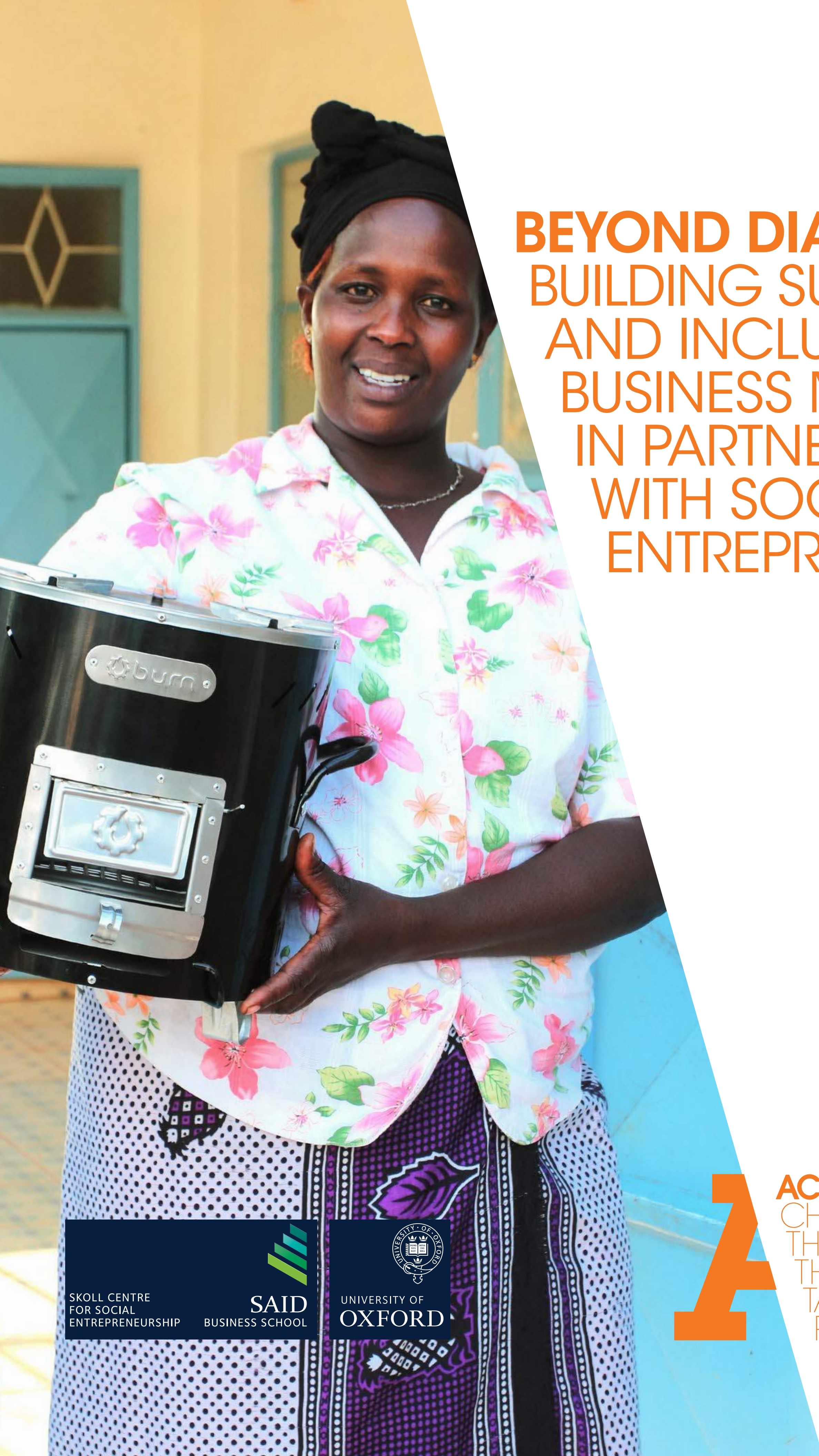

BEYOND DIALOGUE: BUILDING SUSTAINABLE AND INCLUSIVE BUSINESS MODELS IN PARTNERSHIP WITH SOCIAL ENTREPRENEURS

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This report is dedicated to Dr. Pamela Hartigan, late Executive Director of the Skoll Centre for Social Entrepreneurship.

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Cover Image: Acumen and Unilever partner with BURN in Kenya to bring clean cookstoves to small holder tea farmers

Microsoft Research and Operation ASHA partner to support tuberculosis treatment

"Ideas are cheap. Turning ideas into great companies is the hard part."

