

Investing in Social Innovation

Harnessing the Potential of Partnership Between
Corporations and Social Entrepreneurs



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Corporate Social Responsibility Initiative

The Corporate Social Responsibility Initiative at the Harvard Kennedy School of Government is a multi-disciplinary and multi-stakeholder program that seeks to study and enhance the public contributions of private enterprise. It explores the intersection of corporate responsibility, corporate governance and strategy, public policy, and the media. It bridges theory and practice, builds leadership skills, and supports constructive dialogue and collaboration among different sectors. It was founded in 2004 with the support of Walter H. Shorenstein, Chevron Corporation, The Coca-Cola Company, and General Motors.

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INVESTING IN SOCIAL INNOVATION: Harnessing the potential for partnership between corporations and social entrepreneurs

Jane Nelson and Beth Jenkins

One of the key leadership challenges of our time is to find new ways to harness the innovation, technology, networks and problem-solving skills of the private sector, in partnership with others, to support international development goals. And to do so in a manner that makes sound business sense, and does not replace or undermine the role of government. Business leaders have a growing interest, both in terms of risk management and harnessing new opportunities, to get engaged.

“Partnering for Success: Business perspectives on multi-stakeholder partnerships”

The World Economic Forum, the International Business Leaders Forum, and the CSR Initiative, Kennedy School of Government, Harvard, January 2005.¹

1. INTRODUCTION

The growth in corporate responsibility and social entrepreneurship represents two of the most exciting social trends of the past decade. Around the world there is increased awareness of the potential to harness the core competencies, assets and resources of corporations in helping to find new solutions to complex social and environmental problems. At the same time, there has been a dramatic growth in awareness of, and support for the crucial leadership role played by social entrepreneurs – individuals who apply innovative, entrepreneurial, performance-driven, and scalable approaches to solving societal problems, and who often act as bridge-builders between different sectors, communities, institutions and/or cultures.

Yet, with a few notable exceptions, relatively little analysis has been done on the linkages between these two trends and between the corporate leaders and social entrepreneurs that drive them. This is especially the case in developing countries where there are both enormous development needs and great opportunities for increasing engagement between corporations and social entrepreneurs.

This paper looks at some of the innovative alliances that already exist in both developed and developing countries. It suggests a conceptual framework for thinking about the different ways through which companies can support social entrepreneurship focusing on: a company’s core business operations in the workplace, marketplace and along the value chain; its social investment and strategic philanthropy activities; and its engagement in public policy dialogue, advocacy and institution building. The paper outlines the ‘business case’ for how such alliances can help companies meet their business goals and support their corporate values. And it offers a set of recommendations for business

leaders, social entrepreneurs, foundations and governments on how they can work together to increase the scale and effectiveness of these alliances for mutual benefit.

2. CORPORATE INNOVATORS SERVING THE PUBLIC GOOD

The ability to turn good ideas into deliverable solutions—the distinguishing feature of an entrepreneur—has never been more important to the success of business and society.² Innovation is the lifeblood of corporate competitiveness, value creation and sustainable growth. It is also vital to solving many of the major environmental and social challenges that our world faces – from global warming to poverty and the lack of access to livelihood opportunities, education, health, nutrition, water, energy, housing, technology, credit, property rights and other essential goods, services and resources that underpin such poverty.

Some of the world’s leading companies are recognizing that by harnessing innovation for the public good they can manage risks, gain competitive advantage and/or enhance their reputation and stakeholder relationships while helping to solve complex social and environmental problems. Such companies are focusing on ways to integrate social and environmental considerations into their R&D activities and into the sourcing, manufacturing, marketing, use and disposal of their products.

At a minimum, these companies are aiming to ensure that their business activities do not create or exacerbate social and environmental problems, but many companies are going further. They are exploring ways to *create new value* by developing products, services, and business models that meet social and environmental needs and generate a profit at the same time. For instance, they are exploring opportunities to reach low-income customers underserved by traditional markets, as our examples of Cemex and Amanco illustrate. And they are looking at feasible and mutually beneficial ways to source from small-scale and micro-enterprises, as our example of SC Johnson illustrates.

These companies are also looking to their philanthropic, community investment and employee volunteering programs as sources of innovation for the company, its partners and the communities and countries in which it operates, as illustrated by our examples of Nokia, Bank of America, Cisco Systems, and the Abdul Latif Jameel Group. And they are supporting institutional innovation to improve the effectiveness and efficiency of public policy and market frameworks in order to better address important economic, social and environmental challenges.

Some examples of these innovative new approaches are outlined in Box 1. As our examples in this paper illustrate, innovative and world-class approaches to corporate responsibility are not only the preserve of multinational corporations, but also driven by leading companies headquartered in developing countries.

BOX 1: INNOVATIVE NEW BUSINESS APPROACHES TO SERVE THE POOR

Some of these examples are hybrids - philanthropic models that harness core commercial competencies, skills and products; others are profit-making ventures and business activities. All are focused on improving the access of low-income households, entrepreneurs and communities to essential products, services, resources and opportunities:

SPREADING ACCESS TO ECONOMIC OPPORTUNITY:

In Ghana and Tanzania, Unilever is working with small-scale producers to source raw materials from indigenous plants, and enabling small-scale distributors to sell affordable products to low-income households in countries such as Brazil, India and Indonesia. In Colombia, Starbucks is working with Conservation International and local farmers to support sustainable coffee production and more reliable incomes. SC Johnson is undertaking similar efforts with KickStart and small-scale growers of pyrethrum in Kenya. Cemex is cooperating with Ashoka in Mexico to deliver low-income housing. In Kazakhstan, Chevron and Citigroup are working with the UN and local partners to deliver small business services, as is BP in Azerbaijan. In the Middle East, where over 60% of the population are under the age of 25, companies such as Abdul Latif Jameel, Nokia and Shell are supporting youth enterprise and micro-finance initiatives.

PROVIDING ACCESS TO PRO-POOR FINANCIAL SERVICES:

Citigroup, Deutsche Bank, Credit Suisse, Barclays, ABN Amro, Calvert, ANZ, Standard Bank, and Merrill Lynch are among leading financial institutions that have started to develop financial services for the poor, ranging from micro-credit to insurance, saving and investment products.

IMPROVING ACCESS TO INFORMATION TECHNOLOGY:

Efforts to harness information and communications technology to support education, enterprise development and humanitarian relief are being undertaken by Cisco Systems, Microsoft, Vodafone, Nokia, IBM, HP, Ericsson, Dell, Ayala, and Infosys, among others.

