Source: USAID WASHPaLS

TABLE 21: UNICEF's Process for Implementing MBS

Phase	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product Design	3–4 months
	4	**Business Model and Delivery**	3–5 months
	5	Demand Activation Design	
	6	Financing	throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020

Discuss: What is a Business Model

Time: 5 min

Tell participants they will begin by exploring what they might already know about a business model.

Ask this question: "In your opinion, what is a business model?"

Explain that, in its simplest terms, a business model is a strategy to make a profit. USAID WASHPaLS explains that a business model defines how a business creates, delivers, and captures value—the benefit consumers receive by using a product or service.

(If completed) Module Three covering market research helped learners understand their markets and the different actors, including potential consumers (their target market); actors' needs, expectations, and aspirations; and consumers' ability and willingness to pay. These all help define strategies for a business model. At the very least, a business model should answer the following important questions:

- Who should we sell to and where should we sell?
- What value does the product bring to our target market?
- How should we reach and convert our target market?
- How will we organize our operations to fulfill customers' orders?

Activity: Designing Viable Sanitation Enterprises

Time: 60 min

Tell participants they will now play a game about business models, during which they will design a viable rural sanitation enterprise.

IMPORTANT

The facilitator must prepare in advance and follow the MBS Facilitator's Guide and steps for this activity.

- MBS Facilitator's Guide (facilitator only)
- MBS Game Materials for Printing (facilitator to print for participants)
- MBS Excel Sheet for Scoring (for participants)

The printable MBS Facilitator's Guide has a suggested script, definitions, and explanations of the impact of strategic choices. The game and steps are also explained in a *simplified version* below, adapted from the USAID Facilitator's Guide.

- STEP 1: Introduction
  - » Divide participants into groups of three to five.
  - » Ensure they understand objectives of the game. Through this exercise, they will explore:
    - The importance of looking beyond just the number of toilets sold
    - The possibility of multiple business delivery model designs
    - The fact that product design choices, sales strategy, marketing, and eventual delivery of the product to the consumer all play a role in whether the seller makes a profit and whether the household decides to buy it
- STEP 2: Explain the Game

  Give each group a set of the sanitation market board game materials and go over the directions with them using the statements below.

  Directions:

  - » "Your objective is to design a rural sanitation enterprise that is viable (profitable)."
  - » "You have a game board, which acts as a placeholder, and a set of cards."
  - » "Start by reading the context card (show the rectangular card). One of you can read aloud to the group when we start."
  - » "There are no right or wrong answers for the models you come up with in the game."
  - » "Consider your own experience and what you feel might work for beneficiaries."

  Game Board:

  Explain to participants that the game board shows the key elements of a market and sanitation enterprise.

  - » Tell them the circles are placeholders for the choices they make.
    - The **Entrepreneur** will run the sanitation enterprise.
    - The **Target Market** represents the primary customer segment, which is the enterprise's focus.
    - The **Product System** is what the enterprise markets to its customers.
    - The **Sales and Marketing** approach tries to reach and persuade customers to purchase a toilet.
    - The **Delivery Model** determines what part(s) of the product system and services the enterprise will or can provide to the customer.

» **Cards:** Cards are color-coded and signify one design element. They can only choose one for each design element.

» **Results:** When they have discussed the options for each element and made a decision, they should place the chosen cards on the board.

- STEP 3: ROUND ONE - Play the Game

Time: 20 min

» Teams have 15 minutes to look through the different materials and fill in the market framework to build a successful business. Ask if there are any questions before starting the game.

» Tell participants to begin by selecting their customers.

Handout: MBS Excel Sheet for Scoring

While teams are looking at the cards, find a person from each group who has their laptop nearby and ask them to pull up the MBS Excel Sheet for Scoring via the link sent by email. Then ask them to set the laptop aside.

- STEP 4: Calculate the Results

Time: 5 min

» After 15 minutes, make sure participants have made all their decisions (i.e., placed their circles).

» Say this: "Now let's see whether the decisions you made result in a successful business model."

» Each team has a laptop nearby that has an Excel sheet prepared by USAID to calculate the results. Open this sheet. On the Dashboard tab, ask each team to use the dropdown menu to enter the option their team chose for each category, under the heading labeled Round 1.

» Give participants five minutes to make their entries and look over their results.

- STEP 5: Handout—Key Relationships and Trade-Off Summary

(This handout is from the USAID MBS Facilitator's Guide and is very useful to help both facilitators and participants make sense of the impact of their choices on results.)

USAID FROM THE AMERICAN PEOPLE

WASHPaLS
WASH Partnerships and Learning for Sustainability

Figure 2: Key relationships and trade-off summary (not exhaustive)

	Product System	Target Market	Delivery Model	Sales & Marketing
Price per unit	*More the components, higher the price* (Sato pan, Slab+ pan, Easy latrine, Ceramic pan, tiled latrine)	*Price premium or discount depending on primary customer segment* (Low, Middle lower, Middle upper, High income)	*Price realized to the extent of components sold from a product system and services offered* (Network, OSS, TSP)	*No impact* —
Quantity sold	*Fewer customers can afford higher priced products* (Sato pan, Slab+ pan, Easy latrine, Ceramic pan, tiled latrine)	*Fewer customers can afford as premium increases* (Low, Middle lower, Middle upper, High income)	*No impact* —	*Self-marketing: 2x sales; Sales agents: 3x sales* (Passive, Self-marketing, Sales agents)
COGS per unit (materials & labor)	*More the components, higher the cost* (Sato pan, Slab+ pan, Easy latrine, Ceramic pan, tiled latrine)	*No impact* —	*Cost incurred to the extent of components sold from a product system and services offered* (Network, OSS, TSP)	*No impact* —
Other Costs - Delivery - Sales commissions - Installation	*Delivery costs and sales commissions, if applicable, increase with product price* (Sato pan, Slab+ pan, Easy latrine, Ceramic pan, tiled latrine)	*Sales commissions, if applicable, increase with price premium* (Low, Middle lower, Middle upper, High income)	*Services offered (delivery, installation) and related costs increase* (Network, OSS, TSP)	*Sales agents paid 5% of price as commissions* (Passive / Self-Marketing, Sales agents)
Profit per unit	(Sato pan, Slab+ pan, Easy latrine, Ceramic pan, tiled latrine)	(Low, Middle lower, Middle upper, High income)	(Network, OSS, TSP)	(Passive / Self-Marketing, Sales agents)
Trade off	More expensive the product (profit per customer), Fewer the customers (Quantity)	Higher the income (profit per customer), Fewer the customers (Quantity)	More comprehensive the product and services offered (profit per customer), Higher the associated costs	Higher the number of customers (quantity), Higher the cost

5

USAID FROM THE AMERICAN PEOPLE

WASHPaLS
WASH Partnerships and Learning for Sustainability

- **Price = *f* (Product system, Target Market, Delivery model)**
  - Product system: Each product carries a price tag that increases with number and type of components; "ceramic pan with tiled slab," is the highest, while "Sato® pan" is the lowest
  - Target Market: Selecting a **primary** customer segment introduces a premium or a discount—targeting "high income" customers sets the highest price while targeting "low income" customers sets the lowest price for **all** customers.
  - Delivery model decides the ***share of the*** Product system sold by the enterprise. "Network" model sells only some components from the Product system, while "turnkey solution provider (TSP)" sells all components with installation. Therefore, price realized by the enterprise is limited to only the items and services it sells; increases from the "network" model to the "TSP" model
- **Quantity = *f* (Product system, Target Market, Sales & Marketing)**
  - Product system: Demand for each product varies by customer segment; "Ceramic pan with tiled slab" has highest demand among high income customers and least among low income customers; Sato® pan has the opposite.
  - Target Market: Demand across customer segments reduces with higher prices, which are set in part by the Target Market chosen (see above)
  - **Sales & Marketing**: "Self-marketing" doubles while "Sales agents" triple the quantity sold by an enterprise compared to a "Passive marketing" approach, i.e., Entrepreneur relies on walk-in customers
- **Cost = Cost of Goods Sold (COGS) + Other costs**
  - **COGS = *f* (Product system, Delivery model)**
    - The enterprise has to spend on **raw material and labor** to manufacture and/or procure toilet components and installation services (under the TSP model)
    - These costs are the highest for "Ceramic pan with tiled slab" and lowest for "Sato® pan"
    - The delivery model **determines package components and services** offered by the enterprise, thus impacting costs. **Costs are the lowest under the "network" model** and the highest under the "TSP" model.
  - **Other costs = *f* (Product system, Entrepreneur, Sales & Marketing)**
    - Include the **cost of delivery** and the **commissions paid to sales agents**
    - **Cost of delivering larger packages is higher** compared to packages with fewer components
    - **Delivery cost is higher for mason** as he does not own a vehicle
    - Sales & Marketing impacts costs as the enterprise needs to pay commissions if it uses sales agents

Invalid combination(s): A "concrete block producer (CBP)" selling a Sato® pan under the network model is not a valid option and 12 such instances out of 432 possible combinations exist. The P&L sheet will **display an error message** if this combination is selected. Participants should be explained that a CBP is unlikely to stock and sell only a Sato® pan (an assumption).

6

- STEP 6: Discuss: What Did We Learn?

Time: 20 min

» Now, bring participants together to discover what they learned from the game they just played. Tell them that USAID WASHPaLS designed this game as a way to explore real-world

sanitation business models. The decisions they made determined whether they were able to create a successful business model based on the following decisions:

- "Who should we sell to and where should we sell?"
- "What value does the product bring to our target market?"
- "How will we reach and convert our target market?"
- "How will we organize our operations to fulfill customers' orders?"

Questions:

Go over these questions with participants to help them understand the concepts covered in the game.

- "Describe what happened to you in the game."
- "How is the game similar to real-world situations?"
- "Do the results make sense to you?"
- "Do you have any questions about what you calculated?"
- "Were you able to build a successful business model on the first try?"

- STEP 7: ROUND 2—Improve Your Profit Margin Time: 5 min
  - » Ask participants to return to their market boards and try to improve their profit margin by making different decisions.
  - » Make sure they enter their decisions into "Round 2."
  - » Give them five minutes for the second round.

- STEP 8: Discuss: What Did You Learn? Time: 10 min

  To help participants understand what they learned in this activity, ask these questions:
  - » "Were you able to increase your profits in the second round?"
  - » "What did you do differently?"
  - » "What were some of the different business models you tried out?"
  - » "Why did some business models work better than others?"
  - » "What is specifically relevant to you? What action do you see yourself being able to take or not take? Explain."

In the game, participants learned how to organize operations to fulfill customers' orders. This relates to the delivery model. A delivery model is the part of a business model that answers the question "How will I get the thing I am going to sell (product system) to my target market?"

Handout: Delivery Models

Time: 15 min

Activity: Define the Four Types of Delivery Models

Show the slide with the four types of delivery models and their definitions (not in the correct order). Ask participants on their own, not in groups, to connect the appropriate definition with each type of delivery model.

Discuss: Delivery Models

Time: 20 min

After participants have attempted to match delivery models with definitions, guide them through a discussion of delivery models using these questions:

- "Can someone summarize the **DIY service** delivery model?" *(Answer: Masons provide the service of assembling or constructing a latrine, with significant contributions by the customer, such as procurement of materials and arranging digging of the pit.)*
- "Can someone summarize the **network** delivery model?" *(Answer: Loose affiliation of businesses where each business sells some components. A focal point business aggregates information so customers can navigate purchases more easily and quickly.)*
- "Can someone summarize the one-stop shop (OSS) delivery model? *(Answer: One focal point business that adds value by offering increased convenience, such as bundling products or offering services related to the superstructure.)*
- "Can someone summarize the **turnkey solution provider** delivery model? *(Answer: One focal point business that aggregates all products and services needed to deliver the completed toilet system at a premium (higher price.)*
- "Can you think of an **example from your work** or your own life (sanitation-related or otherwise) in which two businesses provided similar products or services, but one was further toward the "full aggregation" end of the spectrum (turnkey service provider)? Which business did you prefer? Why? (*Note: Full aggregation is ideal, because it facilitates the shopping process*.

Explain that *A delivery model and business model cannot be the same thing*. Tell participants they will discuss this later. But for now, say that they will explore the different decisions to make when creating a successful business model. To do so, they will do an activity to help them understand the dimensions of a business model. There is a variety of business models and tools to help think through a business model; one of the most well-known is the **business model canvas (BMC)**. The business model canvas is a *strategic tool to develop a vision for a business model.* Distribute the Business Model Canvas handout to the participants.

Handout: Activity: Fill out the Business Model Canvas

Explain that it is important to clarify who the business model is for. The course's point of view is that the business model should *always be for the enterprise*. A program might design it for a particular customer segment(s) or geographic area and repeat the process for other target markets in the program's scope. Therefore, a program's state or region likely will contain several business models targeting different customer segments.

View: (Video) *Episode 2—Visualizing Your Business Model Canvas* (Strategyzer, https://www.youtube.com/watch?v=wlKP-BaC0jA, 3:40)

Time: 4 min

Explain to participants that this video provides an overview of the business model canvas (BMC) as a visual tool to create a business model.

Explain: Canvas Components

With the material below, walk participants through the different components of the canvas and how to use them.

FIGURE 10: The Business Model Canvas

Go over each component of the canvas, reading the questions associated with each one:

- KEY PARTNERS: Who do you need to partner with for your business to work? What is their role?
- KEY ACTIVITIES: What are all of the activities, jobs, and tasks that you need to do to run your business?
- PRODUCTS OR SERVICES: What is your offering?
- CUSTOMER RELATIONSHIPS: How do you know your customers?
- USERS: Who are your customers?
- RESOURCES: What resources do you have?
- VALUE PROPOSITION: Why should people choose your business compared to others?
- CHANNELS: How do you market and sell products to your customers?
- COSTS: What costs you money in this business?
- REVENUE: How do you make money in this business?

Tell participants that this information should be collected through their market assessment (refer them to Module Three). Now that they understand the components of the BMC, tell them they are going to practice using it in the next activity.

Activity: Fill Out the BMC

Time: 25 min

This activity helps participants learn how to use the BMC.

Ask participants to use their own projects to fill out the BMC. Where they do not have sufficient information, instruct them to note these as areas where they would *need additional market research to make a decision*.

- STEP 1: Fill Out the BMC

Take 20 minutes to fill out the BMC. Ask small groups to ask themselves these questions as they work:

» What delivery approach or approaches might we want to use?

» What elements can we fill out in our BMC?

» What additional information or research questions do we have?

Explain: Different Delivery Approaches and Business Models

Discuss with participants the fact that sanitation products can be delivered through different delivery approaches and different business models. During piloting, project teams may want to use human-centered design (HCD) and test multiple delivery and business model options. It is often possible to deliver the same product system through different delivery approaches and business models. For example, a concrete-based product could be precast on-site at the customer's home by a mason. The same product also could be manufactured by a business located along a transportation route and then transported by truck to a village. Explain that they will need to systematically examine the options to see what works best. This will involve both technical and financial analyses of different business types and a mapping of all the possible production, distribution, and transportation solutions.

EXAMPLE: Ethiopia: For example, an MBS feasibility study by Food for the Hungry in Ethiopia identified that expanding existing businesses (i.e., masons, plumbing suppliers, and brick makers) shows more promise than creating new ones, because margins on sanitation products are tight and it takes a long time to establish markets. In addition, suppliers need training on the construction and use of sanitation products, as well as training on better sales and promotion techniques. The relatively low-profit potential for improved sanitation products likely means they should be seen as supplemental income sources for suppliers and sales agents instead of stand-alone businesses.

- STEP 2: DISCUSS—Summarize the use of BMC

  Ask participants to consider the BMC as a creative tool they can use to plan their business model. They should place it on their wall, look at it every day, and allow it to change as they gain greater understanding of their business model and delivery. During the session, use these questions to help them discuss the use of the BMC:

  » "How might you use the BMC for yourself? In the future?"

  » "What part of the BMC was most relevant to you?"

  » "Why is the BMC considered a creative planning tool?" *(Answers: It is a tool used for reflection, can change over time, etc.)*

  » "How will you integrate the BMC in your plan?"

SUMMARY: Topic 1—Business Model

Participants should now have a better understanding of a sanitation business model. Ask them to think about what they have learned, using these summarizing comments:

- "Take a moment to reflect on how you might use what you learned in this section for your program."
- "You learned a business model as a strategy to make a profit. The model defines how a business creates, delivers, and captures value."
- "You were able to explore real-world business models in the sanitation market game. You learned that the choices you make impact the results."

- "You learned how to organize operations to fulfill customers' orders as it relates to the delivery model for DIY and one-stop shop."
- "You learned the business model canvas is a visual tool to create a business model. It includes key partners, key activities, products or services, customer relationships, users, resources, value proposition, channels, costs, and revenue."