– DOUG GALEN, RIPPLEWORKS

ABOUT ACUMEN

Acumen is changing the way the world tackles poverty by investing in companies, leaders and ideas. We invest patient capital in businesses whose products and services are enabling the poor to transform their lives. Founded by Jacqueline Novogratz in 2001, Acumen has invested more $103 million in 96 companies across Africa, Latin America and South Asia. We are also developing a global community of emerging leaders with the knowledge, skills and determination to create a more inclusive world. In 2015, Acumen was named one of Fast Company's Top 10 Most Innovative Not-for-Profit Companies. Learn more at *www.acumen.org* and on Twitter *@Acumen*.

ABOUT SKOLL CENTRE FOR SOCIAL ENTREPRENEURSHIP

The Skoll Centre for Social Entrepreneurship at Saïd Business School, University of Oxford is a leading centre for the advancement of social entrepreneurship worldwide. The Skoll Centre's mission is to accelerate the impact of 'entrepreneuring' activity that aims to transform unjust or unsatisfactory systems and practices. They recognise that such activity may occur within existing organisations or institutions, or through the founding of new initiatives. They do this by; cultivating talent and emerging leadership, disseminating actionable insights relevant to social impact, and catalysing deep exchanges between a global community of innovators.

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FOREWORD

YASMINA ZAIDMAN, Director, Strategic Partnerships, Acumen

To change lives: it is a noble aspiration, and a legacy that all of us would be proud of. Dr. Pamela Hartigan, the late Executive Director of the Skoll Centre for Social Entrepreneurship left us this August after a long battle with cancer, but left behind a powerful legacy of transformation. Through her work at the Skoll Centre, as the first Director of the Schwab Foundation for Social Entrepreneurship, and as an Adjunct Professor at Columbia and frequent speaker at business schools globally, Pamela devoted herself to unleashing the power of others to change lives. She once said: "The important thing to recognize is that we all have the capacity to contribute to the kind of world we want to see."[1]

She not only made an impact directly, but she sought to help others see their own capacity to drive change, regardless of whether they were entrepreneurs, students, philanthropists, or business executives.

When she agreed to join forces with Acumen to co-host the Beyond Dialogue workshop, held on April 12, 2016, I was thrilled to have a chance to collaborate with her. Acumen has worked with global corporations for the past four years to forge innovative partnerships that can improve access to markets as well as critical goods and services for the poor. This work, as well as lessons learned from our annual Collaboration Summit, has taught us that there is tremendous potential for greater collaboration between social entrepreneurs and global corporations. Many of our early lessons are captured in the 2015 report "***Social Enterprises and Global Corporations: Collaborating for Growth with Impact***", published in collaboration with Business Fights Poverty. One of our most important lessons has been that successful collaborations come out of an ecosystem of organizations with complementary strengths, and this report reflects this ecosystem approach, with input and support from dozens of corporate partners, thoughts leaders and practitioners.

This partnership between Acumen and the Skoll Centre allowed us to expand our respective networks of entrepreneurs and corporate partners to build a truly inclusive event to leverage insights from our respective efforts to support and research partnerships, including Acumen's work with Business Fights Poverty and the Skoll Centre's work with Mars Catalyst. Moreover, it has enabled us to launch a new relationship that both organizations are eager to build on as we see more and more social entrepreneurs seeking to expand their scale and impact through partnership with corporations.

As we developed our vision for the event, we agreed that there was a need for honest discussion of the real challenges involved in building partnerships. Our first joint event uncovered the often inspiring and sometimes difficult truths behind the growing number of collaborations between corporations and social enterprises. In that spirit, we developed this report where we share not only a framework for better understanding the kinds of partnerships that are coming together to address issues of poverty, but also specific examples of what has worked, and where teams have struggled along the way.

Pamela was a force of nature, and someone who inspired people to reach beyond themselves to have a positive impact in the world. I can honestly say that mine is one of the lives she changed. Pamela's ability to take leaps of faith and her willingness to see potential where others see only obstacles is often what makes the difference in helping people to overcome difference and a lack of trust to achieve extraordinary things together. I know it was her hope, as well as mine, that this report and the event that inspired it would serve to encourage others to have this same sense of optimism and possibility. Nothing could be a greater tribute to her than to see a new batch of partnerships seeded that have as their aim the release of human potential among those that face the greatest global challenges, the poor and the marginalized themselves.