ENSURING ACCESS TO CLEAN AND AFFORDABLE WATER AND ENERGY:

Shell is working with the UN and others in Uganda to catalyze the pro-poor market for solar home systems, aimed at both increasing access to energy and tackling indoor pollution and health problems. BP is doing likewise in the Philippines, EDF is supporting off-grid energy access in Madagascar, and ABB is working with WWF on sustainable energy access in Tanzania. Companies such as Thames Water/RWE, Suez, General Electric and Coca-Cola are exploring new business models and technologies to improve access to clean water and sanitation.

INCREASING ACCESS TO HEALTH AND SAFETY:

Most major pharmaceutical companies are now engaged in efforts to improve access to essential medicines through a variety of R&D initiatives, preferential pricing and product donation programmes. Companies with large developing country workforces, such as Coca-Cola, Anglo-American, Chevron, Rio Tinto, Unilever and ExxonMobil, are also developing new approaches to support employees and local communities in the fight against infectious diseases. Major food companies are engaging in food fortification efforts and companies such as 3M, GM, InBev and SABMiller are working with local communities and social entrepreneurs to improve road safety and responsible vehicle use.

Source: Nelson, Jane. *Leveraging the development impact of business in the fight against global poverty*. Brookings Institution, 2005.

3. SOCIAL INNOVATORS HARNESSING THE POWER OF ENTERPRISE

In approaching many of these opportunities to innovate for the public good, large companies are finding a new type of partner: the social entrepreneur.

The *Schwab Foundation for Social Entrepreneurship* defines social entrepreneurs as people who “identify practical solutions to social problems by combining innovation, resourcefulness and opportunity. Deeply committed to generating social value, these entrepreneurs identify new processes, services, products or unique ways of combining proven practice with innovation, driving through pattern-breaking approaches to seemingly intractable social issues. Most importantly, they act as social alchemists, converting under-utilized resources into productive assets by working with, and motivating, groups of people and communities.”³

Social entrepreneurship pioneer *Ashoka* describes a social entrepreneur as “an extraordinary individual with unprecedented ideas for change in his or her community. The job of the social entrepreneur is to recognize when a part of society is stuck and to provide new ways to get it unstuck. He or she finds what is not working and solves the problem by changing the system, spreading the solution and persuading entire societies to take new leaps.”⁴

Social entrepreneurs whose visions and approaches are profiled in this paper and who believe in harnessing the power of markets and the private sector for social goals include:

- *Dr. Muhammad Yunus*, who founded Grameen Bank in 1976 as a young economics professor in Bangladesh, investing his own limited resources to make small loans to poor women whom he passionately believed would pay him back, support each other, and use their loans to improve the health and prospects of their families and communities. In doing so, he not only established a bank which today serves some 5 million clients and has diversified into other services for low-income markets, but also pioneered the concept and practice of microfinance and launched a global movement that generates reasonable financial returns, is attracting the interest of commercial banks, insurers and investors, and improves the lives of millions. Grameen Bank and its strategic partner, the Grameen Foundation USA (GFUSA), have both started to partner with large companies to scale-up the impact of their activities. Our example of the evolving partnership between GFUSA and the Abdul Latif Jameel Group in the Middle East illustrates one such case.
- *Bill Drayton*, the founder of Ashoka, has pioneered the application of a venture capital model for investing in exceptional individuals with new ideas for public service using a combination of financial stipends, professional support services and opportunities to leverage connections and networks. A social entrepreneur even in his schooldays, Bill founded Ashoka in 1980, after working with the management consulting firm McKinsey and then serving as an Assistant

Administrator of the US Environmental Protection Agency designing innovative tradeable ‘pollution rights’ as a market-based alternative to environmental regulation. Since then, he has applied his business skills, networks and passion to investing in social entrepreneurs and promoting awareness of their critical role in society. Ashoka invests in people who meet the following criteria: creativity in goal-setting and problem-solving; entrepreneurial spirit and temperament; an idea with potential for large-scale social or environmental impact; and strong ethical fiber. Since 1982, Ashoka’s investments have enabled over 1,500 people in 53 countries to make change in areas such as education, the environment, health, human rights and economic development. Bill and his colleagues are now pioneering the concept of the Hybrid Value Chain™, a framework that enables companies to design, test and implement commercial business models to serve low-income citizens in profitable ways, through partnership with social entrepreneurs. Our examples of Cemex and GrupoNueva working with social entrepreneurs in Mexico illustrate the Hybrid Value Chain™ approach in practice.

- *Rick Little* has launched several initiatives that have transformed the lives, self-esteem and prospects of millions of youth around the world. In his 20s, he launched Quest to equip students with valuable life skills. After enduring over 150 rejections, Rick finally met Russ Mawby, President of the Kellogg Foundation, who took the necessary risk to fund his vision. Today, Quest reaches students in thousands of schools in over 40 countries, and Rick has gone on to found the International Youth Foundation (IYF), a global network of in-country partners that improves the prospects of young people in over 70 countries, and more recently the ImagineNations™ Group, which is helping to build bridges among youth of different cultures and religions and expanding the practice of youth enterprise. Our example of Finnish mobile communications company Nokia illustrates how one company has aligned its corporate vision of connecting people to IYF’s vision of connecting youth, with benefits for both.
- *Jacqueline Novogratz* began her career in international banking before consulting for UNICEF and the World Bank in Africa, founding a micro-enterprise organization in Rwanda, and managing special projects at the Rockefeller Foundation, including creation of ‘The Philanthropy Workshop,’ an international philanthropic education program. Now she is drawing on her diverse skills and experiences as well as her passion for social progress as Founder and CEO of Acumen Fund. This is an innovative non-profit venture fund that focuses on entrepreneurial solutions for access to affordable health, housing and water. Our example of the venture philanthropy approach Cisco Systems took to help create Acumen Fund in 2001 illustrates another way that large companies can invest in social entrepreneurs: by supporting innovative financing mechanisms that harness market disciplines to tackle social problems.
- *Alan Khazei and Michael Brown* were roommates at Harvard Law School when they had the vision for creating City Year, a youth service corps that harnesses the power of young people from all walks of life working together to address pressing

social issues. Ira Jackson, former Executive Vice President of BankBoston (now Bank of America) was one business leader who saw the potential of this vision and put his companies' financial and in-kind resources behind it. Established in 1988, City Year today enlists over a thousand young adults in communities across the United States and has a growing alumni of young leaders who are making a difference. It has helped to inspire the creation of AmeriCorps, a federal program that supports national youth service in the USA, and has now been adopted in South Africa, while Bank of America continues to reap concrete business benefits from being a strategic partner.