TOPIC 2: Communication Planning

Time: 180 min

TOPIC OVERVIEW: In this section, participants will examine how to plan a communication strategy to influence consumers' behavior and demand for sanitation. They will learn the four important steps to communication planning: setting objectives, developing key messages, choosing the proper communication channels, and developing a media plan. In addition, they will familiarize themselves with common communication channels and tools to help them reach their target market.

Guiding Questions:

- What is the purpose of a communication strategy?
- How can you use different communication tools to understand your customer better?
- What are some common communication barriers?
- What are the elements of a key message to target your audience?
- How does the type of communication channel influence your audience?
- What are common communication mistakes?

Demand Activation Design

Ask participants to review the sanitation market system diagram; Module Five mostly involves the sales and marketing component of this system. Now the course moves into the fifth of UNICEF's components: Demand Activation Design. However, note for participants that we take a different approach from UNICEF's to demand generation, demand activation, and demand fulfillment.

FIGURE 11: Sanitation Market System

Source: USAID WASHPaLS

TABLE 22: UNICEF's Process for Implementing MBS

Scope	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	**Demand Activation Design**	
	6	Financing	Throughout all phases
Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020.

Explain to participants that, in the UNICEF guide, demand generation, demand activation, and demand fulfillment are three phases of sanitation consumer demand. In a way, all three concepts refer to communication and sales.

According to UNICEF MBS guidance, demand generation refers to activities designed to drive awareness and interest in hygienic sanitation behavior and improved sanitation products or services. Demand activation refers to direct sales and marketing activities carried out to persuade customers to convert their intent to purchase into a decision to purchase. Demand fulfillment refers to activities related to the delivery of sanitation goods and services to a customer once they have made the decision to purchase them.

At PRO-WASH, we believe demand generation activities are cross-cutting and must support demand activation activities. We also believe demand activation activities involve sales activities, which are also part of demand fulfillment.

Therefore, while this course will continue to use UNICEF's process, it will simplify the approach toward influencing consumer demand for sanitation into two categories of activities: communication and sales.

Tell participants they will begin with how to plan a communication strategy to influence consumer behavior and demand for sanitation.

IMPORTANT: Note to participants that communication planning is one part of larger strategies on social and behavior change that their Resilience Food Security likely has developed. That is because social and behavior change requires more than just communication. It is important to note that there are many barriers and enablers to behavior change. To learn more about social and behavior change, encourage participants to review the Make Me a Change Agent training, available as a face to face training or as a self-directed online course. Both resources are available here: https://www.fsnnetwork.org/mmca

In this training, we will specifically talk about communication planning is it is an important element for sales and marketing.

Communication Planning has four important steps:

STEP 1: Set objectives

STEP 2: Develop key messages

STEP 3: Choose the proper communication channels

STEP 4: Develop a media plan

(Note: Explain to participants that after these four steps, communication specialists should be brought on board to help develop a detailed communication plan and creative briefs to help the design and communication agency produce ads. These are not covered in this training.)

Tell participants they will next look at each of communication planning step in detail, beginning with the first step, setting objectives.

Communication Planning: Step 1 Set objectives

Explain: Clear Objectives

Explain that developing a communication strategy in support of a business model requires first setting clear objectives. As a rule of thumb, the more ambitious the objectives are, the more communication activities are required and thus budgeted.

Two Types of Objectives:

1. Behavior-Related Objectives. These are usually expressed by the percentage of the target population that needs to adopt sanitation behaviors through improved sanitation products and services in the market. With behavioral objectives, program planners will be less focused on selling the products or services developed by the project and more interested in growing the total market by influencing consumers and persuading them to adopt improved sanitation products and services.
2. Sales Objectives. Sales objectives are usually expressed in numbers of units.

Some, if not most, projects will have both objectives. Achieving high sales numbers requires time, so a communication strategy needs to be adjusted regularly. An annual update of the communication strategy is recommended.

Developing a communication strategy requires a thorough understanding of their targeted consumers. Module Three addressed the importance of research. It is important to make sure research will help the team get deep consumer insights, which are required to build a persona of the consumer that the program is trying to reach.

A consumer persona is a tool marketers use to help focus communication activities. Personas are fictional characters created from research that represent the different user types that might use the service, product, site, or brand in a similar way. A persona captures the characteristics of a person who is most likely to either make a purchase or drive a purchase decision. Creating personas helps product and marketing teams understand users' needs, experiences, behaviors, and goals.

EXAMPLE: School-Age Girls: School-age girls would benefit from having a latrine at home. However, if someone convinces them that they need a household latrine, will they be able to influence the purchase decision? Perhaps. This changes from culture to culture, region to region. Research like HCD is a powerful tool for understanding behaviors and norms to build a *strategy to leverage those relationships and behaviors*. This can result in higher sales conversion rates.

Activity: Personas

Time: 20 min

Divide participants into small groups to work on a persona.

Directions:

- Ask each group to use their research or the provided insights to come up with a persona that captures their ideal customer's characteristics.
- Tell them there are no right answers, but the goal is to complete a persona based on actual data provided in the case study.
- Inform them they will have 20 minutes to complete the handout as a group.

After 20 minutes, ask groups that share the same persona to compare their personas. Give them about 10 minutes to discuss and share their work.

After 10 minutes, ask a group for each persona to discuss their work.

Handout: Persona Template

FIGURE 12: Persona Template

Discuss: Persona Similarities and Differences

Time: 10 min

Using the questions below, guide participants through a discussion about their personas and comparisons:

- "Were there a lot of differences between your work and the other groups' work?"
- "How would you use this information to design key messages?"

- "What communication channel(s) would you use? Are there common channels for all four groups? Would it be a good idea to maximize the use of this channel?"
- "We asked you to use actual data provided in the Case Study Handout. What is the importance of using actual data (research) in developing personas?"
- "What part of the persona tool best helped you understand your ideal customer's characteristics?"
- "How might this tool help your communication strategy?"

Activity: Add Research

Time: 15 min

Tell participants if they are currently implementing an MBS program, they need to do research to complete their personas. Ask them to write down the missing information about their target audience, such as:

- The type of media most used by the target audience
- The type of show (for radio or TV)
- The place (for print and billboards) most suited to the target audience
- The best time in the day to maximize their opportunity to process (if relevant)

Explain: Use the Adoption Ladder to Understand Barriers

Different tools can be used to understand a customer better, such as how far the customers are from adopting the *desired* hygienic behavior. Explain to participants that most of the targets on the adoption ladder will help them understand the barriers consumers are facing, some of which can be influenced by their communication strategy.

FIGURE 13: Adoption Ladder (adapted from Philip Kotler)

The Consumer Adoption Process represented by the adoption ladder has five stages.

Stage 1: Awareness | Stage 2: Interest | Stage 3: Trial | Stage 4: Adoption | Stage 5: Advocacy

Handout: The Adoption Ladder

Adoption Ladder and Consumer Characteristics

1. Show the slide with the adoption ladder and five steps. Ask participants to draw the ladder and each step on a piece of paper.

2. Show the slide with the consumer's characteristics for each step. Explain that these characteristics are presented in random order. Ask participants to associate the correct characteristics with each step.
3. Show participants the slide with the common barriers to moving up the ladder.

If their interventions are completed in a market context where open defecation is still highly prevalent, their communication objectives and strategies will be different from a context where most consumers already have improved behaviors or even built or purchased improved sanitation products. Either way, it is most important to understand the barriers and motivators to purchasing and using improved latrines and they should base their campaigns on this

Activity: Identify Common Barriers to Moving Up the Ladder!

Time: 20 min

Explain to participants that, in this activity, they will identify common barriers to moving up the ladder. The activity is designed to help participants discover the definition of each step, which is why there's no explanation. The handout at the end of the activity has the definitions.

Divide participants into groups of three or four. Ask participants to imagine, for example, that a market is post-CLTS; there is most likely already a high level of awareness for improved sanitation. This is latent demand. However, suppose the market research (or observations of the market) indicate that no one is offering products. In that case, the planners most likely will need to develop or help introduce new products into the market and develop the supply chain required to make these products available. In such a situation, they need to consider communication strategies that promote the new products, their benefits, and where and how to acquire them. The communication objectives will thus be improving access while informing consumers of the availability, attributes, and benefits of the product offering. These communication objectives are for behavioral determinants (reasons why people do or don't practice a behavior).

Based on current understanding of a target market, the Sani-FOAM framework from the World Bank Water and Sanitation Program (WSP) is an excellent framework to help choose behavioral determinants to promote to help consumers move up the behavior-change ladder. The framework categorizes determinants into three main categories: opportunity, ability, and motivation. For example, access, availability, attributes, and benefits are opportunity determinants.

Handout: Introducing SaniFOAM

Activity: Choosing Your Communication Objectives

Time: 25 min

Keep participants in the same group they were in for the last activity. Explain this activity to them using these comments:

- In this activity, you will practice setting communication objectives using Case Study
- First, identify where this segment is on the adoption ladder.
- Next, determine two or three behavioral determinants from the SANIFOAM framework that could be influenced to help them move up the ladder.
- Finally, turn these behavioral determinants into communication objectives. (Note: Ask them to write objectives starting with an action verb.)

To aid participants in discussing communication objectives:

- Ask "What is it we are trying to achieve?"

- Ask one group to share their communication objectives.
- Ask whether a second group has different objectives. Why? Explain.

Explain: Triggers

Remind participants that behavioral determinants are triggers for behavior change, and selecting which trigger(s) to focus on should come from consumer insight and market research.

Now look at the second step, developing key messages.

Communication Planning: STEP 2: Develop key messages

Explain: Key Message

Once communication objectives have been defined, tell participants that it becomes easier to focus on what to convey in messaging and develop key messages. A key message is an idea or belief the targeted audience is expected to retain after being exposed to a communication piece. Some call the key message the big idea. This is not the actual text that will appear in the communication piece but a summary of what that text should convey. The key message will be used again in a creative brief to describe the big idea around which the creative team will build concepts. With hundreds of MBS programs around the world, however, a team shouldn't be engaging in a deeply creative process. They can use sample key messages from other MBS programs and adapt them to their own context based on knowledge about the barriers and enablers that their consumer faces.

Three Elements of a Good Key Message:

1. It must focus on the **selected trigger** (behavioral determinant)
2. It must outline a **key benefit** to acting upon that trigger
3. It must have a clear **call to action**

In many cases, the benefit and the call to action are lacking in behavior-change messages.

With learners, look at the following example, which demonstrates persistent **false beliefs** due to a lack of knowledge (a determinant from the ability category).

In the example, research dimensions for knowledge were:

- Open defecation is a natural fertilizer
- Open defecation away from houses is not harmful
- A real man pees and defecates in the open!

The resulting key message at first was:

> Using a latrine means you care about protecting your family.
> Buy a latrine for your loved ones.

However, in this example, the follow-up qualitative research revealed that the **real issue** was that men were afraid to use a latrine because they were worried the community would interpret it as a sign of weakness and they would not be perceived as a real man. The key message was then adjusted to reflect this insight:

Show friends and neighbors how much you care about protecting your family.
Be a role model; buy a latrine now.

Important: Without the qualitative research, the key message would have missed the mark and likely would not have been as effective as it could have been.

In the above example, the selected trigger is a lack of knowledge. The key benefit is "caring about protecting the family" and the call to action is "buy a latrine."

EXAMPLE: Bangladesh: In the SHOUHARDO III RFSA in Bangladesh, based on the evidence from the HEAR Phase of the human-centered design process, the team determined that messages should be tested in the Char Region and the messages should be focused on health and wealth (practical or aspirational, respectively).

For example:

Practical Message—Health:
Sweep your latrine before the rainy season!
Feces in water can be unhealthy. Happy and healthy families have latrines.

Aspirational Message—Wealth:
Wealthy people know about good, clean toilets.
Good life. Good latrine

While the human-centered design insights indicated that the Char Region should test messages centered around practical health factors and aspirational wealth factors, the Haor Region was different. Those insights suggested testing practical encouraging messages and aspirational cautionary messages.

For example:

Practical Message—Encouraging:
Poop in water is bad for your health and family. Hire a sweeper only. Have these? You can use them now.

Aspirational Message—Cautionary:
This is bad practice. This is good practice.
You cannot empty your pits in water. This makes you and your neighbors sick (iDE, 2019).

Time: 20 min

Activity: Write Key Messages

Now practice writing key messages. Keep participants in the same groups. From the chosen behavioral determinants, assign a communication objective to each group. It's okay if groups have the same behavioral determinants.

Ask participants to develop at least two key messages (big ideas) per communication objective. Ask one or two groups to present and explain their key messages. Guide the participants in a discussion about the activity by asking them, "How difficult was the process?"

Developing key messages can be daunting, and having professional communicators on the team can help. Suggest to participants that if they are working on a Resilience Food Security Activity, they will want to draw on their social and behavior-change team. If such expertise is not available, they could consider adding this expertise to their team, either by recruiting an expert or by hiring a communication and design team that can accompany them in this process.

Now look at the third step, how to choose the proper communication channels.

Communication Planning: STEP 3: Choose the proper communication channels

Explain: Marketing and Sales

Introduce participants to communication used in both marketing and sales. Sales and marketing are closely linked, but they are not the same. Think of *marketing* as the things said and done to a specific audience, ultimately leaving the decision to the targeted audience whether to take action to buy the promoted product or service. *Sales,* on the other hand, are actions taken to directly influence a consumer in their purchase process and convert an intent into a sale.

In marketing, the terms *above the line* (ATL) and *below the line* (BTL) describe communication strategies for specific intended objectives. Above the line communication promotes an offering (usually branded products or services) to a broad audience. ATL communication channels reach a large portion of the target market. Below the line communication generates sales by targeting communication to specific groups and usually involves two-way communication with the targeted audience.

ATL strategies are used to reach a large volume of consumers at the same time. For example, radio ads reach a large audience. However, because a radio ad is limited in time, simple messages work best, repeated often so the audience can easily recall the ad.

Discuss: Communication Channels

Time: 10 min

Lead participants in a discussion of communication channels using this statement and these questions:

- "Let's name as many channels as possible." *(Potential answers: TV, billboards, newspapers, magazines, radio, group meetings, sponsoring, etc.)*
- "What communication channels are suited for ATL strategies?"
- "What communication channels are suited for BTL strategies?"

Explain: Reach vs. Depth

Address the concept that the more *depth* a media channel has (more complex messaging), the better-adapted it is for BTL strategies. By contrast, the more *reach* a channel has (more people in its audience), the more suited the communication channel is for ATL strategies.

FIGURE 14: Types of Communication Channels—Reach vs. Depth

Not all channels are suited for all target audiences. Demographic and Health Surveys (DHS) provide statistics on media usage. Select only the channels that are most used by the target audience. Also, some messages are more complex than others, such as teaching a new skill or persuading someone against a deeply held belief. Other messages require less time and effort, such as informing people where they can purchase items. This distinction refers to the **depth of the messages** and relates to the amount of time or energy it takes to convey the message. Depth of messages is counterbalanced by **reach of the messages**. In general, the more depth a channel provides, the less reach it will have. This also has important cost implications. A good strategy will always aim to achieve the best combination of ATL and BTL strategies.

EXAMPLE: Bangladesh: In Bangladesh, the SHOUHARDO III Resilience Food Security Activity combined several sales techniques, including group sales meetings, mass media campaigns, and product and service demonstrations.

Handouts:

- Criteria for Choosing a Communication Channel
- Sales and Marketing Tips, Strategies, and Examples

Activity: Select the Communication Channels to Reach the Target Market

Time: 25 min

Keep participants in the same groups. Ask participants to refer to the persona they developed earlier. Give them 20 minutes to select the most appropriate communication channels to reach the target market with ATL and BTL communication strategies. Then, guide participants in a discussion about communication channels:

- Ask two groups to present their selected channels. Give five minutes to each group.
- Instruct them to discuss the channels by referring to the criteria for choosing communication channels in the handout.

Finally, look at the last step of communication planning, developing a media plan.

Communication Planning: STEP 4: Develop a media plan

Explain: Develop a Media Plan

Tell participants they will next develop a media plan based on the communication objectives and key message(s) they developed and the communication channels they chose as most suitable to reach their target market. The media plan will indicate which objective(s) and communication channel(s) they plan to prioritize throughout the year. Explain that planning teams usually do this in the form of a matrix table with months in columns and communication channels in rows.

There is no right or wrong approach to media planning. However, explain that avoiding the common mistakes noted below should help.

COMMON MISTAKE #1

A common mistake when planning communications is *not allowing enough time before the beginning of the campaign* for materials development and pretesting.

Pretesting is a crucial step often overlooked in the rush to meet campaign deadlines.

APPROACH #1: Focus on one objective at a time across all channels.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
IPC outreach Radio ads Billboards	Objective 1		Objective 2		Objective 3		Objective 1		Objective 2		Objective 3	

ADVANTAGE
Approach #1
This approach puts a lot of focus on each objective.