- *Martin Fisher and Nick Moon* were working with subsistence farmers in Africa for a British charity, ActionAid, when they decided to set up a social enterprise called ApproTEC. Their goal was to demonstrate that low-tech agricultural equipment could be designed and marketed to poor farmers in a manner that was both appropriate to their needs and affordable, and that such technology could help bring these farmers into the market economy, returning the initial investment in three to six months. Family-owned SC Johnson was one of the first major companies to recognize that a partnership with ApproTEC could help the company manage the quality and reliability of small-scale producers along its global supply chain. As our example illustrates, their partnership is now improving the livelihoods of thousands of Kenyan farmers, while also helping SC Johnson to meet its supply needs for pyrethrum.

These eight people are among the world's most respected social entrepreneurs and their partnerships with large companies are helping them not only to achieve their own missions, but also to inspire an increasingly professional approach to combining market-driven approaches with social purposes.

It is important, however, not to 'pigeon-hole' the concept of social entrepreneurship or to give the impression that social entrepreneurs only operate in the 'social sector' or 'citizen sector'. As the above personal stories illustrate, many social entrepreneurs start out their careers and gain their early leadership experience in the commercial, private sector - often working for large companies. Others with the same vision of combining business acumen with social purpose stay in the private sector, using their business skills, their companies and the wealth they create to drive social change through supporting other social entrepreneurs either through corporate partnerships or philanthropy.

Our examples in this paper of Ira Jackson, former EVP at BankBoston, and Tae Yoo, VP at Cisco Systems, illustrate such cases - corporate executives who shared the social vision, clearly understood the entrepreneurial potential, and took the financial and reputation risk to be early investors in individual social entrepreneurs.

In summary, the mindset and practice of social entrepreneurship are not confined to a particular sector, nor to a particular set of issues or approaches. At the individual level, social entrepreneurs can be found in nonprofits and companies; at the organizational level, both nonprofits and companies can be social enterprises. As a result, combining

these forces can be a logical and powerful way to effect large scale, economically sustainable social change.

What are some of the mutual benefits that can be gained by large companies and social entrepreneurs working together?

4. THE MUTUAL BENEFITS OF PARTNERSHIPS BETWEEN COMPANIES AND SOCIAL ENTREPRENEURS

In periods of economic and political change and uncertainty, where business budgets tend to be tight and community needs high, there is greater incentive than ever for companies, communities and public officials to work together to leverage social and commercial investments as effectively and efficiently as possible.

As Elizabeth Riker, Portfolio Manager at New Profit Inc. comments, “For corporations, working with social entrepreneurs can be one of the most effective ways to make a difference in the communities in which they work. These alliances can prove valuable not only in terms of strengthening the company’s reputation and in some cases developing new markets and competitive advantage, but also in providing an opportunity for corporate leaders to learn from their counterparts in the social sector. As corporations are increasingly tasked with managing and influencing a broader set of stakeholders, they have a great deal to learn from social entrepreneurs who possess remarkable skills and experience in building support and driving action from a diverse set of constituents. At the same time, social entrepreneurs have much to gain from working more closely with corporate leaders. Non-profits that have developed strong alliances with corporations have benefited from their strategic advice, access to networks, marketing and branding opportunities, and of course funding.”⁵

Ashoka also argues the case for mutual benefit. Looking at companies interested in serving low-income markets in profitable ways, it makes the case that “businesses can enter these markets more efficiently, and they can provide a more integrated solution to low-income clients, by partnering with citizen sector organizations ‘along the value chain’ [of product and service development, production, distribution and logistics, sales and marketing, and financing]. On the other hand, social entrepreneurs and their organizations can develop and test new ways to significantly increase their social impact by leveraging the core competencies of businesses, while creating a sustainable source of revenue for their organizations.”⁶

In their report *Partnership Alchemy*, Jane Nelson and Simon Zadek outline the following seven areas of potential mutual benefit that can result from new types of partnership between commercially driven companies and social entrepreneurs and their organizations:⁷

BOX 2: POTENTIAL PARTICIPANT BENEFITS FROM NEW SOCIAL PARTNERSHIPS

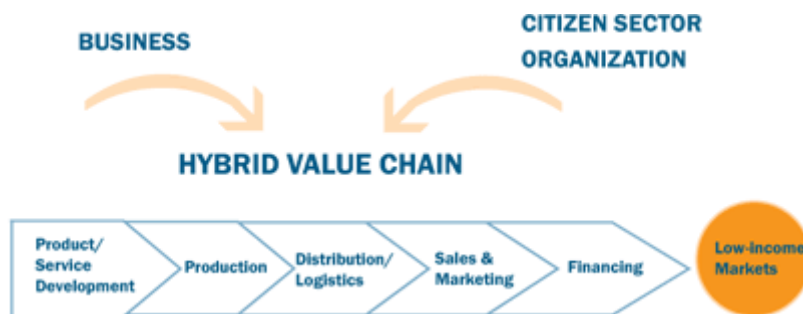
<p>1. Development of ‘human capital’</p>	<p>Creating new opportunities for training, mentoring, exchanges, incentive programmes, awareness raising, volunteering and leadership development.</p>
<p>2. Improved operational efficiency</p>	<p>Achieving reduced costs, increased process efficiency and better service delivery.</p>
<p>3. Organizational innovation</p>	<p>Helping the organization to develop new, creative ways of operating to meet complex challenges and opportunities.</p>
<p>4. Better access to information</p>	<p>Learning about the people or communities in which an institution (business, government or NGO) is operating and delivering products and services. This can help the institution in question to improve service delivery, but also to improve risk management and conflict prevention measures.</p>
<p>5. Product and service innovation</p>	<p>Partnerships can create openings for the more effective and responsive design and delivery of goods and services.</p>
<p>6. Enhanced reputation and credibility</p>	<p>Building better relationships with key stakeholder groups which are benefiting directly or indirectly from the partnerships</p>
<p>7. Creation of a stable society</p>	<p>This is in the critical long-term interest of business and a direct objective of government and many NGOs.</p>

Source: Nelson, J and Zadek, S. *Partnership Alchemy*. The Copenhagen Center, 2001

5. A FRAMEWORK FOR BUSINESS ENGAGEMENT WITH SOCIAL ENTREPRENEURS

Companies can support or invest in social entrepreneurship in three main ways, all of which can also create benefits for the company.

First, through investing directly in social entrepreneurs and their organizations. Such investment can be carried out in two main ways. First, as a fundamental part of *core, commercial business operations*, where social entrepreneurs work with companies along various parts of the value chain—to offer affordable goods and services to low-income communities, for example, or to source from micro-enterprises or small-scale producers. This approach lies at the heart of Ashoka’s Hybrid Value Chain™ approach, which is illustrated below:



Source: http://www.ashoka.org/global/fec_hvc.cfm

Another direct approach is through companies’ *philanthropic and community investment activities*, where social entrepreneurs can partner in ways that mobilize not only corporate money, but also people, products and premises to help support and strengthen local communities and non-profit organizations. The growing practice of venture philanthropy or social venture capital, in which venture capital principles are applied to support social enterprises, provides a good model for such investment. Companies and individual business leaders share their management skills, provide seed financing, and engage in active, performance-driven partnerships. Some of the differences between venture philanthropy and traditional philanthropy are summarized in Box 3.

Second, companies can encourage social entrepreneurship through engaging in public policy dialogue, advocacy and institution building in order to create an enabling environment for social enterprise.

Third, companies can create internal climates for social entrepreneurship. For example, by encouraging employees to be innovative in developing new business models, products, services and processes that combine profitable business opportunities with social or environmental solutions.

Leadership within the company is essential in all three cases.

BOX 3: FROM “CHECK BOOK” PHILANTHROPY TO SOCIAL VENTURE PARTNERSHIPS

	OLD PARADIGM GIVING: One-way	NEW PARADIGM PARTNERSHIPS: Strategic
PHILOSOPHY	<ul style="list-style-type: none"> • Discretionary giving • Corporate obligation 	<ul style="list-style-type: none"> • New business discipline • Societal opportunity
METHODS	<ul style="list-style-type: none"> • Formulaic • Responsive • Conventional • Incremental • Risk averse 	<ul style="list-style-type: none"> • Opportunistic • Anticipatory • ‘Out of the box’ • Transformative • Risk-taking
DECISION-MAKERS	<ul style="list-style-type: none"> • CEO and spouses • Board members • Department of ‘good deeds’ 	<ul style="list-style-type: none"> • Line business managers • Stakeholders • Core strategic competence
PURPOSE	<ul style="list-style-type: none"> • Conformity • Good will 	<ul style="list-style-type: none"> • Differentiation • Results and reputation
RECIPIENTS	<ul style="list-style-type: none"> • The ‘usual suspects’ 	<ul style="list-style-type: none"> • New social entrepreneurs and innovators
REACH	<ul style="list-style-type: none"> • Local 	<ul style="list-style-type: none"> • Local and global
IMPACT	<ul style="list-style-type: none"> • Minimal and not measured 	<ul style="list-style-type: none"> • Potentially high, leveraged and measured
EMPLOYEE INVOLVEMENT	<ul style="list-style-type: none"> • Minimal 	<ul style="list-style-type: none"> • Direct and intense
RELATIONSHIP MANAGEMENT	<ul style="list-style-type: none"> • One way • Arms-length • Bureaucratic • Paternalistic 	<ul style="list-style-type: none"> • Strategic partnership • Entrepreneurial • Mutual learning
NEXUS WITH CORE COMPETENCIES	<ul style="list-style-type: none"> • Peripheral 	<ul style="list-style-type: none"> • Linked to core business purpose and competence

Source: Jackson, Ira and Nelson, Jane. *Profits with Principles: Seven strategies for creating value with values*. Currency/ Doubleday, 2004.

6. PARTNERSHIPS IN ACTION

The following examples illustrate some of the ways large companies are engaging with social entrepreneurs to spur social and/or environmental innovation in a manner that is mutually beneficial, and potentially more effective and efficient than either partner could achieve operating on their own:

- (i) Reaching Low-Income Markets: Ashoka’s Hybrid Value Chain™ approach and the cases of CEMEX/SISEX and Amanco/RASA in Mexico
- (ii) Improving global supply chain management and livelihood opportunities: The case of SC Johnson and KickStart in Kenya
- (iii) Investing in Innovative Financing Mechanisms: Social Venture Capital and the case of Acumen Fund and Cisco Systems
- (iv) Investing in Innovative Financing Mechanisms: Microfinance and the case of Grameen Foundation USA and the Abdul Latif Jameel Group in the Middle East
- (v) Harnessing Technology for Social Progress: The International Youth Foundation and Nokia
- (vi) Mobilizing Corporate Competencies to Develop the “Next Generation”: City Year and Bank of America, formerly BankBoston

(i) **Reaching Low-Income Markets: Ashoka’s Hybrid Value Chain™ approach and the cases of CEMEX/SISEX and Amanco/RASA in Mexico**

Social entrepreneurship pioneer Ashoka recommends that companies interested in expanding into ‘Bottom of the Pyramid’ markets – markets of low-income consumers and producers at the bottom of the world’s economic pyramid - partner with social entrepreneurs and their organizations to do so. From the company’s point of view, the partnership approach has the advantages of accelerating learning and eliminating the need to develop new competencies internally, by leveraging the existing experience, relationships, infrastructure, skills, and/or distribution systems of partners. From the social entrepreneur’s point of view, the approach allows poor people’s needs to be served more sustainably and at greater scale, and generates earned income to support his or her non-profit activities.

Two examples in Mexico that illustrate Ashoka’s evolving approach to Hybrid Value Chains™ are illustrated below:

CEMEX & SISEX

CEMEX, headquartered in Mexico and a global leader in the cement industry, launched its Patrimonio Hoy initiative in 1998 in an effort to target the low-income, do-it-yourself homebuilders who constitute a growing percentage of new home construction in Mexico.

These homebuilders typically start off with a small core structure and then add on, one room at a time, as cash flows and saving habits permit. However, short-term needs and cultural norms often mitigate against saving for the future, with the result that it can take an average of 4 years to build a single, modest-sized room of 100 square feet.

CEMEX has succeeded in tapping this difficult market through a savings-and-credit program that leverages and improves upon its low-income customers' existing, incremental building habits. Its product offer is no different—CEMEX standard cement—but its business model is highly tailored to these customers' specific needs.

First, Patrimonio Hoy accommodates low incomes by allowing customers to pay in small but regular weekly installments. After a certain number of payments are made on time, the company will disburse the construction materials—in effect, providing credit “in-kind.”

Second, Patrimonio Hoy provides auxiliary services such as design and technical assistance (useful in increasing quality and reducing waste, both common problems for do-it-yourselfers) as well as home delivery of materials (useful for those without trucks or time off work to do the transportation).

Third, Patrimonio Hoy helps build cultural acceptance for saving by marketing housing as “patrimony,” or an asset to pass down to one's children. CEMEX uses well-respected local women, working on commission, to market the program, and throws a small fiesta whenever a room is completed to celebrate and reward that family's success.

To date, CEMEX's Patrimonio Hoy program has enabled more than 120,000 families to improve their homes in 1/3 the time and at 4/5 the cost, on average, of methods previously available to them. Patrimonio Hoy has also generated a stable source of demand for CEMEX—because its PH families are generally not employed in the formal sector, they are less affected by the ups and downs of formal business cycles, in contrast with the company's large corporate and government customers. The program has contributed to the bottom line, albeit in a small way, and earned CEMEX widespread international recognition for the leadership and innovation it embodies.