DISADVANTAGE
Approach #1
This approach requires a lot of time to cycle through all the objectives and may not play to the strength of every tool, because different tools will naturally be better suited to different determinants.

COMMON MISTAKE #2

Another common mistake is *not allowing enough time between objectives*, especially if using interpersonal communication.

For example, assume an outreach team is using games to communicate its objectives and there are three objectives that will be rotated every two months (as in the example above). The program manager must be sure that two months is enough time to design a new game and train the IPC teams.

APPROACH #2: Focus on more than one determinant at a time (i.e., in the same message). Do this at the same time across all channels. The proposed scenario assumes objective one is of primary importance compared to the other two.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
IPC outreach Radio ads Billboards	Objectives 1 & 2		Objectives 1 & 3		Objectives 1 & 2		Objectives 1 & 3		Objectives 1 & 2		Objectives 1 & 3	

Explain that this approach still provides some focus, because all the tools are sending the same message at the same time. Plus, it takes less time to cycle through all the objectives. However, again, it might not play to the strengths of each tool.

ADVANTAGE Approach #2	DISADVANTAGE Approach #2
Consumers are exposed to key messages across multiple communication channels. Additionally, it takes less time to address all key messages.	Addressing all determinants across all channels might not be optimal for certain determinants. For example, addressing self-efficacy is better done through IPC outreach and a physical demonstration of the attributes of a product than through radio ads or billboards.

APPROACH #3: Use an *anchor tool* that can address all the determinants. Use other tools to address determinants best suited to each.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
IPC outreach	Objectives 1, 2, & 3											
Radio ads	Objective 2											
Billboards	Objective 3											

ADVANTAGE Approach #3	DISADVANTAGE Approach #3
Each tool gets to play to its strength.	Message fatigue could set in unless different versions of the same message are created for print and radio ads.

Activity: (Individual) Develop a Media Plan

Time: 25 min

Keep participants in the same groups as before. Based on the case study handout, ask participants to develop at least one media plan.

- Give participants 15 minutes.
- Ask them to be prepared to justify their approach to the larger group.
- Ask two groups to present their selected channels. Give each group five minutes.
- Ask them to discuss the selected channels by referring to the criteria for choosing communication channels in the handout.

Explain: Evidence

Say to participants, "As you saw through the different activities, a good communication strategy is *based on evidence*." Explain that, without deep consumer insights to guide their decisions, communication planners might risk making poor decisions and wasting project funds because of

wrong objectives, wrong communication channels, or underexposure of the target market to the messages. Explain that the **Designing a Social and Behavior Change Communication Strategy I-Kit** provides tips for mitigating these risks. Ask participants to make sure they read it and share it with all of their colleagues involved in communication planning. Nevertheless, if they follow the systematic four-step process outlined above, they will improve the quality of the final output.

Distribute the link to the **Designing a Social and Behavior Change Communication Strategy I-Kit** Johns Hopkins Center for Communication Programs, https://sbccimplementationkits.org/about-designing-a-sbcc-strategy-i-kit/

Summary: Topic 2—Communication Planning

Participants should now have a better understanding of communication planning to influence a consumer's behavior and demand for sanitation. Use the statements below to guide them as they take a moment to reflect on how they might use what they learned in this section for their programs:

- "You learned the four steps to communication planning. These steps are (1) set objectives, (2) develop key messages, (3) choose the proper communication channels, and (4) develop a media plan."
- "You found that personas are a tool marketers use to help them focus their messaging and capture the characteristics that would most likely drive a person to a purchase decision."
- "You examined different tools, such as the adoption ladder, to understand your customer better.
- "We found that once communication objectives and key messages are completed, you can then develop a media plan. You can use various approaches. We shared three different approaches, as well as some common mistakes, such as not allowing enough time for pretesting."
- "Finally, you received a link with guidelines for planning your future communication strategy."

TOPIC 3: Designing a Sales Strategy

Time: 60 min

TOPIC OVERVIEW: In this section, participants will identify the important qualities of a sales agent. They will learn to recognize the elements of a sales strategy and what is needed to recruit a sales agent. They also will discuss five potential mistakes of building sanitation sales capability.

Guiding Questions:

- What are the similarities between BTL marketing and BTL sales?
- How does a sales experience affect a sale?
- How do I recruit sales agents?
- How do I train sales agents?
- What sales systems and tools do I need to develop?
- How do I motivate and reward a sales agent?

Below the Line Marketing

Suggest to participants that they may have noticed in the previous topic that **below the line (BTL)** marketing sounds a lot like sales. Door-to-door sales, for example, is very similar to interpersonal communication (IPC).

The *differences* between BTL in marketing and BTL in sales are:

- In sales, there is a *direct request* to take action and make a purchase.
- In BTL marketing, the decision to take action and make a purchase decision is *left to the consumer*.
- In sales, being in a conversation with a consumer is an opportunity to also *ask for a sale*.

What is *similar* between BTL marketing and BTL sales is the use of IPC. When we presented the topic on communication planning, we said communication is also used in sales. While the methods are the same (i.e., IPC), the objective varies. A communication strategy generates demand, and it may activate demand in many cases, but for products such as latrines, which are relatively expensive purchases, consumers take a bit more convincing. This is where sales comes in. The simplest way to describe sales is *closing the deal,* and this typically takes the form of a sales agent or promoter convincing consumers to make a purchase. But not just anyone can be a sales agent.

Ask participants to discuss this question: "If you understand your consumer and have a great marketing strategy, will latrines fly off the shelves?" *(Answer: No!)* Explain that in the next activity, participants will reflect on factors that contribute to sales.

Activity: A Memorable Sales Experience

Time: 30 min

- STEP 1: REFLECT—A Memorable Sales Experience

  Begin by asking participants to reflect on a memorable time when a salesperson tried to sell THEM something. They should consider a time when the sales experience was positive and a time it was negative. Give participants 10 minutes to reflect on these questions:

  » "What did the sales agent do and say to you?"
  » "How did the experience make you feel?"
  » "What made the sale persuasive? Not persuasive?"
  » "Did you decide to purchase the product or service he/she was selling?"
  » "Have you ever had someone try to sell you something knowing it was not a good product (ethical considerations)?"

  Explain that, even with the best marketing strategy and the best product, products may not fly off the shelves, because without a good sales experience potential customers may not be convinced by the attributes and benefits of that product.

- STEP 2: DISCUSS—Share Your Experience

  Time: 10 min

  Read the instructions below. Give 10 minutes for the discussion.

  Instructions:

  » "Please turn to your neighbor and form pairs."
  » "You and your partner should each take five minutes to describe a memorable experience involving a sales agent who tried to convince you to make a purchase. This can be a positive or negative experience. Make sure to describe the experience in as much detail as possible."

» "In your pair, one should take five minutes to describe their memorable experience, with the other person listening closely and asking questions to clarify or prompt more details. Then, switch roles."

- STEP 3: DISCUSS—Sales Agent

Time: 10 min

Now, in the large group, ask participants to discuss the following questions (give 10 minutes for the discussion):

» "In your opinion, what are the qualities of an effective sales agent?" (Possible answers: charismatic, persuasive, persistent, patient, good communicator and listener, trustworthy, knowledgeable about the product, etc.)

» "Where have you encountered sales agents?" (Possible answers: inside a shop, via telephone, going door to door.)

» "Is a shop owner a sales agent?" (Answer: it depends!)

EXAMPLE: Bangladesh: In the SHOUHARDO III Resilience Food Security Activity in Bangladesh, sales agents are a link between latrine producers and household members. This link contains a short interview with a sales agent. https://www.youtube.com/watch?v=k2QiYAnsr50.

Explain: Active Selling

Remind participants that, in response to the earlier question, "If you understand your consumer and have a great marketing strategy, will latrines fly off the shelves," the answer is no. Even with the best products, consumers need to be convinced of some need and take action to solve their problems and improve their lives. Sales is the art of getting others to buy. Therefore, a shop owner who convincingly tells a potential customer about a product and motivates them to purchase it, acts as a sales agent. If they are merely managing the shop and processing the customer's transaction, they're not an active seller. The importance of actively selling or convincing households to purchase latrines has been a key lesson for many MBS programs, particularly for rural areas where open defecation may be more feasible.

Now look at how to plan a sales strategy.

HOW TO PLAN A SALES STRATEGY

Explain to participants that performance of a sales strategy depends on a combination of factors. Here is the formula for measuring a sales strategy:

FIGURE 15: Formula for a Sales Strategy

Performance = (System + Structure + Tools) x Motivation

Performance	System	+	Structure	+	Tools	×	Motivation
	The entire process, from recruiting to reporting sales.		The organization, roles, and responsibilities of the sales team.		The logistic equipment and job aids required for salespeople to do their work.		Even with the best sales systems, structure, and tools in place, a sales strategy won't lead to good results without the right motivation from the salespeople.

With participants, look at each part of the sales strategy measurement formula in more detail:

TABLE 23: Sales Strategy Measurement Formula

	System Relates to the entire process, from recruiting to reporting sales. A good sales system should detail the following elements: • Recruitment (How? Who?) • Training and coaching (How? When? How often?) • Earnings schemes (What?) • Tracking and reporting (What? How? How often?)
	Structure Relates to the organization, roles, and responsibilities of the sales team. The following elements should be covered as part of defining an appropriate sales structure: • Job descriptions (What?) • Supervision and controls (What? Who? When?) • Sales force size (How many?) and zoning (Where?)
	Tools Relates to the logistical equipment and job aids required for salespeople to do their work. At a minimum, the following tools should be considered: • Transportation (What?) • Communication (What? How to communicate with supervisors and other salespeople?) • BTL material (What? How to use?) • Job aids (What? How to use?), including maps, factbooks, Q&A on recurring objections, etc. • Management information system (MIS), including reporting tools (What tools? Why?)
	Motivation Motivation is a multiplying factor, because even with the best sales system, structure, and tools in place, a sales strategy won't lead to good results without the right motivation from salespeople. This is why human resources (HR) systems are particularly strategic for building competency and confidence, two key drivers of motivation. Therefore, it is important to spend enough time recruiting and building the capacity of a sales team so they will have the confidence required to sell latrines, a rather difficult-to-sell product.

Activity: Develop a Timeline for Recruiting Sales Agents

Time: 20 min

Tell participants it is important to consider how their sales strategy aligns with their specific context. Allow them time to adapt their sales strategy to their context and create a timeline for recruiting and training sales agents. Give them the following instructions:

- STEP 1: Ask participants to break into groups of three or four.
- STEP 2: Based on the content discussed regarding designing a sales strategy, what specific elements stood out that will need to be adapted to your context? Make a list.
- STEP 3: Develop a timeline for recruiting and training sales agents.

Explain: Five Key Mistakes

Help participants understand that for market-based approaches to work well, it requires effective sales planning, recruiting, training, sales management, and other relevant business judgment. In a webinar hosted by the Sustainable Sanitation Alliance, a global marketing agency named Whitten &

Roy Partnership shared five key mistakes project planners sometimes make when building sanitation sales capability. (Sustainable Sanitation Alliance, 2016)

FIVE KEY MISTAKES: BUILDING SANITATION SALES CAPABILITY

- Recruiting the wrong people to sell
- Failing to train salespeople and managers adequately
- Pitching and trying to convince people to buy
- Promoting the best salesperson to sales manager
- Planning and managing territory haphazardly

Explain: Training Sales Agents

Suggest to participants that, once they have identified sales agents, it is important to provide sufficient skills training. They should consider training on:

- Latrine products: available products, benefits, costs, and features
- Sales materials and tools
- Sales activities, coordinating with project activity and local government
- Effective communication with the target audience, including understanding their problems related to sanitation and helping them decide on a solution
- Accurate and timely records of latrine orders and sales activities and appropriate reporting (WSP, n.d.)

Planners may have support within their organizations to train sales agents, or they may want to draw on external consultants. Existing sales training materials, such as the facilitator guide developed by Water and Sanitation Program (WSP) Sanitation Toolkit, may inspire them to see what type of content they want to include. (If relevant, share a link to the WSP Sales Agent Training Facilitator Guide developed for Laos: https://www.wsp.org/sites/wsp.org/files/publications/WSP-Sales-Agent-Training-Facilitator-Guide-Lao-PDR.pdf.)

Discuss: My Context for ATL and BTL

Time: 10 min

Ask participants to form small groups (ideally with others from their same project or Resilience Food Security Activity). Then, ask them to respond to the following questions:

- "What approaches and activities do you have in your project that can be leveraged for ATL and BTL?"
- "What additional channels might you want to explore?"
- "Do you have the required resources?"

Summary: Topic 3—Designing a Sales Strategy

Participants should now have a better understanding of sales planning. Take a moment with them to reflect on how they might use what they learned in this section for their program. Use these statements to prompt discussion summarizing the topic of sales planning:

- "You learned the differences and similarities between BTL in marketing and sales. The main similarity is that interpersonal communication is used for both."

- "We learned that designing a sales strategy requires more than designing a market strategy. A sales strategy depends on a combination of factors: performance, system, structure, tools, and motivation."
- "We gave you some strategies for recruiting sales agents. You also learned five key mistakes people sometimes make when building sanitation sales capability, such as recruiting the wrong people to sell, failing to train adequately, trying to convince people to buy, promoting the best salesperson to manager, and planning or managing haphazardly.

TOPIC 4: Viability and Sustainability

Time: 180 min

TOPIC OVERVIEW: In this section, participants learn about the differences between viability and sustainability. They will examine four steps to engage entrepreneurs. They also will examine the five drivers that differentiate profit performance of enterprises and strategies that can impact profitability.

Guiding Questions:

- What are the differences between viability and sustainability?
- How do viability and sustainability relate to profit?
- How can you identify and engage entrepreneurs for your program?
- How do you estimate the potential profitability of your program in advance?
- How do you calculate the size of your target market?
- What are the drivers that differentiate profit performance?

Explain: Viability

Emphasize with participants that for businesses to be interested in the sanitation market it is important that the business is a viable option. A USAID WASHPaLS desk review on MBS established that the viability of sanitation enterprises is critical to attract and sustain entrepreneurial participation. If businesses profit from sanitation, they will be motivated to continue or grow the business, leading to a robust market supply independent of external interventions. However, factors explaining why one enterprise performs better than another are not fully understood by MBS programs, because few, if any, MBS programs track the performance of sanitation enterprises other than sales.

Before going further, work with participants to understand what viability and sustainability mean and how they relate to the primary performance metric of profit.

Discuss: Definitions

Time: 10 min

Review the definitions of profit, profitability, viability, and sustainability (below). Then ask all participants to add these definitions to their glossary for future reference.

Profit: Revenue generated by an enterprise in excess of its costs, expressed in absolute terms (USD).

Profitability: Profit relative to the scale of an enterprise; i.e., profit margin, the ratio between profit and sales expressed as a percentage. Two enterprises may have equal profits (say, $1,000 annually), but an organization earning $1,000 in profit against $10,000 in sales is more profitable (10% profit margin) than another earning $1,000 against $50,000 in sales (2% profit margin).

Viability: Refers to profit relative to a variety of explicit and implicit factors considered by an entrepreneur (e.g., minimum income, expected income from other non-sanitation enterprises, time and effort, or financial investment and risk). Unlike profit or profit margin, which are specific numerical quantities, viability is a subjective measure that varies from entrepreneur to entrepreneur. An enterprise that makes a profit might be considered viable by one entrepreneur but not by another. We assume that, in general, increasing profit improves the viability of an enterprise.

Sustainability: Refers to the likelihood that an enterprise remains viable over an extended period of time (i.e., multiple years) and continues operations without external, non-market-based support.

Activity: Basics of Viability and Sustainability

Time: 15 min

Conduct the following activity to help participants consider what viability and sustainability are and how they relate to profit. Ask participants to pair up with another person.

Imagine that a woman named Jane has a business. Here are three of her business metrics.

- Number of toilets sold: 30
- Cost per toilet: $40
- Price per toilet: $50

Give participants 10 minutes to calculate profit per toilet, total revenue, and total profit.

Then ask two groups to share their calculations.. As they share, correct groups if needed by explaining: Jane's enterprise sells 30 toilets in a year, considering that each toilet is sold to a customer for $50, her revenue is $1,500. But since it costs her $40 to make a toilet, she is left with $10 in profit per toilet. In selling 30 toilets, she earns a total profit of $300.

Explain: Identify the Appropriate Actors

Share this important fact with participants: *Demonstrating viability begins with identifying and engaging the most appropriate actors (also known as best-fit businesses).* During market research (as explained in Module Three), planners map stakeholders, which include entrepreneurs. It is a good practice to shortlist target entrepreneurs (e.g., concrete products manufacturer, hardware store, mason) to help planners arrive at (1) context-appropriate enterprise designs with well-defined target market(s), (2) product systems that are appealing and affordable for the chosen target markets, (3) demand activation strategies to persuade potential customers, and (4) delivery models that simplify the customers' buying experience.

Describe these four steps to help participants and their teams identify and engage appropriate actors (entrepreneurs).

Steps to Identify and Engage Entrepreneurs:

STEP 1: Identify context-appropriate businesses

STEP 2: Estimate profitability of narrowed-down entrepreneurs

STEP 3: Identify factors to improve viability (also known as profit drivers)

STEP 4: Continuously track performance

Explain: Step 1: Identify context-appropriate businesses

With participants, examine each step. The first step, identifying and engaging the most suitable entrepreneurs, assesses potential businesses' motivation and business acumen (through their

business history) and ensures a match of field-tested product systems, sales and marketing mechanisms, and the chosen delivery mode—or at least ensures they will fit into the business profile.

Reflect: The Entrepreneur Profile for My MBS Program

Time: 5 min

Use these questions to prompt participants' reflection on an entrepreneur profile for their own programs:

- "What is the profile of the entrepreneurs that are the best fit for your MBS program?"
- "What data helped your MBS program identify these entrepreneurs?"
- "If you haven't selected entrepreneurs yet, what data is missing to help you identify best-fit businesses?"

Within the large group, ask participants to share their responses to the reflection questions. Remind them that, while their MBS program may not have the final design, they should at the very least be able to narrow down their options based on the data they collected and the strategic decisions they made so far.

EXAMPLE: Mali. Population Services International (PSI) engaged those who already were involved in cement, as well as private manufacturers and seller of bricks, gutters, and balusters. PSI also retained small hardware stores. Market research indicated that large hardware stores had greater financial capacity, but their managers were difficult to mobilize to meet orders in other villages. They were not as motivated by the profit margins of sanitation products and especially were not motivated by the slow sales of these products. The mason was a day laborer paid by the private operator. The set of molds and working material for the production of sanitation products were the property of the private operator. If the mason stopped working with the private operator, the company could replace him. A manual for the creation of the sanitation product was given to each mason. (PSI Mali)

EXAMPLE: Nigeria. The USAID WASHPaLS case study on sanitation enterprises noted that in Nigeria, the WaterAid Sustainable Total Sanitation (STS) intervention did not work with stand-alone sanitation enterprises. Most entrepreneurs had a sanitation enterprise in addition to another related business, such as concrete products manufacturing or construction material retail. This helped the entrepreneur share rent, utilities, and transportation costs. (USAID, 2021)

Now that participants understand how to identify and engage entrepreneurs that best fit their programs, help them consider how to estimate potential financial opportunity for entrepreneurs.

Explain: Step 2: Estimate profitability of narrowed-down entrepreneurs

With participants, look at step two. Recruiting appropriate entrepreneurs to start sanitation enterprises is a precursor to supporting them, and MBS programs often struggle with this activity. The challenge is, in part, that while MBS programs typically share information such as market potential and product system design, they find it challenging to convey and discuss revenue and profit opportunity, which is of primary interest to entrepreneurs. Conducting a projection of the profit and loss (P&L) will facilitate discussions on profit, both in absolute terms and relative to other businesses and opportunities available to entrepreneurs.

To aid projection of profit and loss, USAID WASHPaLS developed a toolkit *based* on methodologies used to analyze sanitation enterprise performance in three countries—Cambodia, India, and Nigeria. The **Sanitation Enterprise Recruitment Toolkit** helps MBS program implementers understand how to develop revenue, profit, and financial return projections for potential entrepreneurs. It is primarily

useful for early-stage MBS programs. The toolkit demonstrates for entrepreneurs the profit and income potential of investing in new sanitation enterprise opportunities.

The toolkit also helps estimate the investment required and returns generated measured by the return on capital employed (ROCE). Comparing this with alternative opportunities can help programs identify best-fit entrepreneurs and influence an entrepreneur's decision to start a sanitation enterprise. ROCE is one among a class of financial metrics called long-term profitability ratios that help assess a business's ability to generate profits relative to alternative opportunities (such as other business lines). ROCE shows the unit(s) of profits generated by each unit of capital employed (such as cash or equipment) in the business.

Explain to participants that projected revenue and profit in a conventional P&L statement, along with the ROCE estimates, can help implementers:

1. Assess the profit generation potential and financial returns of sanitation enterprise models designed by them and iterate if necessary
2. Recruit entrepreneurs, ideally with existing related businesses, to set up sanitation enterprises by demonstrating the financial opportunity

Remind them that, while this estimation of profitability is needed to select the best-fit entrepreneurs, this training does not include the USAID WASHPaLS templates. However, the process requires that the data described below is collected and made available ahead of time.

Another toolkit is the **Enterprise Viability and Sustainability (EVS) Diagnostic Toolkit** helps MBS program implementers diagnose the factors that differentiate the performance of enterprises at different levels of profit. This toolkit is designed for MBS programs at different stages of the program lifecycle. Both toolkits are available to download here: https://www.globalwaters.org/pages/sanitation-enterprise-viability-and-sustainability-toolkits.

Estimated Potential Profitability

Estimated Sales Volumes

Explain that these can be estimated based on two general enterprise choices:

1. **Prospective target markets.** Defined by:
   - **The size of the market.** Calculated by multiplying the following:

Total number of households that share common characteristics	x	Share of these households without improved sanitation	=	Size of the target market

   - **The share of the market likely to buy toilets.** Once the size of the target markets is defined, the implementer and entrepreneur can arrive at estimates of the share of households in different target markets that are likely to buy a given toilet product. This will give an **estimate of the total sales volumes of a toilet product.**

2. **Marketing and sales strategy.** Typically, sanitation enterprises have three options: They will invest in active self-marketing, use sales agents, or do neither. Choosing one of these strategies will impact the estimated units sold for the different products. The projection influenced by the marketing and sales strategy chosen will be over and above the estimate generated by defining the target markets for different products.
   - **Projected revenue:** This will be the money that is received by selling toilets, providing related services, or both.

- **Projected cash expenses:** These are expenses that will be incurred by sanitation enterprises directly related to manufacturing toilets or providing related services and other indirect costs not linked to the manufacture of each toilet but required to operate the business.

Discuss: Plan for Selecting Best-Fit Entrepreneurs

Time: 10 min

If some participants are from the same project, ask them to regroup by project. Otherwise, keep them in pairs and ask them to discuss these questions:

- "What resources would you need to conduct the exercise based on WASHPaLS templates?"
- "What barriers and difficulties do you anticipate?"
- "How could you overcome these barriers and difficulties?"
- "How long do you anticipate it will take you and your team to complete these projections?'

Explain: Step 3: Identify factors to improve viability (also known as profit drivers)

Now look at step three in detail with participants. While the first two steps are highly recommended for an emerging market, Step 3 and Step 4 assume that market players have begun to engage in sanitation and are struggling to perform and generate profits. This phase of market development is also called the *survival phase.* Implementers with an existing base of partner enterprises at any stage in the lifecycle of their program should aim to identify and help low-profit enterprises with a scalable proposition improve their viability.

USAID WASHPaLS interviewed 66 active sanitation enterprises and built ground-up detailed annual profit and loss statements for each enterprise for the year 2017. (USAID Creating Viable and Sustainable Sanitation Enterprises, 2021) In each country, enterprises were categorized based on their revenue and profit from financial statements. While profit is the metric that concerns entrepreneurs the most, revenue is an indicator of scale or how large or small the enterprise is, and it is important to understand how enterprises generate profits at different levels of scale. In each country, enterprises were categorized into four quadrants based on their revenue and profit. The categorization enabled comparative analyses between enterprises to help implementers understand what factors differentiated performance, especially between low- and high-profit enterprises. Five key performance factors emerged.

Five Drivers that Differentiate the Profit Performance of Enterprises:

- Number of customers
- Price
- Cost
- Product mix
- Additional related sanitation products

FIGURE 16: Enterprise Segments

Adapted from Creating Viable and Sustainable Sanitation Enterprises (USAID, 2021. Washington, DC., USAID WASHPaLS Project, p. vii.)

Time: 20 min

Activity: Potential Strategies for Each Driver

Divide participants into groups of three. Ask them to refer to the five key performance drivers and reflect on potential strategies for each driver and how they could impact profitability, allowing a low-profit entrepreneur to become a high-profit one. Ask them this question to guide their discussion:

- "What would be the easiest driver to influence in your context? Why? "
- Ask one or two groups to share their reflections. Lead the conversation to explain potential strategies and tactics for each driver.

TABLE 24: Five Potential Strategies and Tactics

Strategy	Tactics
Number of Customers	The first strategy is to increase the *number of customers or quantity of toilets sold.* Scaling up offers several benefits, the most important being the amount of profit. Investing in demand activation, wherein independent actors sell toilets on behalf of enterprises, is one of the primary tactics differentiating the scale and profitability of an enterprise. Demand activation includes enterprises partnering with commissioned sales agents, unpaid demand activators (e.g., local leaders), and entrepreneurs actively marketing toilets. Other tactics include offering customers credit or access to credit or subsidies where such opportunities are present and expanding geographically to adjacent markets and increasing their addressable market.
Price	The second strategy is to *charge a premium over the competition and position the enterprise as a high-quality supplier compared* to local competition. Some do this by overengineering toilets and highlighting the durability and strength of their products. Some entrepreneurs may leverage their social standing among customers or the community to charge a premium over competitors. The ability to charge higher prices is, however, subject to the intensity of local competition.
Cost	The third strategy is to *lower costs by reducing raw material quantities* used in manufacturing toilets or adopting lower-cost substitutes where customers may not discern changes in quality or durability. Some entrepreneurs reduce labor costs by manufacturing products themselves or employing free labor from family members instead of hiring paid workers. A few enterprises with high sales volumes secure discounts on bulk raw materials to lower costs.
Product Mix	The fourth strategy is *to improve the product mix* such that products or components with a high profit per unit account for a larger share of sales in the product portfolio.

Strategy	Tactics
	For instance, an enterprise that sells more double pit toilets than single pit toilets is likely to make more money than an enterprise that has the opposite mix. Put differently, for each customer or sale, an enterprise that sells more double pit toilets earns more profit than an enterprise that sells more single pit toilets. A superior product mix is enabled by targeting affluent customers, which is a function of the context in which the enterprise is operating.
Additional Related Sanitation Products	The final strategy is to *capture a greater share of customer's total spend* on a toilet by offering additional products. These include components and materials for the latrine shelter, such as tiles, bricks, doors, roof panels, etc., which the customer would otherwise purchase elsewhere.

Explain: It Is Not Straightforward

Share the idea that pursuing all drivers to increase profit is not straightforward, because tradeoffs are involved. For instance, increasing the price by marketing the quality of products can entail higher costs, because enterprises have to spend more on raw materials. Reducing labor costs by manufacturing toilets themselves instead of hiring paid labor limits production capacity and hence limits scaling of the enterprise.

Through their sample of 66 enterprises, USAID WASHPaLS identified the following recommendations for improving viability:

- Do not create stand-alone sanitation enterprises. Instead, persuade entrepreneurs with related businesses to start sanitation as a business line.
- Guide enterprises to choose a strategic path that recognizes their capabilities and constraints:
    1. Enterprises in low-volume markets or those content to remain small-scale should adopt a cost-reduction strategy.
    2. Enterprises with the capacity to invest and an appetite for risk should focus on a revenue-led strategy.
    3. High-revenue enterprises operating with suboptimal profit should focus on a margin expansion strategy.

Explain: Step 4: Continuously track performance

Now examine the final step with participants. Throughout implementation of their MBS program, implementers need to understand the profit drivers and underlying factors differentiating better performing enterprises from their target market peers. This helps them support enterprises by developing contextually appropriate strategic paths to increase profit. The applicability of a strategic path for a given low-profit enterprise will depend on the enterprise's capabilities, aspirations, and micro-market conditions, as illustrated by the three paths we described. However, it is important to recognize that some enterprises might not have the necessary resources or supportive micro-market conditions. The entrepreneur also might simply lack the motivation to grow or improve profits for the sanitation enterprise, paying more attention to other businesses or sources of income.

Explain to participants that implementers should recognize such limitations while recruiting and supporting sanitation enterprises. Ideally, implementers will recruit entrepreneurs who are successful in their existing business and are willing to start sanitation enterprises regardless of their stated growth aspirations. As enterprises' performance data emerges, implementers should focus their resources on entrepreneurs that demonstrate both the desire and potential to improve their viability.

The longer-term goal of an implementer should be to strengthen supply in the market, which can be fulfilled by fewer but viable enterprises, as opposed to many unviable enterprises.

As such, MBS programs should broaden the scope of their monitoring systems to track enterprise performance metrics beyond sales. Tracking financial performance metrics enables programs to understand the strategies applicable in their context, identify the enterprises that show promise, and embark on a path to actively improving the viability of sanitation enterprises and therefore strengthening supply.

Time: 10 min

Discuss: My Context for Financial Review

Ask participants to form groups of three. Then, ask them to respond to the following questions:

- "What would your program require to conduct a quarterly review of the financial performance of the sanitation businesses?"
- "Do you have the required resources?"
- "What can you do about it?"

Summary: Topic 4—Viability and Sustainability

Time: 5 min

Participants should now have a better understanding of the differences between viability and sustainability and how they relate to their primary performance metric, profit. Take a moment to reflect on how they might use what they learned in this section for their own programs:

They learned the four steps to engage entrepreneurs: (1) identify the context-appropriate businesses, (2) estimate profitability of narrowed-down entrepreneurs, (3) identify factors to improve viability, and (4) continuously track performance.

We also examined the five drivers that differentiate the profit performance of enterprises and the potential strategies for each driver that could impact profitability. The five drivers are: (1) number of customers, (2) price, (3) cost, (4) product mix, and (5) additional related sanitation products.

Summary

Time: 15 min

TOPIC OVERVIEW: In this section, participants reflect on what to do with the information provided in this module. They will consider how to move forward with the information and tools provided.

With participants, review the key points from this module:

- A delivery model and business model cannot be the same thing.
- Understanding consumers, their needs, desires, and barriers to latrine products informs both business and communication planning.
- Communication planning requires careful steps to achieve success.
- Sales agents must demonstrate important qualities.
- Planning a sales strategy ahead of product launch is key.
- Five drivers differentiate enterprise profit performance.
- Recommended steps help engage entrepreneurs.

Reflect: What I Learned, Where I Want to Be, Who Can Support Me

Time: 10 min

Ask participants to identify the most important lesson or lessons they learned about market research. Ask them to take out a piece of paper and draw a box with four quadrants.

My Most Important Lessons Learned:	Steps I Could Begin or Integrate Now:
Possible Challenges:	My Support:

1. In the first quadrant, ask them to list what they thought were the most important lessons they learned in this module.
2. In the second quadrant, they should reflect on the steps they could begin in their community right away.
3. In the third quadrant, instruct them to reflect on the possible challenges they foresee.
4. In the last quadrant, they can reflect on who they can turn to for support with their challenges.
5. After a few minutes, invite participants to share their reflections with the rest of the group. Take time to work through options for their potential challenges and ways to gain support.

Looking Ahead: Explain to participants that in each module they will continue to assess how the content relates to their own context and how to find support for any potential challenges. Encourage them to take time to reflect on how to use these MBS strategies and UNICEF's components so they can begin to identify their next steps for moving forward with implementation (Module Seven) and create an action plan (Module Eight) for their MBS project.

REVIEW: Module Five Terms and Definitions

Handout: Glossary, Key market terminology for review

Time: 10 min

Review the main terms discussed in this module. Clarify any terms that are unclear to participants.

Business model: A strategy to make a profit. A business model defines how a business creates, delivers, and captures value, the benefit consumers receive by using a product or service.

Business Model Canvas: A strategic tool for developing and summarizing a business model.

Delivery model: Part of a business model that answers the question, "How will I get the thing(s) I'm going to sell (product system) to my target market?"

Communication: The things said to a specific audience, ultimately leaving them to decide whether or not to take action and buy the product or service being promoted.

Sales: The actions taken when directly asking a consumer for a sale.

Above the line (ATL): Promoting something (usually branded products or services) to a wide audience. This is done through communication channels that can reach a large portion of a target market (for example, billboards, radio announcements, and television advertisements).

Below the line (BTL): Marketing intended to reach a smaller, targeted audience, through direct, in-person conversations with individuals or small groups, such as knocking on doors and making phone calls. It usually involves two-way communication.

Behavioral determinants: Triggers for behavior change, selected from consumer and market research.

Persona: A tool marketers use to summarize key insights on the archetype or ideal customer representing a target market.

Key message: The idea or belief the viewer should retain after being exposed to behavior change or communications. It is not the actual text that will appear in the communication piece, but a summary of what that text should convey.

Channel(s): Communication tool(s) based on a target market's media habits.