As part of the challenge involved in scaling Patrimonio Hoy, CEMEX sought to widen its marketing outreach and make it more efficient. At the same time, the company realized the advantages its network of local *promotoras* brought—including local relationships, trust, on-the-ground presence, and access to information. They saw the potential for partnering with effective social entrepreneurs.

One such entrepreneur is Patricia Nava, an Ashoka fellow who runs the National System of Promotion and Sexual Health (SISEX), an association of civil society organizations offering sex education and reproductive health information to people of both genders, all ages and socio-economic backgrounds in 16 Mexican states. SISEX's mission is to fill a critical gap in awareness about sex and reproductive health—a gap that lies at the root of many challenging social issues, including gender inequality and domestic abuse, diseases such as HIV/AIDS, and unplanned pregnancy. To execute on its mission, SISEX has

built an extensive information distribution network based on grassroots marketing techniques. As many as 75,000 people per year receive training from SISEX member organizations.

CEMEX and SISEX may seem unlikely bedfellows, but as David Wheeler of the York University Schulich School of Business has noted, businesses and social entrepreneurs/their organizations do not have to have the same ultimate objective for partnerships between them to work.⁸ In this case, SISEX's large social network is the asset that makes it an attractive partner for CEMEX. From Patricia's point of view, "improving housing conditions is a strategic issue that she views as a way to address her core topics of domestic violence and a balanced life."⁹ SISEX has now trained a number of promoters to liaise with the organizations in its network to cultivate future Patrimonio Hoy customers. In return, these promoters generate commission-based income for SISEX.

Amanco & RASA

Amanco, a subsidiary of Grupo Nueva, is a leader in the production and marketing of piping and lightweight construction solutions in Latin America. 25% of the Mexican population, approximately 25 million people, lives in rural areas. 2 million of these are small-scale farmers with less than 4 hectares of land.¹⁰ These small-scale farmers fell outside the networks of Amanco's existing independent distributors, and indeed outside of their capacity to serve. Individual transaction costs were high, and potential customers could not afford the systems without financing.

Social entrepreneur and Ashoka fellow Arturo García founded Red de Agricultores Sustentables Autogestivos (RASA), a network of farming cooperatives in the state of Guerrero, in 1993. His mission is to ensure sustainable livelihoods for small-scale farmers. These cooperatives allow the farmers to own and manage the production, marketing, and distribution of local crops—primarily coffee, wood, and coconuts—as an alternative to the repressive tactics of the privileged class, and the ineffective ones of the government. In a farming society traumatized by inequality and conflict, Arturo has been able to build the relationships required for a successful cooperative structure by remaining strictly apolitical, focusing solely on the economic advantages of his work. RASA now encompasses 12,000 farmers.

Amanco and RASA have partnered to develop a new distribution system to enable the company to sell its irrigation systems, and small-scale farmers to buy them, in poor, rural areas. The partnership is advantageous for the company as means of expanding its marketing and distribution reach cost-effectively; it is advantageous for RASA because it contributes directly to the organization's mission. The systems increase productivity and incomes among farmers.

With an initial loan from Ashoka, RASA hired a staff of promoters who aggregate demand for Amanco systems among the farmers in its cooperative network. In addition to marketing, these promoters perform distribution, installation, and maintenance of the

Amanco systems. RASA also channels financing in the form of subsidies and loans to help farmers afford the systems. Amanco, for its part, provides irrigation technology, promotional materials, and training for the promoters. The company also pays promoters on commission, which contributes to diversification and stability in RASA's funding base.

The partnership is especially strategic for Amanco in the sense that RASA, as an organization dedicated to ensuring sustainable livelihoods for farmers, already provides a set of services that enable those farmers to become good Amanco customers—ranging from facilitating financing to make the initial purchase possible, to providing agricultural extension services and market development support to increase productivity and incomes, thus enabling them to repay their loans and become repeat customers.

(ii) **Improving global supply chain management and livelihood opportunities: The case of SC Johnson and KickStart¹¹**

SC Johnson is a US-based, family-owned company that has a longstanding reputation for its commitment to sustainable development and corporate social responsibility. As Chairman and CEO, Dr. H. Fisk Johnson describes it, “Environmental and social responsibility is so much a part of our legacy – what we have done for well over 100 years at SC Johnson and what we continue to do today. In fact, it remains a top priority for the company as it is one of our seven key corporate strategic objectives.”¹²

This commitment is reflected in the company's ongoing efforts to monitor and manage the environmental impacts of its large portfolio of household products and to use naturally sourced inputs and recyclable materials as much as possible in their production and distribution. One example is its use of the pyrethrum plant as an active ingredient in its production of insecticides such as Raid® and Baygon®.

Kenya produces two-thirds of the world's supply of pyrethrum, which represents the country's fifth-largest export crop, and SC Johnson is the largest buyer of the crop. The crop itself is grown by some 200,000 subsistence farmers, who in turn support more than a million people. SC Johnson has sourced from these farmers since 1970, working closely with the Pyrethrum Board of Kenya (PKB) a national governmental or parastatal agency that manages the country's supply and export of the crop, working through farmer cooperatives representing the individual growers.

In the 1990s SC Johnson made a decision to continue the use of natural pyrethrins in their insecticides despite facing the advent of lower-cost synthetic ingredients and some challenges with the reliability of their sources due to weather and other challenges facing the Kenyan growers. In addition to continuing to work closely with the PKB to improve reliability, quality and efficiency of pyrethrum production, the company looked at other alternatives for securing and enhancing their supply, while helping to improve livelihood opportunities for farmers.

ApproTEC (Appropriate Technologies for Enterprise Creation) emerged as a partner. Founded in 1991 by social entrepreneurs Nick Moon and Martin Fisher, ApproTEC's mission is to promote sustainable economic growth and employment by developing and promoting simple money-making tools that can be used to run profitable small-scale enterprises and farming operations. Examples include micro-irrigation, cooking oil, building, sanitation, hay baling and transport technologies. They use the following market-driven approach in achieving their goals: researching the markets to identify high potential small-scale business opportunities; designing new technologies and business models to respond to these opportunities; training local manufacturers to produce the new technology; using innovative marketing and communications approaches to promote them to small-scale entrepreneurs; and undertaking a rigorous approach to monitoring both the cost-effectiveness and development impact of the technologies once adopted.