Profit: Revenue generated by an enterprise in excess of its costs, expressed in absolute terms (USD).

Profitability: Profit relative to the scale of an enterprise, such as profit margin, the ratio between profit and sales expressed by a percentage.

Viability: Profit relative to a variety of explicit or implicit factors considered by an entrepreneur (e.g., minimum income expected, income from other non-sanitation enterprises, time and effort, financial investment and risk). Viability is a subjective measure that varies from entrepreneur to entrepreneur. An enterprise that makes a profit might be considered viable by one entrepreneur but not by another. In general, increasing profit improves the viability of an enterprise.

Sustainability: The likelihood that an enterprise remains viable over an extended period of time (i.e., multiple years) and continues operations without external, non-market-based support.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

Additional Resources

Business Development Services for Enterprises: A Rapid Review of Global Literature
Gero, A., Murta, J. & Willetts, J. (2017). Institute for Sustainable Futures, University of Technology Sydney. Retrieved from http://enterpriseinwash.info/wp-content/uploads/2017/10/Working-Paper-5_Business-Development-Services-Rapid-Literature-Review.pdf

Designing Effective Sanitation Enterprises
Shapiro, J., Chennuri, S., Israel, M., & Albert, J. (2018, September 18). Retrieved from https://www.globalwaters.org/sites/default/files/Webinar%20Slides%20-%20Designing%20Effective%20Sanitation%20Enterprises.pdf

Designing a Social and Behavior Change Communication Strategy I-Kit
Johns Hopkins Center for Communication Programs
https://sbccimplementationkits.org/about-designing-a-sbcc-strategy-i-kit/

Introducing SaniFOAM : a framework to analyze sanitation behaviors to design effective sanitation programs
Devine,J. (2009). Water and sanitation program working paper Washington, D.C. : World Bank Group. http://documents.worldbank.org/curated/en/272351468334778050/Introducing-SaniFOAM-a-framework-to-analyze-sanitation-behaviors-to-design-effective-sanitation-programs

Creating Viable and Sustainable Sanitation Enterprises
United States Agency for International Development (2021). Retrieved from https://www.globalwaters.org/sites/default/files/creating_viable_and_sustainable_sanitation_enterprises_guidance_report.pdf

Scaling Market Based Sanitation: Desk Review on Market-Based Rural Sanitation Development Programs
USAID (2018). Washington, DC., USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. Retrieved from https://www.globalwaters.org/sites/default/files/Scaling%20Market%20Based%20Sanitation%20JUNE2018.pdf

Business Skills Training for Sanitation Entrepreneurs Sanitation Marketing Toolkit: Facilitator's Guide
Water and Sanitation Program. (n.d.). Retrieved from https://www.wsp.org/sites/wsp/files/publications/WSP-Business-Skills-for-Sanitation-Entrepreneurs-Facilitators-Guide-Lao-PDR.pdf

Introductory Guide to Sanitation Marketing. Water and sanitation program toolkit
Devine, J. & Kullmann, C. (2011). World Bank, Washington, DC. © World Bank. License: CC BY 3.0 IGO. Retrieved from https://openknowledge.worldbank.org/handle/10986/17352

References

Creately (2021, April 23). The Easy Guide to the Business Model Canvas. Retrieved from https://creately.com/blog/diagrams/business-model-canvas-explained/

Devine, J. (2009). Introducing SaniFOAM: A Framework to Analyze Sanitation Behaviors to Design Effective Sanitation Programs. Water and Sanitation Program. Retrieved from

https://documents.worldbank.org/en/publication/documents-reports/documentdetail/272351468334778050/introducing-sanifoam-a-framework-to-analyze-sanitation-behaviors-to-design-effective-sanitation-programs

iDE (2019). Sanitation in Complex Operational Environments. Retrieved from https://www.fsnnetwork.org/sites/default/files/SCORE%20-%20Final%20Report.pdf

McCornack, S., & Morrison, K. (2018). Reflect & Relate: An introduction to interpersonal communication (5th ed.). Bedford Books.

Sustainable Sanitation Alliance (2018). The Toilet Trade: How to Sell Sanitation Successfully and to Scale. Webinar 22. Aug 22, 2018. Retrieved from https://www.youtube.com/watch?v=1dXa2m4YzNs

Strategyzer (2020). Business Model Canvas. Retrieved from https://www.strategyzer.com/canvas

United States Agency for International Development (2021). Creating Viable and Sustainable Sanitation Enterprises. Retrieved from https://www.globalwaters.org/sites/default/files/creating_viable_and_sustainable_sanitation_enterprises_guidance_report.pdf

United States Agency for International Development (2021). Identifying Households Eligible for a Targeted Sanitation Subsidy In Rural Ghana. Retrieved from https://www.globalwaters.org/sites/default/files/washpals_subsidy_beneficiary_identification_technical_brief_24may2021.pdf

United States Agency for International Development. (n.d.). Designing viable sanitation enterprises—A market-based sanitation game. Retrieved from https://www.globalwaters.org/pages/washpals/designing-viable-sanitation-enterprises-market-based-sanitation-game

United States Agency for International Development. (n.d.). Designing Viable Sanitation Enterprises: Companion calculator for the enterprise design board game. Google Docs. Retrieved from https://drive.google.com/file/d/1IdJ5C_EYIRAlG1teOArhK7M9nSFvXU9H/view

United Nations Children's Fund (2020). Guidance on Market-Based Sanitation. Retrieved from https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf

WSP (n.d.) Latrine Sales Agent Trainee Handbook. Sanitation Marketing Toolkit. Retrieved from https://www.wsp.org/sites/wsp.org/files/publications/WSP-Sales-Agent-Operating-Manual-Updated-Lao-PDR.pdf

Lesson Plan

MODULE SIX: Financing

Overview of Financing for Sanitation

Duration: 120 minutes

Module Objectives

- Examine typical financing mechanisms used within market-based sanitation (MBS) approaches
- Examine key factors when considering the use of subsidies

Why this module?

MBS aims to make products available that consumers want and can afford to purchase. However, there are consumers who cannot afford to pay cash. There are also entrepreneurs interested in expanding into sanitation products but lack access to financing or business development support. This section provides an overview of financing and subsidies.

Handouts and Links

- Glossary
- Finance Matching Game or https://forms.gle/naTswfXiMoVAiULr9.
- Module 6 Summary Handout
- Module 6 Participant Exercises Handout
- Video: "Loans, Subsidies and Sanitation: Lessons in Scaling the Unscalable" by iDE (20 minutes): https://youtu.be/pGpWpBMRqzs

Materials

- Module Six handouts
- Module Six PowerPoint presentation
- Paper, pens, markers, and nametags for participants and facilitators

Advanced Preparation

- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda

TOPIC 1: What is Financing?

TOPIC OVERVIEW: In this module, participants will consider the different types of sanitation financing.

Guiding Questions:

- What are the different financing mechanisms for MBS?
- What are some considerations for subsidies?
- What are some things to keep in mind when using financing mechanisms?

Sanitation Market System

Welcome participants to Module 6. Make sure that they have their glossary open and give participants the Module 6 Summary Document.

Handout: Module 6 Summary Document

Tell participants that they will look at the sanitation market system and discuss both customer (or consumer) financing and enterprise- or entrepreneur-side financing. It is also important to understand aspects of the business environment and broader context, such as what national policies exist on subsidies and financing.

FIGURE 17: Sanitation Market System

Source: USAID WASHPaLS

UNICEF Process for MBS

UNICEF has identified eight major components critical to consider when designing and implementing MBS activities. These steps serve as the basis for this training and are in the glossary. We are now at the sixth phase of the UNICEF market-based sanitation planning process.

TABLE 25: UNICEF's Process for Implementing MBS

Scope	Phase		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	**Consumer and Business Financing**	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020. p. 47.

Explain to participants that financing is the process of providing funds, typically for an individual or a business. For example:

- Demand-side financing, such as consumer loans for households to purchase a latrine
- Supply-side financing, such as investment capital for a sanitation enterprise to grow its business

Begin by discussing consumer financing or efforts to provide credit to households. For example, many Resilience Food Security Activities (RFSAs) plan village savings and lending activities to support households in purchasing necessary goods, including sanitation products.

Activity: Funding Game

Tell participants that, during the next activity, they will learn about the different types of consumer financing and their definitions by playing an online matching game.

Handout: Finance Matching Game

- Game Link (online): https://forms.gle/naTswfXiMoVAiULr9.
- Game (printable): Use the printable version if needed.

Instructions:

- Form groups of three.
- Tell participants the game is composed of three categories of financing mechanisms. Each category is presented in the form of a matrix, with the financing mechanisms in columns and their definitions in rows.
- Give groups 10 minutes to read through everything and match each financing type with its definition. Only one option per line is allowed.
- Remind groups to assign the correct funding mechanisms for each category from the dropdown menu below each matrix.

- After 10 minutes, ask everyone to return to the full group and share their Google Forms results pages.
- Give participants the Financing Types handout, which presents the different financing categories, types, and their definitions from the matching activity. Ask participants to compare their results with the handout and answer any questions they may have.

Guide participants as they take a closer look at different types of financing.

Handouts:

- Finance Scenarios
- Finance Types

Explain: Financing Scenarios Handout

The Financing Scenarios handout describes the different financing scenarios and risks, as defined in the UNICEF MBS Toolkit. There is still a lot we are learning about what works and doesn't work with financing in rural sanitation. Participants will need to draw on their market research, consider formal and informal financial institutions and national policies, and then pilot some options.

EXAMPLE: In Madagascar, the USAID-funded RANO WASH activity combined community-led total sanitation (CLTS), sanitation marketing, and Village Savings and Lending Association (VSLA) activities. VSLA groups participated in village-level WASH contests and competed to obtain the best toilet, kitchen, and shower. Hygiene promoters mobilized each VSLA to increase its chances of winning the contest. Feeling motivated, VSLA members took out loans to build latrines or toilets and purchased products such as soap, SanPlat slabs, and water treatment products.

EXAMPLE: In Bangladesh, the SHOUHARDO III Resilience Food Security Activity is implementing MBS activities through a partnership between Care and iDE. Latrine producers offer installment plans, which have improved demand. Despite the installment plans, there is a need to accelerate the design and development of financing solutions (consumer and market) within the latrine market.

We will watch a sanitation financing video from iDE in Cambodia.

Activity: Lessons Learned from Cambodia

- STEP 1: VIEW

  Project the Video: "**Loans, Subsidies and Sanitation: Lessons in Scaling the Unscalable**" by iDE (20 minutes): https://youtu.be/pGpWpBMRqzs (captions are available).

- STEP 2: DISCUSS

  Video Review

  Lead a group discussion based on these questions about the video and their attitudes:

  » "What were the key takeaways? Was anything surprising?"

  » "Can someone describe how HCD was used to implement the financing program?"

  » "Based on the iDE experience, has your attitude changed as to whether you will use financing?"

Discuss: Share Your Experience

Guide participants in discussing these questions about their own experiences:

- "Have you worked with any of these types of financing schemes through previous work? Share your experience."
- "If you haven't worked with financing, do you know whether these types of programs exist in your area?"
- "Do you anticipate using consumer financing in your program? Looking at the financing scenarios, what might be some approaches you will explore in your program? Explain."

Explain: Consumer Financing Challenge

Consumer financing can be very challenging for latrines and toilets since this is a non-income-generating product for a home to invest in. Unlike investment capital for a latrine entrepreneur, a sanitation loan is not directly linked to increased wealth. Therefore, many lending institutions are reluctant to offer consumer loans and, as a result, charge very high interest rates. The cost of managing small consumer loans can be so high that microfinance institutions (MFIs) are reluctant to engage in such programs. It is important to explore these ideas during market research (Module Three).

Help participants now consider how they can sync financing with seasonality. Many RFSAs work in agricultural-based rural economies. The affordability and willingness to pay may depend on seasonality and the flexibility of payment options available. Promotion activities should target the seasons when income is highest, and people have cash at hand to purchase sanitation products.

Now, in this next activity, ask learners to consider the times of the year that work best for their project areas.

Discuss (Pair and Share): Syncing Financing with Seasonality and Flexibility

Ask participants to break into pairs and discuss these questions:

- "Based on seasonality, what time(s) in the year would your project areas(s) be most willing to finance for MBS?"
- "Can you provide any examples from your own context or community for affordability based on seasonality and flexibility?"
- After five minutes, bring participants back together and hear from one to two pairs on their timing.

Explain: Subsidies

With participants, go over the idea that there has been a lot of debate around the role of subsidies in sanitation. Explain that they will not prescribe or take sides on this very complex topic today but will talk through some considerations when designing a subsidy program for market-based products and services.

Handout: Overview of Subsidies

Walk participants through the handout and provide examples of subsidies. Invite them to share their examples.

According to USAID WASHPaLS, implementers should consider four interconnected and overlapping elements when considering subsidies. This is in addition to targeting, which requires special focus. The four elements are: (1) form, (2) timing, 3) channel, and (4) amount.

EXAMPLE: In Ghana, USAID WASHPaLS piloted and evaluated the implementation of targeted subsidies in 61 rural communities previously declared open defecation free (ODF). The subsidy was designed to cover the cost of installing a durable toilet substructure (i.e., pit lining and slab) and ventilation pipe. WASHPaLS used community consultations as a primary mechanism to identify poor and vulnerable households. Through these consultations, 14 percent of households were confirmed to be more vulnerable than the rest of the population.

EXAMPLE: A study by iDE in Cambodia showed that targeted subsidies can increase sanitation coverage among poor households and overall. The national government worked with local governments to categorize households as Poor One, Poor Two, and Non-Poor. Poor One households received a $25 discount on a $56 market price, and Poor Two households received a $12.50 discount on market price. "Targeted subsidies increased uptake without distorting markets" (Australian Aid, 2017).

Summarize for participants: Government policies, along with people's willingness and ability to pay, will have an impact on which financing mechanisms or approaches to subsidies you choose.

Explain to participants that, from a financial perspective only, there are two important factors that can influence willingness and ability to pay:

- Affordability is the relationship between the price of a product or service and the budget of its intended customers.
- Liquidity is the availability of cash to pay for products and services.

A consumer who can afford a product based on their monthly or yearly earnings and costs may not have enough cash to make a purchase. When designing a subsidy to address willingness or ability to pay, it is important to be clear on whether the challenge customers face is one of affordability (the price of the product or service in relation to their budget) or of liquidity (the availability of cash at a specific point in time).

Implementers can work on increasing people's ability to pay through income-generating activities in the RFSA. This could be through improved agricultural production, livelihood activities, or village savings and loan groups. Implementers can also consider partnering with other groups, such as MFIs, to help people access credit for toilets. Increasing the ability to pay or obtain access to credit likely will not be feasible for all. In that case, it is important to consider the potential role of subsidies.

However, it is important to note that affordability and liquidity are not the only reasons someone will or won't purchase a toilet. Understanding drivers for demand is key during market research.

Now explain to participants that, in addition to consumer-side financing, they can also consider business financing and support.

Historically, fewer RFSAs provide credit or financing facilities to the private sector, including masons, suppliers, and entrepreneurs. Some businesses and masons may want to expand their services into sanitation but can't afford materials, which is a barrier to providing these services for consumers. Improving access to financing helps ensure sanitation entrepreneurs can sustain the supply of improved sanitation products and services and enable diverse choices of products and services. Improving access to financing also helps develop the supply chain, which is a key constraint to scale-up in rural areas. Because entrepreneurs have the potential to generate profit with their businesses, supply-side funding mechanisms such as working capital loans or funds that allow entrepreneurs to provide flexible payment terms to clients may be perceived as less risky for MFIs or even banks. This module includes more details about this later.

Explain to participants that business financing and support may take the form of:

- Subsidized training or business development services such as business planning, accounting, and auditing provided to enterprises involved in latrine sales, construction, and related services
- Subsidized loans to small businesses allowing them to purchase start-up equipment and expand their operations
- Subsidized hardware or sanitation supplies
- Development of promotional materials and campaigns to generate customer demand for products sold by entrepreneurs

Share with participants that it is important to understand the market dynamics to understand how business financing and support will affect markets.

EXAMPLE: The USAID Kenya Integrated Water, Sanitation, and Hygiene (KIWASH) project developed a training manual to equip sanitation specialists and public resource persons with the basic concepts and tools to facilitate entrepreneurship and financial literacy training for start-up sanitation entrepreneurs in rural communities. Specifically, this manual is designed to help participants learn the basic concepts of entrepreneurship and characteristics of successful entrepreneurs, practice essential marketing techniques for sanitation products and services, develop money management competencies necessary to succeed as a small-scale entrepreneur, and build the necessary leadership and management skills to grow successful sanitation enterprises. This book is a toolkit that incorporates a training guide and a workbook for entrepreneurs.

Explain: Advantages and Disadvantages of Support

Tell participants that different forms of support may have different advantages and disadvantages. For example, in Cambodia, some of the sanitation enterprises were initially engaged with subsidy programs that guaranteed sales at a fixed price. Once these programs ended, the enterprises found it difficult to sustain operations. Some of them withdrew from the market (Wei et al., 2014). Implementers need to give careful consideration to any type of subsidy or financial support that might be used when the long-term sustainability of sanitation enterprises could be at risk when external support is no longer available (Wei et al., 2014).

Discuss: Financial Considerations in My Context

Use the following questions to discuss financial considerations with the group:

- "What are some ways to work around long-term sustainability risks when providing business financing or support?"
- "What do you believe are some innovative financing workarounds you may have to consider in your own context?"

Explain: Financing Options

Now explain to the group that determining which financing options might be feasible in a project's context is part of the Assessment and Planning phase. For example, in an MBS feasibility study carried out by Food for the Hungry Ethiopia in the RFSA project area, interviewees consistently suggested that households in the study areas were too poor to afford improved sanitation products. However, that explanation appears to be too simplistic. While extreme poverty is endemic in this area, people participating in the study generally understood that a small increase in the cost of a latrine could significantly reduce collapsing and smells and extend the life of the latrine.

Still, people regularly stated they were unwilling to spend the extra money. Part of this belief seems to have been caused by poorly targeted subsidies that engendered an attitude that the products should cost less than they actually do or should be given away for free. While financial resources are tight, it is clear that more work needs to be done on demand creation. Direct subsidies to poor households appear to be counterproductive because they distort the market and lower the willingness of other families to buy products at cost. Although it does not conform to current Government of Ethiopia policy, phasing supplier subsidies may be a better and more equitable way to introduce sanitation products at affordable prices while also building supplier capacity and engagement.

The study contained little evidence of access to financing for customers. Financial institutions' reluctance or unwillingness to provide loans for sanitation products is a significant barrier to successful MBS implementation. Opening financing and credit opportunities may be a good means to build demand for sanitation products at the household level.

During the Assessment and Planning phase, it may also be important to frame this in terms of partnerships with others who can offer complementary financing or funding opportunities.

SUMMARY: Financing

Time: 5 min

Participants should now have a better understanding of ways to implement MBS using financing. In this module, they discussed typical financing mechanisms for sanitation, including subsidies.

Take a moment to help participants reflect on how they might use what they learned in this section for their own programs. They learned:

- Financing is the process of providing funds for individuals or businesses.
- Based on market research, they will have to identify which of the different types of consumer and business financing and support are most suitable for their own context.
- The amount households are willing to pay or able to pay for sanitation products may depend on seasonality and the flexibility of payment options.
- When determining subsidies, there are four considerations: (1) form, (2) timing, (3) channel, (4) amount.

REVIEW: Module Six Terms and Definitions

Handout: Glossary, Key market terminology for review

Review the main terms discussed in this module. Clarify any terms that are unclear to participants.

Business-side financing: Funding for a business when it is starting up or expanding

Conditional cash transfers: Cash transferred to beneficiary, conditional on future performance of a measurable behavior

Vouchers: Physical coupon for discounted (or free) specified hardware options or set cash amount redeemed at authorized businesses

Purchase rebate: Paid to household that prefinances toilet purchase, meeting prescribed criteria/quality after independent verification

Microfinance institution: Smaller than a commercial bank, lends to individuals and small businesses

Village savings groups: When households group together, each putting aside small amounts of cash on a regular basis and taking turns getting the funds

Non-income-generating loans: Loans for product purchases that do not generate increased income; latrines are a common example

Willingness to pay (WTP): The maximum price at or below which a customer will agree to buy one unit of a product. According to the constructive preference view, consumer willingness to pay is a context-sensitive construct and thus potentially biased

Ability to pay (ATP): Captures in a summary view the funds available (economic means) to purchase one unit of product

Affordability: The relationship between the price of a product or service and the budget of most of its intended customers

Liquidity: Availability of cash to pay for products and services

Reflect: What I Learned, Where I Want to Be, Who Can Support Me

In this module, participants have been asked to consider the topic of financing in their own context. Ask them to take out a piece of paper and draw a box with four quadrants. Ask them to think about the most important lesson they learned about financing during the session.

My Most Important Lessons Learned:	Steps I Could Begin or Integrate Now:
Possible Challenges:	My Support:

1. Ask participants to reflect on the most important lessons they learned from this module and write them in the first quadrant.
2. In the second quadrant, they should reflect on steps they could begin in the community right away.
3. In the third quadrant, asked them to reflect on and write down the possible challenges they foresee.
4. In the last quadrant, they can reflect on who they might turn to for support with their challenges.
5. After a few minutes, invite participants to share their reflections with the rest of the group.

Looking Ahead: In each module, participants will continue assessing how the content relates to their own context and how to find support for any potential challenges. They will take time to reflect on how to use these MBS strategies so they can identify next steps for moving forward in implementation (Module Seven) and create an action plan (Module Eight) for their MBS project.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

Additional Resources

WaterCredit: A smart solution to a complex problem
Water.org. (n.d.). Water Credit Toolkits. Retrieved from https://water.org/solutions/watercredit/lending-for-water-sanitation/watercredit-toolkits

Business skills training for rural sanitation entrepreneurs:
Kibet, J. (2020). IWA Publishing.
Trainer's guide: https://iwaponline.com/ebooks/book/797/Business-Skills-Training-for-Rural-Sanitation
Entrepreneur workbook https://www.iwapublishing.com/books/9781789061758/business-skills-training-rural-sanitation-entrepreneurs-entrepreneur-workbook

References

iDE. (2017, November 27). Optimizing smart subsidies to drive toward 100% market-led rural sanitation coverage in Cambodia. World Vision International. Retrieved from https://www.wvi.org/sites/default/files/iDE_Targeted%20Subsidies.pdf

Kebede, A. and Kumela, D. (2017). Assessing Financing Practices and Options for Sanitation Products and Services: Findings. SNNPR, Ethiopia. USAID Transform WASH. IRC. Addis Ababa. Retrieved from https://www.ircwash.org/resources/financing-practices-and-options-sanitation-products-and-services-findings-snnpr-ethiopia

Kibet, J. (2020). Business skills training for rural sanitation entrepreneurs: Trainer's guide. IWA Publishing. Retrieved from https://iwaponline.com/ebooks/book/797/Business-Skills-Training-for-Rural-Sanitation

UNICEF (2020). Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF). https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf

USAID WASHPaLS (2021). Identifying households eligible for a targeted sanitation subsidy in rural Ghana. Globalwaters.org. Retrieved from https://www.globalwaters.org/sites/default/files/washpals_subsidy_beneficiary_identification_technical_brief_24may2021.pdf

USAID WASHPaLS (2018). Scaling market-based sanitation: Desk review on market-based rural sanitation development programs. Washington, D.C. USAID Water, Sanitation, and Hygiene Partnerships and Learning for Sustainability (WASHPaLS) Project. Retrieved from https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

Water.org. (n.d.). Water Credit Toolkits—WaterCredit: A smart solution to a complex problem. Retrieved from https://water.org/solutions/watercredit/lending-for-water-sanitation/watercredit-toolkits/

Wei, Y., Baker, T., Roberts, M., Taylor, S., and Tae, V. (2014, November). Sanitation Marketing Scale-Up (SMSU) Project. https://s3.amazonaws.com/www.ideglobal.org/files/public/iDE-FR_WASH_SMSU_Cambodia.pdf?mtime=20161208173403

Lesson Plan

MODULE SEVEN: Implementation

Overview of MBS Implementation

Duration: 120 minutes

Module Objectives

- Discuss the implications of sequencing, timing, and budgeting for market-based sanitation (MBS) programs
- Evaluate whether MBS is appropriate, given the reality of your program and budget
- Identify how MBS approaches consider sustainability and exit strategy as inherent

Why this module?

The aim of this module is to give participants the tools needed to start designing and implementing an MBS program and apply useful concepts from the training, such as human-centered design (HCD), to other types of non-market-based programming. This module builds on others in this training package and encourages participants to reflect on phases of MBS. This module aims to provide participants with the skills needed to assess whether integrating market approaches into sanitation activities is the right approach given a specific program, communities supported, and clients.

Handouts and Links

- Glossary
- Module 7 Summary Handout
- Module 7 Participant Exercises Handout

Materials

- Module Seven handouts
- Module Seven PowerPoint presentation
- Computers: At least one laptop per group of three or four participants
- Projector and speakers
- Paper and markers for participants, pen and paper to take notes and reflect on key points in the lesson; a red and green marker for one activity
- Virtual methods or tools for brainstorming for those who need it, such as screenshare or a shared Google doc (It is important that all participants are able to view and contribute to the brainstorm list.)

Advanced Preparation

- In this module, participants will be grouped by organization to assess their MBS program. If some are all from the same project or organization, split them into groups of three or four, depending on the total number of people in their group.
- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.

TOPIC 1: Planning for Implementation

TOPIC OVERVIEW: In this session, participants will confirm that an MBS program is appropriate for their context, review budget options, and plan their program to ensure they have the capacity, expertise, and tools required to execute it.

Guiding Questions:

- What are the important factors to consider when starting an MBS program?
- Is your context appropriate for an MBS program?
- Do you have the resources (people, funding, and support) to develop an MBS program?
- What additional expertise or tools are required to execute your plan?

Making Your Program Work

Time: 15 min

Welcome participants to Module 7. Make sure that they have their glossary open and give participants the Handout: Module 7 Summary Document.

Handout: Module 7 Summary Document

Reflect with participants on the fact that they have worked through several modules that consider the various factors needed for a successful MBS program. In this module, they will be working with their organization or project team to assess their own MBS, or they may continue to work in groups, as before, if they do not have team members from their organization with them today.

Explain that program implementation is about making a program work. This includes who, what, where, and how a program will be set up and run. This module covers several important program implementation considerations for MBS.

These considerations for MBS implementation include:

1. Assessment and planning
2. Work planning and sequencing
3. Staffing and training
4. MBS budgeting and work planning
5. Monitoring and evaluation
6. Sustainability and exit strategy

Explain that participants will review the considerions and then they will check-in on what these considerations mean for their own programs. Begin with the first consideration, assessment, and planning.

Assessment and Planning

Explain to participants that it is important to remember that MBS is an iterative and adaptive process. Even after conducting a thorough market assessment and developing a product and business model with the user in mind, there is no way to predict exactly how the program will play out in real time. Implementation is a series of iterative phases as the team responds to unexpected events or unforeseen challenges. Certain things increase the likelihood that an MBS program will work in any context or area. Consumer demand, supply-side market conditions, and government policies all can play a part in the success or failure of an MBS program.

Explain: Questions to Consider

The very first phase of an MBS program is to determine whether it is appropriate for the context or determine where the approach is more likely to succeed. Now that participants have considered the key factors and implications of an MBS program, they can make informed decisions about what is important to consider when beginning a program. In the UNICEF process, these factors normally are assessed before designing an MBS program. This module discusses the key factors to ensuring smooth implementation of a program. In effect, the module combines elements from Phase 1 with Phases 7 and 8 of the UNICEF process.

TABLE 26: UNICEF's Phases for Implementing MBS

Scope	Phase		Time Frame
Phase 1: Planning	1	**Assessment and Planning**	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	throughout all phases
Phase 3: Program Implementation (3–4 years)	7	**Implementation**	2–3 years
	8	**Monitoring**	

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020.

Tell participants the goal of this module is to answer these questions:

- "Is an MBS program appropriate for your context?"
- "If not, how can you leverage marketing principles to support your program outcomes?"
- "What are the important factors to consider when starting a program?"

Tell participants this part of the course will begin with a very broad perspective on context and policies.

Time: 10 min

Discuss: Favorable Context for an MBS Program

Use these questions to guide participants in a discussion of favorable context for an MBS program:

- "What is an example of a government policy that would create favorable conditions for MBS?" *(Possible answers: government regulations that require every household to have a hygienic latrine.)*
- "What is an example of a policy that would create unfavorable conditions?" (*Possible answers: policies that endorse community-led total sanitation (CLTS) or discourage private sector engagement in sanitation.)*

EXAMPLE: Ethiopia: In Ethiopia, the National Sanitation Marketing Guidelines are aimed at "designing the implementation, monitoring, and evaluation of sanitation marketing and enhancing harmonization of demand and supply for improved sanitation and hygiene facilities in Ethiopia and creating a conducive enabling environment for the private sector to take sanitation as a business." (Federal Democratic Republic of Ethiopia Ministry of Health, 2013)

Using the following question, guide participants as they discuss the example:

- "Might the Ethiopia example be a favorable policy for market approaches?" *(Answers might include: yes, because the goal is to increase private sector engagement. Listen to other perspectives and encourage discussion if people disagree.)*

Explain to participants that, in addition to favorable policies for sanitation marketing, policies also have an impact on programming design. For example, whether national policies support or don't support subsidies for programming, it will impact the design of a program. Now help participants consider some of the possible success and risk factors in implementing an MBS program.

Activity: Brainstorming Success and Risk Factors

To help participants assess factors for success conduct a brainstorm activity.

- Group participants by project or organization. If they are from a same project or organization, split them into groups of three or four, depending on the number of people.
- Allow the groups 15 minutes to brainstorm success and risk factors for their MBS program. Encourage them to include national and regional policies in their brainstorming session.
- Ask groups to color code their brainstormed factors for success and risk, listing them in the following table. They should write successes in green and risks in red.

TABLE 27: Brainstorming Factors for Success and Risk

Success Factors	Risk Factors	Regional and National Policies to Consider

- After 10 minutes, ask groups to plot green and red dots on a blank sheet of paper, representing their success and risk factors. Give them five minutes.
- Ask a group that has more red dots to present first and then discuss.

Time: 5 min

Time: 15 min

Explain: No Guarantees

Tell participants to review their brainstormed success and risk factors, then answer these two questions:

- "Are there more risk factors than success factors?"
- "Can I validate my assumptions based on this exercise?"

Explain to the learners that the context is such that if there are *more* risk factors than success factors, it is a good hint to revisit the feasibility of an MBS program or at least discuss with management (and the donor) the risk factors identified. *The purpose of this activity is to demonstrate that there are many different considerations and that implementers will rarely, if ever, have all of the information they need to make a confident decision.* No single formula guarantees success or failure. However, don't forget implementers should try to assess success or risk factors based on existing data wherever possible. This may mean coordinating with partners to validate their assumptions.

While some conditions are likely to be more or less favorable to MBS, it is important to note that no matter what sanitation intervention is chosen, it will interact with markets. For example, CLTS can create demand, which may lead to more people purchasing sanitation products. A Resilience Food Security Activity (RFSA) that has a market-sensitive sanitation approach may decrease harmful effects on local economies and can help boost local economic activity. In markets with unfavorable contexts, it may be even more important to complement MBS with nonmarket mechanisms such as social and behavior change activities, which are designed to generate and extend the reach of demand and financing mechanisms, or with targeted subsidies, where latent demand exists.

Now move on to the second consideration, work planning and sequencing.

Work Planning and Sequencing

TABLE 28: UNICEF's MBS Process

Scope	Component		Time Frame
Phase 1: Planning	1	Assessment and Planning	2–3 months
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months
	3	Product System Design	3–4 months
	4	Business Model and Delivery Approach	3–5 months
	5	Demand Activation Design	
	6	Consumer and Business Financing	Throughout all phases
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years
	8	Monitoring	

Explain: The UNICEF Resource

Share with participants that the UNICEF guide is one of many resources they can use while planning an MBS program, but they still need to use their best judgment, along with advice from experts, to make final decisions. Here is some advice from UNICEF:

- Every step is necessary for a successful program, but that doesn't mean your program needs to do all the activities itself. Rather, the assessment and planning phase should help you learn what research has already been done (Phase 2), or whether any products have already been designed and are available (Phase 3) that your program can build upon.
- Remember to share key findings from every step with government and other partners regularly throughout the program.

Time: 15 min

Discuss: UNICEF Phases

Use the following questions to discuss UNICEF phases with participants:

- "Could you conduct any of these phases at the same time?" *(Answer: yes, product design, business model and demand activation design, and implementing and monitoring.)*
- "Are all phases necessary in every scenario?" *(Answer: technically yes, but some of the steps may already have been completed by other organizations or projects.)*
- "Which phase(s) do you think will take the longest? *(Answer: depends.)*
- "Are any of these sequencing and timing recommendations surprising? Why?"
- "Implementation should take place over two or three years (at least two harvest seasons). Is this what you typically see in a project timeline?"