Recently renamed KickStart, the social enterprise has to-date developed and marketed affordable and appropriate technologies that have helped over 39,000 families start profitable new businesses, averaging some 750 new businesses per month. These generate an estimated \$37 million a year in new profits and wages, and produce new revenues equivalent to more than 0.5% of Kenya's GDP and 0.2% of Tanzania's GDP, delivering measurable benefits in terms of family incomes, local and national economic growth and in some cases export revenues. KickStart's vision is now to expand from Kenya, Mali and Tanzania, to 6 new countries in Africa over the next 3 years and reach more than 400,000 people.¹³

The two organizations saw the mutual value that could be gained by providing pyrethrum farmers in Kenya with better access to appropriate and affordable irrigation technologies, in this case small, manually operated pumps. They established a joint program aimed at marketing such pumps to farmers to enable them to irrigate their crops, with the ultimate goal of raising household income levels while ensuring the long-term availability, quality and lower cost of natural pyrethrum for SC Johnson products.

A pilot was formally kicked off in July 2004. In the first year, more than 10,000 farmers have had an opportunity to learn about the pumps through a variety of creative marketing and communication efforts, ranging from radio and posters to promotional events and competitions. The number of distributors has been increased and hundreds of pumps have been sold or given away. With every pump sold, farmers are also receiving a pack of pyrethrum seeds from the PKB and a can of Raid® and Baygon® from SC Johnson Kenya, helping to establish the company's brand among potential consumers.

Ongoing efforts are being made by the partners to measure the impact that micro-irrigation and clonal seeds have on improving the quality and quantity of pyrethrum being grown. KickStart's staff will measure and record the true economic and social impacts of the pump, looking at measures such as net household and diversity of income, pump sales and usage patterns, household food security, health and nutrition, and market awareness of the pump. The government's PBK will also monitor crop production of some of the farmers who have purchased a pump, focusing on both quantity and quality.

(iii) Investing in Innovative Financing Mechanisms: Social Venture Capital and the case of Acumen Fund and Cisco Systems

Founded just over 20 years ago by a small group of computer scientists from Stanford University, Cisco Systems has become a global leader in developing hardware, software and service offerings to create Internet solutions that improve the connectivity and productivity of individuals, companies, and countries. The company's stated vision is "to change the way people work, live, play and learn." Since its creation, the company has focused on developing innovative new approaches to customers' challenges and has emphasized the power and potential of networking.

While Internet ecosystems are the company's value proposition for achieving one of its two core values – customer focus – the Cisco Corporate Citizenship Ecosystem enables it to apply a similarly entrepreneurial, networked approach to its corporate citizenship activities. The company's work in this area is directed by Tae Yoo, Cisco's Vice President of Corporate Affairs, who brings strong experience in new business development and alliance building to this role, having led various business units in the company focused on new markets and sales channels.

The company's corporate citizenship activities aim to drive sustainable change by fostering mutually beneficial partnerships between local and global nonprofits, corporations and government bodies, which leverage the partners' varying skills, networks and resources to solve problems in the areas of education, access to basic needs, capacity building and economic development.

The company looks for social investment opportunities with partners who take a similar approach to developing innovative new models and mechanisms that address public problems. One such example is the role Cisco Systems Inc. and the Cisco Systems Foundation played, together with the Rockefeller Foundation and several individual investors, in providing the seed capital for social entrepreneur Jacqueline Novogratz to establish Acumen Fund, which operates like a venture capital firm for the poor. Established as a nonprofit organization, Acumen Fund identifies innovations with high potential to solve demanding issues, currently in the areas of health technology, housing and water, which may operate in either the profit or nonprofit sector. It then supports these innovations and the social entrepreneurs who drive them via a combination of financial capital, in the form of loans, equity investments and occasional grants, and intellectual capital and technical assistance, delivered through a network of connections and partners. In each organization in its portfolio, Acumen Fund focuses on the areas of effective design, pricing, marketing and distribution of critical goods and services to the poor.

Current investments range from A to Z Textile Mills in East Africa, which produces long-lasting anti-malarial bednets (now ramping up to 70,000 a month), to the Saiban initiative in Pakistan, which is establishing a mortgage guarantee facility to stimulate a private mortgage market for the poor, many of whom live on less than \$4 a day (targeting over 6,000 poor urban families), and IDE in India, which has sold more than 30,000

affordable drip irrigation units to poor farmers, giving them an opportunity to move out of poverty while also managing scarce water resources better.

Experienced portfolio managers monitor the portfolio's performance based on a set of indicators and benchmarks that cover both the social and financial returns of its investments, and provide regular reports to investors. Acumen Fund evaluates its own effectiveness as a social enterprise across five main areas: financial sustainability; portfolio performance; strength of its community; internal operations; and thought leadership, in addition to measuring key outputs and lives changed as a result of its investments.

Acumen Fund's investment approach is based on the following core principles: take a few big bets; focus on sustainability and scale; build effective networks; provide financing and management expertise; demand accountability; and measure the results. The core of its business model is to combine the flexible capital of philanthropy, the skills of business and the rigor of the marketplace to help build enterprises that have the potential to serve the poor on a large scale.

This approach aligns well with Cisco Systems' own philosophy in both its business activities and its approach to corporate citizenship. Both organizations focus on developing and promoting high-impact solutions. As one of Acumen Fund's founding investors and now one of its sustaining partners, Cisco Systems Inc. as well as the Cisco Systems Foundation engages with Jacqueline and her colleagues in a number of ways. Tae Yoo serves on Acumen Fund's Advisory Council and the company has an opportunity to participate in a range of investor briefings and field trips to meet with social enterprises in Acumen Fund's portfolio, offering useful learning opportunities and exposure to innovative new approaches to social problem-solving.

(iv) Investing in Innovative Financing Mechanisms: Microfinance and the case of Grameen Foundation USA and the Abdul Latif Jameel company

The Abdul Latif Jameel (ALJ) Group is the world's largest independent distributor of Toyota vehicles, operating in the Middle East, Europe, Asia and Africa, with other activities in real estate, electronics and home appliances, advertising and financial services. Over 50 years ago, ALJ's founder instilled a strong commitment to community engagement in the company's overall approach to doing business. His son, Mohammed Abdul Latif Jameel, has built on this legacy of service to develop an increasingly strategic, solutions-driven approach to corporate citizenship that aims to align the company's values and competencies with the capacity building needs and societal challenges of the communities where it operates.

As a leading company based and operating in the Middle East, ALJ identified job creation opportunities for young people and increased economic opportunities for women as two crucial areas warranting a more focused, rigorous and partnership-driven approach. Over 60% of the population in the Middle East is under the age of 25 and many

young people are leaving school without the necessary skills or motivation to do the jobs most needed in the region to ensure its long-term economic development and stability.