Handout: UNICEF Resource (link to https://www.unicef.org/media/110721/file/MBS%20Guidance%202021.pdf)

Explain: Startup Takes Longer

A key lesson looking back at previous MBS programs is that the start-up period takes much longer for MBS than for other development programs that work with fewer actors, do not include design elements, and distribute products for free. Using human-centered design (HCD) in MBS programs means that implementers take time to get to know the different actors in the supply chain and build prototypes and test them before officially launching a solution. The justification, however, is that programs that are thorough and take time to assess conditions and understand the policy environment are more likely to "hit the ground running" and can achieve more or better results in the end.

If participants are part of an RFSA, they may be planning for a refine and implement (R&I) year, which can produce many studies about the program context. This can provide a good understanding of the situation. These findings can help inform MBS feasibility studies. New RFSAs may want to consider conducting market research as a part of the studies during their R&I year.

EXAMPLE 1: Zimbabwe: In Zimbabwe, the Takunda RSFA developed a scope of work for a study during their R&I year to use HCD to assess households' needs, preferences, and willingness to pay

for sanitation and handwashing products, including assessing people's understanding of the incentives and barriers that drive household decision-making related to construction and maintenance of improved latrines and handwashing facilities.

EXAMPLE 2: Niger: The Wadata, Hamzari, and Girma RFSAs worked in Niger with PRO-WASH during R&I to launch a request for applications for a research partner to carry out studies and develop a comprehensive market development strategy focusing on the availability and provision of improved latrines and handwashing-related products in the Maradi and Zinder regions of Niger.

Staffing and Training for MBS

Now move on to the third implementation consideration, staffing and training. Take some time to think through staffing for an MBS program. Explain that Hiring needs will vary for each project and where it is in the project cycle. However, it is likely MBS will require staff members who have more experience with business, marketing, and demand creation than staff who are accustomed to working with traditional WASH approaches. Explain to participants that they might want to consider hiring staff with business development, enterprise, private sector, or marketing skills and then train them in the basics of WASH. Some RFSAs select separate staff members for sanitation marketing. Other projects decide to go with an integrated program, where market and business activities are managed by staff who oversee value chain, private sector engagement, and marketing of multiple activities from different sectors.

EXAMPLE 1: Burkina Faso: In Burkina Faso, the ViMPlus RFSA participated in an MBS training organized by PRO-WASH. Following this training, they determined that they needed to hire a sanitation marketing specialist to support the team and focus on developing and delivering these activities. While the WASH team had strong skills and experience in implementing the participatory CLTS approach, they needed additional support with sales, marketing, and private sector engagement.

EXAMPLE 2: Niger: In Niger, the Catholic Relief Services-led Girma RFSA heavily engaged their private sector lead in the research and market development strategy. This allowed them to draw on this expertise within their staff to support the WASH team.

EXAMPLE 3: Kenya: Research in Kenya recommended that implementers obtain the correct supporting technical staff. Since new business models would be rolled out, it was important that they provide business advisory and management support to entrepreneurs, especially at startup, to help them navigate and thrive. (Otieno, 2013)

Handout: Sales and Marketing Job Description

Activity: Staffing

Time: 45 min

In this activity participants will compare the skillsets needed for their MBS project. Work through steps one through three to complete this activity.

- STEP 1: READ
  - » Give participants the Staffing Tips and Activity handout.
  - » Tell them this document is adapted from the USAID Hygiene Improvement Project's Guide to Sanitation Marketing for Managers: Guidance and Tools (2010). During this session on staffing, participants will look specifically at recommended skills to consider for their teams.

  Give them time to read the document silently or aloud as a group. After the document is read, ask them to work in small groups.

  Handout: Staffing Tips and Activity

- STEP 2: DISCUSS

  Divide participants into groups. Either randomly assign the groups or ask them to work with one another according to organization, project, or geographic region, depending on what would be most useful for them. Tell them they have 20 minutes to discuss the following questions in their small groups

  » "What are the differences or similarities between what we currently have as sanitation staff and what is suggested for MBS?"

  » "Which of these skillsets do we already have in our organization or in our project, even if they are not currently working on WASH?"

  » "What skills do we need to recruit for to support the design, strategy, and implementation?"

  After 20 minutes, ask the groups to come back together to share and compare insights from discussing the questions.

- STEP 3 Action Plan, Skill Gaps

Help participants consider the potential skill gaps in their own projects.

- Ask them to return to their small groups.
- Tell them they will have 25 minutes to work on an action plan that discusses and addresses the skill gaps in their own projects.
- Encourage participants to think about other staff already working in their food security project.

- STEP 4 Discuss Action Plan, Skill Gaps

Use these questions to guide a discussion among participants on skill gaps:

- "Could your agriculture value chain or market specialist provide support for your MBS activities? What about your livelihoods advisor? Youth entrepreneurship manager? Social and behavior change manager or specialist?"
- "Consider how the skills already in your RFSA, such as private sector engagement, agriculture value chain, youth entrepreneurship, etc., could be used in your MBS approach."
- "What is the main step you will take after this training to fill these gaps?"

Next, give small groups five minutes to share their key insights with the large group.

Discuss: Job Descriptions

Time: 20 min

Provide the example from ViMPlus Resilience Food Security Activity and explain that participants can adapt this approach for their own hiring needs.

- Answer any questions they may have. Note that the WSP Introductory Guide to Sanitation Marketing also has many tips around staffing.
- Encourage participants to edit the ToR on their laptops and adapt it for their own activities. Explain that, as part of their MBS activities, they will likely have to consider hiring consultants to support some aspects of the work.
- Ask them this question to inspire discussion: "Consider the Niger and Kenya experiences below. Will these strategies work in your context?"

Now move on to the fourth implementation consideration, budgeting, and work planning.

MBS Budgeting and Work Planning

Explain: Cost Varies

The cost of implementing an MBS program varies by country, scope, goals, capacity strengthening needs, etc. It is important to note that MBS is typically more expensive than many traditional programs due to the length of time it takes to get started. They can expect to have greater expenses at the start of their projects, and expenses should gradually slow down over time. This could mean more upfront budgeting for the project at the beginning, especially when considering consultancies for market and HCD research.

Budgeting for MBS can be very context specific. With participants, review and discuss the

Handout: Budgeting for MBS

Then, consider some of the key budgeting takeaways from other programs.

TABLE 29: Key Takeaways from Other Programs

Long Startup Period	Plan for a long startup period, the design phase can take up to two years.
HCD Takes Financial and Human Resources	The most successful HCD initiatives within WASH programs are those that are thoughtfully planned out and realistically budgeted from the very beginning. While the HCD process could be resourced activity-by-activity, it is more practical to explore budgeting options for two applications of HCD in a program: (1) "HCD Sprint" (minimum $50,000), and (2) "Full HCD" (minimum $100,000).
Top Talent	You may choose to have full-time sales staff to attract top talent, which has implications for personnel budgeting, but be sure to budget the majority of the staff towards the middle and end of the project when sales will accelerate.
Donor Patience	Having a patient donor is vital. Do not promise to achieve sales early in the project, and be sure to negotiate a lot of time for designing and testing your program at the beginning.
Personnel	Personnel are vital for the success of MBS. You should plan your budget to provide competitive salaries, especially when considering the different recommended skillsets discussed in the staffing section.
Training Costs	You likely will also need to consider costs for training and capacity building for new skills.
Financing	Consider what type of financing will be part of the program and whether you need to consider funds for subsidies or other costs associated with financing

Activity: Develop Your Gantt Chart

Time: 30 min

Tell participants to think about UNICEF's process for MBS. They will now work in small groups to develop their own Gantt chart (timeline) and estimate how much time they need for their MBS project.

During this activity, they will also want to think about how best to integrate their activities into the broader activities planned as part of the RFSAs.

Instructions

- STEP 1: Discuss: (Small Groups) Where Am I/Are We?

  Break participants into small groups and ask them to discuss, using these questions:

  » "What phase are you currently in?"

  » "How much time do you need per phase?"

  » "How will the MBS activities fit into your overall work plan? What activities complement those already planned by your project and which are new?"

  Toward the end of the small group work, provide participants with the handout below and ask them to be prepared to compare their answers.

- STEP 2: Discuss: (Large Group) Compare Your Answers Time: 10 min

  Now ask small groups to come back to the full group to compare answers with each other. Ask these questions:

  » "What was similar in your planning worksheets?"

  » "What was different?"

  Explain that we will now move on to the fifth implementation consideration, monitoring and evaluation.

Monitoring MBS

Explain: Monitoring

Note that monitoring is M&E is UNICEF's eighth and final phase. This step relates to monitoring and evaluating the performance of participants' MBS programs.

TABLE 30: Overview of Monitoring and Evaluation

Monitoring	Monitoring helps *measure whether the processes put into place (resources and activities) are performing as needed to achieve the desired MBS objectives.* In regard to the sanitation market system, participants now understand there are multiple actors at different levels of the market (i.e., on the supply side, actors in the business environment; the enterprises themselves; and on the demand side, consumers in the market). While MBS programs introduce a multitude of new actors, relationships, and unpredictability, they do not require a highly sophisticated, complex monitoring system outside of current project monitoring systems and activities. Establishing open lines of communication with multiple market actors on the ground and interacting with the market daily is an excellent way of monitoring the market and actors' performance. It is still important to define key process indicators to make sure you are on the right track.
Evaluation	Evaluation *measures the achievement of longer-term goals.* Evaluations are often conducted before program interventions as a baseline measure of the market and again at the end of a program as an end-line measure. Comparison of these measures allows for measurement of the growth of the market in terms of volume (expressed in total quantities of products sold at the market level) and value (expressed in dollar values for the total amount of product sold). Evaluations tend to measure the contribution of a program to the total market and sustainability.

Explain to participants that this module, in line with UNICEF guidance, only discusses monitoring of MBS programs as it relates the tracking of program implementation. However, they still need other tools (as discussed in Module Five) for tracking market-based sanitation metrics such as the monitoring of sales of latrines.

Discuss: Monitoring Indicators

Time: 10 min

Now guide participants to think about monitoring indicators, which indicators they are measuring now, how the indicators differ, and what they tell us about the market. Ask learners these questions:

- "Which sanitation indicators are you already measuring as part of your Development Food Security Activities (DFSA) Indicator Performance Tracking Table (IPTT)?" *(Answers may include number of people gaining access to a basic sanitation service as a result of USG assistance, number of communities verified as "open defecation free" (ODF) as a result of USG assistance, number of people reporting use of latrines, etc.)*
- "How might monitoring be different for market-based sanitation activities than the indicators you have already included in your IPTT?" *(Answers may include needing to look at which products people are purchasing, collecting sales data, and considering collecting information on consumers' satisfaction with the products.)*
- "If we measure the number of people gaining access to a basic sanitation service as a result of USG assistance and after a while see the numbers slow down, what could this tell us about the market?" *(Answers may include potential shortage of concrete, potential drought resulting in loss of income, or changes in policy.)*

Explain: Monitoring Input Material

Time: 10 min

Latrines are made up of several different materials, so an issue with the supply chain of one input material (e.g., PVC pipe) could prevent the entire latrine from being built. Information about supply chain issues also often comes very late. The shutdown of a PVC pipe manufacturer, for example, may have occurred several weeks or months earlier but we didn't learn of the issue until the existing stock of pipes in the market was depleted. We cannot always predict market shocks, but the earlier we learn about them, the more easily we can adapt. Ask participants to further discuss this kind of issue using these questions:

- "In the example of the PVC pipe manufacturer shutting down, what are some ways you could detect this issue earlier?" *(Possible answers: call the PVC manufacturer at regular intervals to check in, conduct regular retail audits, check whether prices have changed, etc.)*
- "How easy would it be to monitor these sources of information?" *(Answer: really difficult!)*

The PVC manufacturer shutting down is an event that is difficult to predict and thus difficult to monitor. Instead of relying on information from suppliers, implementers can monitor the market through the market actors with whom a project is working directly. For example, if working with masons, they may alert implementers to the issue during a monthly check-in. Alternatively, someone might first notice weekly sales team reports show a sudden increase in the latrine sale price and then learn about the cause upon further investigation.

Check in on participants' knowledge by asking:

- "Which phase of HCD relates to monitoring?" *(Answer: HEAR)*

Explain: Communication, HEAR

Time: 10 min

Remind participants that the HEAR phase often involves asking a lot of open-ended questions and they won't necessarily know what information they are going to receive. By establishing open lines of communication, specifically trust, with the actors in the market and practicing listening through regular check-ins, they can continue to hear insights throughout implementation of their project that they can use to inform decisions.

On top of regular household monitoring of the number of people with latrines, etc., MBS requires monitoring on the supply side. Ask participants this question to get them thinking about this:

- "What monitoring questions might we have on the supply side?" *(Answers might include stock-outs, number of toilets/SaTo Pans sold, etc.)*

Explain: Business-Level Tracking to Help Address Barriers and Market Trends

With participants, go over the idea of business-level tracking. It helps implementers identify and address continued supply-side barriers and understand market trends. They typically will need to count on businesses to provide this data, which may be harder than collecting household data. Sales monitoring is an important part of an MBS program. This monitoring can help track how many latrines or other sanitation products have been sold by each business an implementer is working with. This type of data can help them see how effective their demand generation and sales activities are in creating demand and how demand varies by season, as well as identifying geographic areas where there is more or less demand. They can also use this data to motivate and encourage businesses.

Handouts:

- Example of a Sales Monitoring Form—Simple Sales Tool
- Purchase Order and Sales Monitoring Form—Excel Worksheet

With participants, review the handouts. Tell them this data collection form was developed and used by the USAID Bureau of Humanitarian Assistance funded award Harande in Mali. This is a simple sales tool that can be adapted for their own programs.

Activity: Identifying Key Monitoring Indicators

Time: 40 min

Ask participants to break into groups of three or four and brainstorm on monitoring indicators for the following categories:

- Business environment
- Enterprises
- Consumers

For each category, ask them to come up with at least two process indicators (inputs) and related output indicators. Present the slide with the following example and note that multiple process indicators can be linked to the same outcome indicator.

TABLE 31: Examples of Process and Outcome Indicators

	Process Indicators (activity-related)	Outcome Indicator
Enterprises	Number of sanitation enterprises trained in business and marketing	Sustained sales and profitability of trained sanitation enterprises
	Number of sales agents trained	

Give participants 30 minutes to complete the exercise. Then ask groups to share their work. Ensure that each process and outcome pair is correct.

Give participants some general examples of indicators:

- Number of new latrine sales reported by all program-supported businesses
- Average number of new sales per business per month
- Number of sales per sales agent
- Average number of villages reached by businesses and geographic area covered

Give participant the Monitoring for MBS handout. Explain that these are some examples of monitoring indicators they may want to consider.

Handout: Monitoring for MBS

Explain: To Measure Success

Tell participants that, to measure their success, they must monitor activities and key process indicators at different levels of the market. Establishing open communication channels with the market actors the program is working with will ease the number of indicators to track. As their programs mature, they may also want to evaluate the impact of the programs on market growth and sustainability.

TABLE 32: Measure Your Success

Monitor activities and key process indicators
Open communication
Evaluate impact of the program on market growth and sustainability

A well-thought-out system for monitoring processes will enable implementers to make routine course corrections, modify interventions and tactics, and set short-term targets. However, even with monitoring systems a program must be implemented to achieve impact and macro-level systemic changes without causing unintended consequences that would hinder sustainability. Explain to participants the following:

- Monitoring helps measure whether the processes they have put in place (resources and activities) are performing as needed to achieve the desired MBS objectives.
- Evaluation measures their achievement of longer-term goals.
- Establishing open communication channels with partners and market actors helps lower the burden of the monitoring system.
- MBS indicators should monitor interventions at the business environment, enterprise, and consumer levels.
- Monitoring can also help track whether their programs are successfully meeting the dimensions of sustainability.
- Checking in on your program is also a way to monitor whether a project is well-positioned to begin piloting an MBS program.

Therefore, it is very important to think carefully about a program and its context to not only ensure it has the capacity (technical and financial) to conduct an MBS program but also to ensure that it does not create a context of dependency, which would limit the sustainability of the interventions.

Now move on to the sixth implementation consideration, sustainability and exit strategy.

Sustainability and Exit Strategy for MBS

Explain: Sustainability

In MBS, sustainability is the likelihood that an enterprise remains viable over an extended period of time (i.e., multiple years) without external, non-market-based support. It is desirable for the businesses to keep selling products without external support and for consumers to continue to purchase and use the products. This is clearly a long-term goal of any successful MBS program.

In their guidance on rural sanitation, WaterAid, Plan International, and UNICEF suggest five dimensions of sustainability when it comes to sanitation. (WaterAid, Plan International, UNICEF, 2019)

Handout: Dimensions of Sustainability

Explain to participants that dimensions of sustainability include the following:

TABLE 33: The Dimensions of Sustainability

1. Institutional	Whether institutions continue to fulfill their roles and responsibilities over time
2. Financial	Whether adequate finance for institutions, services, and outcomes is available over time
3. Functional	Whether facilities and services function over time
4. Equity	Whether services and outcomes are equitable over time
5. Environmental	Whether environmental effects are sustainable over time

Explain: Factors That Influence Sustainability

During program design, it is important to take time to understand and address factors that can influence sustainability. This might include planning for capacity strengthening and resource allocations beyond the life of the DFSA, which requires long-term planning and consensus building with local partners.

Activity: Dimension of Sustainability

Time: 30 min

In this activity, participants will use the Nigeria case study below to consider the five dimensions of sustainability. Work through one through three to complete this activity.

- STEP 1: READ

  Read the slide with the following example.

  EXAMPLE CASE STUDY: Nigeria: The USAID WASHPaLS case study on Nigeria noted that sustainability is a challenge for all enterprises because of dependence on a non-governmental organization partner or a critical component such as plastic latrine pans, for which, at that time, no alternative local, commercial supplier existed. This risks the longer-term sustainability of sanitation enterprises. The ability of enterprises to meet both recurring operational and capital expenses (financial independence) varied across enterprises, with some unable to afford capital equipment such as expensive molds. (USAID, 2020)

- STEP 2: DISCUSS—Divide into Groups and Discuss

  Time: 20 min

  Divide course participants into groups of four or five and, using this example as a source of inspiration, ask participants to answer the following questions:

» "What dimension of sustainability is at risk in Nigeria from the USAID WASHPaLS case study?" (Answer: functional sustainability. Without the NGO partner, enterprises could not access plastic pans.)

Show the slide that contains the table **Five Dimensions of Sustainability** for the three MBS planning phases: design, implementation, and monitoring. Ask the groups to discuss their answers to this question:

» "What different considerations can an RFSA team take **during design, implementation,** and **monitoring** to contribute to these dimensions of sustainability?" Ask participants to come up with at least one action per dimension of sustainability.

After 20 minutes, ask each group to share their answers. Complete the table below as they present.

TABLE 34: MBS Planning Phases Table

5 Dimensions of Sustainability	Design	Implementation	Monitoring
1. Institutional Sustainability			
2. Financial Sustainability			
3. Functional Sustainability			
4. Equity Sustainability			
5. Environmental Sustainability			

Time: 10 min

- STEP 3: REFLECT—Considerations

  Discuss responses with participants and ask them to *individually* reflect on the actions identified.

  Give them five minutes to write down their answers to these questions as they reflect:

  » "What considerations, if any, have been made in the planning of my MBS program?"

  » "What can I do to make sure these actions are considered?"

Explain: Planning an Exit Strategy

MBS is designed to help implementers understand the supply chain and provide long-lasting, affordable, desirable sanitation options for households. The assumption is that creating financially viable small businesses, strengthening the supply chain, developing desirable and affordable technologies, and involving government regulation where necessary should lead to a self-sustaining system that can continue to grow through market forces. However, challenges to market-based sanitation exist, because it can be difficult to convince small businesses and microfinance institutions that sanitation is a viable investment. The sustainability of the system also depends on how many people want latrines over time and how much they are willing to pay for them. Planning an exit strategy from the earliest stages of the design of a program is important.

EXAMPLE: Cambodia: A strong exit strategy can help plan for sustainability. After nine years of design and implementation in Cambodia, WaterSHED moved into a sustainability phase. In 2018, they exited from direct market facilitation. The provincial teams worked towards government-led ownership of key roles in market facilitation, multi-stakeholder coordination, and data collection and monitoring. At the national level, WaterSHED worked to institutionalize key elements of the program. During the sustainability phase, there was also support of collective action (including government, civil

society, private sector, and academia) to support a more cohesive and accountable WASH sector at the provincial level. (WaterSHED, 2020)

Now consider the final implementation consideration, checking in on the program.

Checking in on Your Program

Activity: Checking in on Your Program

Time: 20 min

For this activity participants will use the program survey handout to reflect on whether an MBS program will work for their community. Work through steps one through three to complete this activity.

Handout: Checking in on Your Program Survey

- STEP 1: REFLECT, Survey — Time: 5 min
  - » Ask participants to individually complete the Checking in on Your Program Survey handout. As they fill out the form, they should reflect on their actual programs.
  - » Once they answer the questions and check their score (out of 10), ask them to write down a sentence or two answering the following question: "Considering your score and all these questions, how ready do feel you and your current team and program are to apply a market-based approach?"
- STEP 2: DISCUSS (Small Groups), MBS Program for My Community? — Time: 10 min

  Once participants have had enough time to answer the questions individually, give them 30 minutes to sit with others from their own project or organization and discuss their answers. Ask the groups to discuss the following questions:
  - » "Based on what we have learned so far, how well would a market-based sanitation program work in the communities you work?"
  - » "How different is your opinion now from before the start of the workshop?"
  - » "How does what you learned today affect your thoughts on timing, budget, and staffing for your program?"
  - » "What can you do as a RFSA to influence the situation?"
- STEP 3: DISCUSS (Large Group), Share and Feedback — Time: 5 min

  In the large group, ask a member from one project to share their responses to the questions above. Provide feedback and encourage them to discuss and share their thoughts with their program leaders.

SUMMARY: Implementation

Participants should now have a better understanding of ways to implement their MBS projects. Ask them to take a moment to reflect on how they might use what they learned in this section for their program. Remind them that they learned implementation includes these considerations:

1. Assessment and planning

2. Work planning and sequencing
3. Staffing and training
4. MBS Budgeting and work planning
5. Monitoring and evaluation
6. Sustainability and exit strategy

Reflect: Module Seven Implementation

Time: 15 min

In this module, participants have been asked to consider next steps for their MBS projects. Give them the handout, Action Plan Template. Ask them if they can identify next steps they need to complete to move forward with implementation and write them down in the table below. If there is a step they cannot move forward on, they can leave it blank. Remind them that their plan will continue to develop and change as they move forward, but this will at least be something concrete to take with them.

Handout: Action Plan Template

TABLE 35: Action Plan Template

Considerations for Implementation	Moving Forward/ Next Steps
1. Introductory Presentation on Assessment and Planning	
2. Work Planning and Sequencing	
3. Staffing and Training	
4. MBS Budgeting and Work Planning	
5. Monitoring and Evaluation	
6. Sustainability and Exit Strategy	
7. Checking in on Your Program	

Discuss: (Project Teams), Our Next Steps

Time: 10 min

Ask participants to reconvene with their own project teams and share what they have come up with for next steps. They should work to agree on ideas for moving forward.

Discuss: (Large Group), Moving Forward

Time: 10 min

Now ask them to come back to the larger group and share their next steps toward implementation. The discussion should allow teams to add or consider additional insights for their plan.

Participants, in this module, discussed the implications of sequencing, timing, and budgeting for MBS programs, evaluated whether MBS is appropriate given the reality of their programs and budgets, and identified how MBS approaches consider sustainability and exit strategy as inherent parts of these programs.

Handouts:

- UNICEF Toolkit

- Resources Handout

Explain: There is a wealth of tools and guidance available for MBS programming, including more detailed examples of ToRs, job descriptions, and additional information for budgeting. Some potential sources of leads for toolkit development and reliable expert guidance are USAID, UNICEF, and WSP.

CLOSING

Thank participants for participating in the module. Share the additional resources with the participants and discuss next steps, as appropriate with the group.

Additional Resources

The below resources may be helpful for participants to consult:

Sanitation Marketing Toolkit
World Bank (2018). WSP Water and Sanitation Program. Retrieved from https://www.wsp.org/sites/wsp/files/Sanitation%20Marketing%20Toolkits/toolkit/toolkit-home.html

Guidance on Market-Based Sanitation
UNICEF (2021). New York: United Nations Children's Fund (UNICEF). Retrieved from https://www.unicef.org/documents/guidance-market-based-sanitation

USAID Hygiene Improvement Project's Sanitation Marketing for Managers: Guidance and Tools for Program Development
USAID (2010). Hygiene Improvement Project. Retrieved from https://www.globalwaters.org/resources/assets/sanitation-marketing-managers-guidance-and-tools-program-development

Scaling Market-Based Sanitation: Desk Review on Market-Based Rural Sanitation Development
USAID WASHPaLS (2019). Retrieved from https://www.globalwaters.org/resources/assets/washpals/rural-mbs-desk-review

References

Federal Democratic Republic of Ethiopia Ministry of Health (2013). National Sanitation Marketing Guide. Retrieved from https://www.cmpethiopia.org/content/download/724/3658/file/National%20Sanitation%20Marketing%20Guideline%20.pdf

Otieno, G.O. (2013). Rural Kenya Market Research on Sustainable Sanitation Products and Solutions for Low-Income Households. SNV Netherlands Development Organisation and United Nations Children's Fund. Retrieved from https://snv.org/cms/sites/default/files/explore/download/snv_market_research_report_final.pdf

United States Agency for International Development (2020). Creating Viable and Sustainable Sanitation Enterprises Case Study: A Retrospective Analysis of Rural Sanitation Enterprises in Nigeria. Retrieved from https://www.globalwaters.org/sites/default/files/creating-viable-sustainable-enterprises-nigeria.pdf

United States Agency for International Development (2010). Sanitation Marketing for Managers: Guidance and Tools for Program Development. Retrieved from

https://www.globalwaters.org/resources/assets/sanitation-marketing-managers-guidance-and-tools-program-development

United Nations Children's Fund (2020). Guidance on Market-Based Sanitation. Retrieved from https://www.unicef.org/media/88821/file/MBS-Guidance-2020.pdf

WaterAid, Plan International, UNICEF (2019, February). Guidance on Programming for Rural Sanitation. Research and Insight, WASH Matters. Retrieved from https://washmatters.wateraid.org/sites/g/files/jkxoof256/files/guidance-on-programming-for-rural-sanitation.pdf

WaterAid (2019). Rethinking Rural Sanitation. Retrieved from https://washmatters.wateraid.org/publications/rethinking-rural-sanitation

WaterShed (2020). WaterSHED's Strategic Exit in 2021. Retrieved from https://watershedasia.org/strategic-exit/?ct=t%28WaterSHED+February+2020+newsletter%29

Lesson Plan

MODULE EIGHT: Closing

Create an Action Plan and Close Out the Training

Duration: 90 minutes

Module Objectives

- Create an action plan for moving forward that incorporates the market-based sanitation (MBS) phases
- Reflect on the workshop content and share main takeaways
- Evaluate level of understanding of MBS

Why this module?

The closing module is a crucial opportunity to help participants set achievable, short-term goals, so they can put lessons learned in the workshop into action. Participants will create a plan with actionable ways forward on the MBS project. In addition, participants will complete the posttest, do an end-of-training evaluation, and be recognized for their work by receiving a certificate.

Handouts and Links

- Your Plan Moving Forward
- Post-Training Evaluation Online or Paper Form
- Posttest
- Glossary

Materials

- Module Eight handouts
- Module Eight PowerPoint presentation
- Paper, pens, markers, and nametags for participants and facilitators
- Certificates: Paper or electronic certificates containing each participant's name

Advanced Preparation

- Ensure you have copies of the same pretest you administered at the beginning of the training to administer as a posttest.
- Print the end-of-training evaluation or develop it as an online survey.
- Prepare paper or electronic certificates with each participant's name.
- Update PowerPoint presentations to reflect the learning needs and resource assessment and training agenda.

INTRODUCTION

TOPIC OVERVIEW: In this module, participants will create an action plan to move forward on the MBS project. The closing is a crucial opportunity to help participants set achievable, short-term goals, so they can put lessons learned in the workshop into action. In addition, participants will evaluate the workshop, which will be valuable feedback for the facilitator to incorporate into future workshops.

Guiding Questions:

- How have your thoughts about your own MBS project changed since the beginning of the training?
- What are your next moves to implement your project plan?

Thinking Ahead and Closing

Time: 5 min

Explain that we are now close to the end of this training. During this closing session, ask participants to take time to reflect on how they can apply the content to their own work. This is where the real impact will occur in the coming days and weeks as they take these lessons and apply them to their own programs and explore the possibilities of launching or reinforcing MBS programming. Explain that participants will also complete a posttest, do an end-of-training evaluation, and receive certificates during this final session.

Activity: Reflection: My MBS Action Plan

Time: 45 min

The purpose of this activity is to plan for future MBS activities.

Congratulate learners on the important concepts and techniques they learned in this training. Remind them that, in each module, they reflected on what they learned and where they want to be. In Module Seven, they learned how to implement their own MBS project. They considered:

- Resources they need to carry out their market research
- Skills they have in their teams already and what staff or consultant they may need to hire
- The amount of money it will cost to carry out MBS and the timeline for implementation
- How MBS monitoring fits into their overall Resilience Food Security Activity monitoring plans

Guide participants through a reflection activity to help them consider the next steps for their MBS projects. Ask them to take a moment to reflect individually and take notes to reimagine their MBS project. This can be a list or mind map of their ideas. Prompt participants with questions, such as:

- "What does your MBS project look like now?"
- "What elements have changed for you? What looks easier? What looks more challenging?"
- "What key people will support you in your project implementation?"
- "If you are working with a team, will you each take on a different phase? How can you share in the work and tasks?"
- "What step(s) do you need to revisit?"

Ask a few volunteers to share their thoughts.

Next, ask each participant to revisit UNICEF's process for MBS as they may apply to their MBS project. Now that they understand the process, they can begin to plan next moves for their reimagined MBS project, including determining from whom and where they can find support and adding questions they need to answer to move forward successfully.

Ask participants to work with members of their own project teams who are attending the course to come up with an MBS action plan for their own programs. If their project team is too large, ask them to split up and work in smaller groups on different sections of the plan. If participants do not have other members of their project team with them in the course, they can work on their action plan alone.

Instructions:

1. Ask participants to take out their notes from previous training days and use them to move forward on their action plans. Distribute the handout Your Plan Moving Forward.
2. Request that they work individually or in small groups to brainstorm tasks, priorities, and milestones designed to advance their team's existing market-based sanitation activities. They should:
    - BRAINSTORM TASKS: Identify potential tasks they may want to begin doing right after this training is completed.
    - PRIORITIZE: List the brainstormed tasks in order of priority.
    - SET MILESTONES: Identify basic deadlines or milestones their team would like to meet.
3. Instruct participants to work through Your Plan Moving Forward handout and fill out each section. Some next moves will be long-term, while some will be short-term. In some cases, they may have to leave sections blank until they gather more information. If this is the case, ask them to write "Need more information" where the information will go later.
4. After 15 minutes of working, ask participants to share what they have planned.
    - If they are attending the course with a large project team, they will come back together with their project team and share insights they gained while working in smaller groups.
    - If they are individual members, ask them to pair up with someone else in the room, so they can share their plans with each other. They should give each other feedback on the plans.
    - Give participants time to edit and add to their projects.
5. After this exercise, ask each group to share their action plans with the larger group.

Handout/Read:

Your Plan Moving Forward – A template for moving forward in an MBS action plan

TABLE 36: UNICEF's Process and Your Plan Moving Forward

Scope	Component		Time Frame	Your Next Move	Who Can Support Us?	Questions We Need to Answer
Phase 1: Planning	1	Assessment and Planning	2–3 months			
Phase 2: Program Design (1 year minimum)	2	Market Research	4–6 months			
	3	Product System Design	3–4 months			
	4	Business Model and Delivery	3–5 months			
	5	Demand Activation Design				
	6	Business and Consumer Financing	Throughout all phases			
Phase 3: Program Implementation (3–4 years)	7	Implementation	2–3 years			
	8	Monitoring				

Adapted from Guidance on Market-Based Sanitation. New York: United Nations Children's Fund (UNICEF), 2020.

TEST: Postest

Time: 10 min

Before ending the MBS training, each participant will complete a short posttest.

Instructions:

- Ask participants to put all notes out of sight.
- Hand out copies of the MBS pretest to use as a posttest, or provide a link where participants can take the test online. They do not need to write their names on the test. They can use a symbol or number instead but must use the same one they used at the beginning of the training.
- After participants finish the posttest, they should turn over their papers on the table or desk and wait until everyone is done.
- Give all participants enough time to complete the test, then collect them. Share answers to the pretest and posttest with participants on the screen.
- Plan to score all the tests after the training to measure improvements.

Handout MBS Pretest-Posttest

Workshop Training Evaluation

Time: 10 min

Collect feedback from participants on the training.

Pass out the training evaluation (or give participants the online link) and allow them time to fill it out. Remind them that their feedback is anonymous and will help improve future training activities.

Certificates

Time: 10 min

Give each participant a certificate.

Hand out certificates one by one. If doing this training virtually, send them electronically or you may mail certificates to the participants.

CLOSING

Time: 10 min

Optional, as a final reflection, ask each person to think of one or two things that stood out or challenged them in the class. Use a quick round-robin method, going around the room (or virtually) asking each person to share.

Congratulate everyone and thank them for coming to the training.