At the same time, an estimated six million Arab families live in extreme poverty, and there is growing awareness by leaders in the region that market-driven microfinance approaches offer a great opportunity for poverty alleviation. This includes the challenge of providing finance, technical assistance and broader support to women entrepreneurs, even more challenging in this predominantly Islamic region than elsewhere.

Drawing on a business relationship of over 50 years with the Toyota Corporation, and a commitment to benchmarking his business operations against world-class practices, Mohammed Abdul Latif Jameel decided to take the same rigorous approach to identifying world-class social enterprises that he and colleagues could learn from in order to address the challenges of job creation and enterprise development most effectively. His research and a long-standing relationship with the Massachusetts Institute of Technology led him to Muhammad Yunus, the founder of Grameen Bank, and from there to Grameen Foundation USA (GFUSA).

Building on the models and lessons of Grameen Bank, GFUSA is a non-profit organization that combines microfinance, new technologies, and innovative business models to empower the world's poorest people to start their own enterprises and escape poverty. It champions innovation in three areas: information and communications technology as a strategy for poverty reduction; pursuing industry standards for data tracking and reporting; and developing and executing financing models to expand available capital for microfinance programs. Established in 1997, GFUSA has already built a global network of some 50 partners that have reached nearly 1.4 million families in 20 countries.

In 2004, GFUSA and the Abdul Latif Jameel Group joined forces and resources to launch a programme aimed at building the capacity of leading Arab Microfinance Intermediaries (MFIs) and the broader microfinance sector. The initiative is providing badly-needed capital for expansion around the Middle East, helping to jump-start the microfinance sector in some Arab countries, and building a network of social entrepreneurs who can raise awareness and build local capacity in order to increase the scale and impact of such activities throughout the region.

In addition to providing funding, the initiative is also supporting efforts to improve the evaluation, investment portfolio monitoring and technical assistance provided to Arab MFIs. It is offering targeted training and scholarships to these MFIs, including opportunities to spend time in Bangladesh learning first-hand from the Grameen Bank experience, as well as technology support to improve their information management systems and translation of microfinance training materials and research publications into Arabic.

In ALJ's home country Saudi Arabia, the initiative has helped to pioneer a new microfinance program that has already empowered hundreds of poor Saudi women to

start small businesses and improve their families' prospects through the provision of micro-loans. Launched in June 2004, this Program for Productive Families had benefited over 550 women without a single loan default by the end of 2004, and has set an ambitious goal of reaching 2,000 women by the end of 2005. It is expected to provide about 25% of the 6,300 new jobs that the ALJ Group has committed to create through its overall Community Services program in 2005. During the implementation phase, over 800 Saudi women applied for six positions as loan officers, resulting in a well-qualified and highly motivated staff team.

This programme is not only helping to alleviate poverty by starting microfinance programs and encouraging greater entrepreneurship, but is also, in the words of GFUSA, "beginning to break down entrenched barriers and stereotypes by addressing economic hardship through the use of microfinance."¹⁴

From Mohammed Abdul Latif Jameel's perspective, the combination of a strong sense of social responsibility with rigorous evaluation, market-driven disciplines and innovative financing models, offers one of the best hopes of creating the necessary jobs and sense of entrepreneurship that are so crucial to securing a stable and prosperous future in the region.

Partnering with social enterprises such as those operating in the Grameen network helps the ALJ Group to bring world-class microfinance skills and capacities to the Middle East, thereby more effectively leveraging the resources his own company can contribute to tackling poverty, and helping to pursue the long-term interests of both the company and the wider society in which it operates.

(v) Harnessing technology for social progress: The International Youth Foundation and Nokia¹⁵

Nokia has been one of the business success stories of the global technology revolution. Virtually unknown outside its home country of Finland in the 1980s, today the company is one of the world's leaders in mobile communications. Its clearly stated corporate mission is "Connecting People."

A passion for innovation has been a key factor in the company's success, as has a systematic focus on stakeholder relations. This is a key characteristic of the company's collegial culture and leadership style, and also feeds into its innovation processes, its operational capability and its brand equity. The company explicitly defines its stakeholders as "...employees, customers, suppliers, shareholders, governmental and non-governmental organizations, the media, the communities where it does business and other parties that have influence over or are influenced by Nokia."¹⁶

Given Nokia's leadership in future-oriented communications technologies, young people are an increasingly important stakeholder group. The company is establishing mechanisms to listen to and learn from this group, integrating feedback from young people into its innovation processes and future visioning. Youth and education have also

been made the strategic focus of Nokia's corporate citizenship activities. According to Jorma Ollila, "In the future that Nokia's business is shaping, people will have the technology to communicate anytime, anywhere. Helping young people improve their skills, knowledge and connections to society is a natural outgrowth of Nokia's business, vision and values."¹⁷

As a company that revolves around innovation, Nokia is keen to work with social entrepreneurs in delivering its youth and education programmes. After extensive consultation, Nokia decided that the International Youth Foundation (IYF), founded by social entrepreneur Rick Little, would be an effective and creative partner in helping it to implement its global commitment to youth development. IYF's programs seek to build young peoples' character, confidence and competence and to connect them to their families, peers and communities. This purpose fits strategically with Nokia's own vision of connecting people.

In April 2000, Nokia and the IYF launched a multi-year, multi-million dollar partnership called 'Make a Connection.' This global initiative focuses on locally driven programmes that improve educational opportunities for young people and teach them life skills. Nokia's initial financial commitment to 'Make a Connection' was about \$10 million over four years, with the aim of leveraging more money, as well as ideas and technology through partnerships and employee volunteer efforts.

The also aims to mobilise in-kind and professional support from Nokia, its employees, business partners and other companies and non-profit organizations. Not surprisingly, an important element is making effective use of information and communications technology. One example is *YouthActionNet*, an Internet site for youth interested in making a change in their communities. It provides information on events, resources, and issues that young people can get involved in and enables them to interact with peers around the world. The site was developed, with support from Nokia experts, by a group of young people from eight different countries.

Today, 'Make a Connection' is operating on five continents in 20 countries and has directly impacted more than 180,000 young people – helping to create the life skills and technological capacity that will enable them to be effective and responsible citizens, employees, customers and leaders of the future.

(v) Mobilising core corporate competencies to develop the 'next generation': City Year and Bank of America (formerly BankBoston)¹⁸

BankBoston, now part of Bank of America, is America's oldest commercial bank. From the China Trade to the textile mills of the early industrial revolution, from the first movie studios in Hollywood and the birth of McDonald's, to the high tech revolution along Boston's Route 128, the bank has been a vital part of America's economic history. By the late 1980s, it had grown into a formidable regional and international presence and had

been steadily paying dividends longer than any corporation in North America. It had also grown complacent, however, as well as inwardly focused, bloated, bureaucratic and even arrogant. In 1991, like so many other storied US companies, BankBoston almost went bust.

Management knew that it had to act decisively – and it did. Layers of management were eliminated, scores of uncompetitive businesses were sold or discarded, demanding new metrics imposed a tight financial discipline, and a comfortable, conventional corporate culture was transformed and reinvented into a leaner, more flexible, market-driven and customer-focused company. The results were impressive. By the late 1990s, the bank was producing record earnings and growth, its stock had soared to \$118 a share, and its market value exceeded \$15 billion.

As part of its corporate turnaround and reinvention, the bank was determined to transform its traditional corporate giving programme into a more strategic investment initiative. In other words, instead of just giving out small grants to many community organizations as it had for decades, engendering little goodwill or recognition in the community and realizing little quantifiable benefit to society, the company decided to pursue a new approach. One that was driven by a desire to make a difference and to harness not only its philanthropic dollars but its other corporate strengths in advancing a limited number of community needs.

In 1988, Ira Jackson, an Executive Vice President at the bank, was thinking about this new approach to social investing and partnership, when he was approached by two young Harvard Law School graduates, Alan Khazei and Michael Brown, who wanted seed funding to start a youth service program called CityYear. Khazei and Brown thought that young people recently graduated from high school could be tapped to be part of the solution to inner city problems, and that idealism backed by a disciplined and entrepreneurial approach could result in changed lives and vastly improved communities. Jackson decided that the idea was promising, even if untested, and that CityYear had the potential of becoming a transformational initiative for young people and their communities; one where the company's philanthropy, combined with other corporate resources, might really make a difference.

Khazei and Brown had no track record, no infrastructure or support system, and virtually no organizational capacity. The bank gave its "Good Housekeeping Seal of Approval" by being the first company in the nation to fund a CityYear team, and then helped line up five other corporate sponsors to launch a summer pilot programme. It provided funding to CityYear's founders so that they could methodically evaluate the results of their summer "test" and thoroughly plan for a full year programme the next fall. The bank provided meeting space, a surplus vault, office furniture and banking privileges. It took out advertisements celebrating CityYear's potential and signed on to fund the first year-round CityYear team. It trained the first year-round corps in financial literacy, provided them with free checking accounts and ATM privileges, and allowed a middle manager to serve "on loan" as CityYear's first director of corporate development and fundraising.

When CityYear decided to expand into a national programme, the bank funded its first non-Boston-based team, introduced CityYear to bankers and prominent customers in other major communities, and hosted a breakfast with big city mayors from across the country to learn about CityYear's promise. Today, Bank of America remains one of City Year's most important corporate partners and in 2004 committed to become the first national lead partner for City Year's Young Heroes program, which helps middle school students to understand social issues facing their community and how they can be part of the solution.

CityYear, over 15 years later, has grown and expanded into cities around America and has been implemented in South Africa. In 1992, Bill Clinton visited the organization while campaigning for President, and was so impressed with what he experienced that he modelled AmeriCorps on the CityYear precedent. AmeriCorps, in less than a decade has attracted over 250,000 young people to full-time national and community service, more than have served in the forty-year history of the Peace Corps.

City Year's strategic partnership with the bank has enabled it not only to raise the finances, but also to develop the institutional capacity and core internal competencies to grow, expand, control its expenses, secure its funding, ensure for quality programs and deliver on its promise. The bank and other corporate partners have gained a variety of employee development, reputation and brand recognition benefits, while investing in the longer-term stability of the communities in which they operate.

7. RECOMMENDATIONS FOR INCREASING PARTNERSHIPS BETWEEN COMPANIES AND SOCIAL ENTREPRENEURS

If partnerships between businesses and social entrepreneurs make so much sense, both in terms of mutual organizational benefit and of social or environmental impact, why are there so few good examples? Business-social collaboration is a new and growing field, to be sure, but there is also more that can be done to expand the number, scope and impact of such partnerships. Following are five recommendations that would contribute to moving this emerging field forward.

1. Increase the exposure of leaders in both sectors, business and civil society, to each other and "their" issues: they may find some of those issues are actually shared.

Ways to do this include experiential learning, project visits, integration of corporate responsibility and social entrepreneurship studies into regular business and public policy curricula at universities, joint international fora (imagine a joint "World Economic and World Social Forum"), and increased diversity of experience on corporate boards of directors and advisory committees.

2. Linked to this, increase understanding—by companies AND civil society organizations or social entrepreneurs—of the critical social and environmental roles companies play.

We find that corporations are urged, sometimes on pain of legal action, to spend more time and money understanding their social and environmental impacts—and we agree that this is a valuable endeavor. However, civil society organizations who work with (and even against) companies would also benefit from a fuller understanding of both the negative and positive multiplier effects companies' core business activities have within the larger systems of which they are part, and also the very real operational and competitive constraints that even some of the world's largest companies face.

3. Create systems to harvest employees' own ideas for social innovation.

Imagine employees were granted one day per month to volunteer, on the condition that they bring back every quarter two ideas applicable to the organization. A number of staff could be tasked with reviewing all these ideas and bringing the best to the attention of the CEO or president. Such a system for cross-sectoral knowledge and idea transfer could be equally applicable for companies and nonprofits. Some companies are also offering some of their high potential employees the opportunity to take several months leave to work with social enterprises and development agencies, with two notable examples being the Pfizer Health Fellows program and PriceWaterhouseCoopers' Ulysses programme.

4. When business-social partnerships are implemented, be rigorous about planning, monitoring, and measuring results.

This may sound obvious, but in our view does not yet happen regularly enough. Those in charge of business-social collaborations should set targets, measure results, communicate, and hold each other accountable as rigorously as in any other business- or mission-critical endeavour. Evidence that business-social collaborations deliver, as well as promise, will provide incentives for others to undertake them despite the well-recognized transaction costs to working across sectors (and could also yield lessons in cross-sector management that reduce those transaction costs in future).

5. Provide funds and other incentives for such partnerships

Companies could also join forces with foundations, bilateral and multilateral development agencies and other government bodies to invest in sector-focused, national or even regional or global challenge funds, matching grants and fiscal incentives aimed at supporting the growth of social enterprises.

The public challenges we face, both nationally and globally, are too large and too integrated, and the resources and capacities we have for addressing them too scarce and disintegrated between different sectors, that no one sector - government, business or civil society - can find the solutions on their own. There is a growing need for public officials, business leaders, civic leaders and social entrepreneurs to come together to explore new

approaches to problem-solving; approaches that combine the best of social vision and public purpose with the best of business acumen and market disciplines. The examples and frameworks in this paper offer some ideas for the way forward.

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