[1] "Oxford's Pamela Hartigan Teaches Us How to Change the World:, by Hope Gibbs. Be Inkandescent. http://www.beinkandescent.com/entrepreneur-of-the-month/1081/Pamela+Hartigan

INTRODUCTION

"The time is finally right for corporates to engage with social enterprises in partnerships that address each other's core businesses."

– PAMELA HARTIGAN, SKOLL CENTRE FOR SOCIAL ENTREPRENEURSHIP

An apparel company that strives to improve well-being for workers; a global consulting firm that uses its capabilities to support start-ups in emerging markets; and a consumer goods company that seeks to bring water access and sanitation to communities around the world. Each of these companies and many more are defining their business models in terms that include the environment, communities, and broader social objectives. That's nothing new. What is new is that each of these companies believes that they can achieve many of their goals through collaboration with social enterprises.

What drives these goals varies from company to company, but the launch of the UN Sustainable Development Goals (SDG) and the adoption of the Paris Agreement at the UN COP21 conference on climate change has demonstrated that the complex and systemic challenges of today require new models of partnership.

Corporations are realizing that their own sustainability, brand identity, appeal to new talent and license to operate in new markets all require them to experiment with innovative and daring business models that are built on collaboration with various stakeholders, including social enterprises. While social enterprises and multinational corporations are different in many ways, there is growing potential for both to work together to catalyse virtuous cycles of social impact and business success. Moreover, there is growing recognition that in order for this virtuous cycle to be long-lasting and successfully implemented, partnerships between the two need to be linked to core business operations, and not exclusively the domain of the corporate responsibility function or the foundation at a corporation. **Collaboration that leads to truly sustainable and inclusive business models will engage both large global corporations and social enterprises in business model innovation that requires both entities to operate in new ways.**

This evolution now seems possible, as corporations and social enterprises are showing a willingness to take risks, consider long-term issues, and integrate social and environmental values into decision-making. This report stipulates that it is not only possible, but necessary to achieve breakthroughs in building sustainable and inclusive businesses. Many of the companies featured in this report agree.

Levi Strauss Foundation, for instance, is teaming up with social enterprises in Bangladesh to find new ways to improve the lives of garment workers and has partnered with Change Associates to make formal employment a pathway out of poverty for women. Through its Enterprise Growth Services, EY, the global consultancy, has sent its personnel to work with more than 30 social enterprises in Ghana, Liberia, India and beyond to tackle their biggest business challenges on the same terms as EY's largest clients but at a 90 percent discount to make the projects affordable. Unilever has made a commitment to have a fully sustainable agricultural supply chain that improves not just the yields but also the livelihoods of smallholder farmers. To achieve this goal by 2020, the company has partnered with Acumen and many others to work with smallholder farmers on issues of health, productivity, and access to water and sanitation. Each of these companies' initiatives represent a significant shift from their traditional business model or approach to partnerships, and each will continue to evolve as they pursue greater impact through partnerships.

Social enterprises face tremendous challenges due to their smaller scale, scarce resources and specific populations they are trying to reach, but these innovative companies are nimble, flexible and open to change as they learn from the people they serve. Their corporate counterparts are naturally less flexible but they can no longer use the

Participants arrive at the Beyond Dialogue event in Oxford

Fred Hersch and Shelly Batra

constraints of traditional business as an excuse to resist change or allow their bottom-line business objectives to shape and define every partnership. Everyone needs to flex a little to make these partnerships work.

BEYOND DIALOGUE: BUILDING SUSTAINABLE AND INCLUSIVE BUSINESS MODELS IN PARTNERSHIP WITH SOCIAL ENTREPRENEURS

Despite the growing interest in partnerships between corporations and social enterprises, collaboration is as hard as it is important. In response to the growing demand from both leading global corporations and social enterprises for facilitation of meaningful partnerships between them and knowledge-sharing on best practices in this area, the University of Oxford's Skoll Centre for Social Entrepreneurship and Acumen, the global social enterprise investor, organised a one-day gathering in Oxford of more than 70 global corporations, social entrepreneurs, and social impact intermediaries on April 12th, 2016, a day ahead of the 2016 Skoll World Forum.

This report and the event that inspired it seek to break down some of the barriers to collaboration by providing a framework for the different kinds of partnerships that are most common (Skills Partnerships, Channel Partnerships, Venture Partnerships and Knowledge Partnerships), examples from across the spectrum of partnerships models, and lessons that can be extracted from these case studies and hopefully applied to strengthen existing partnerships and launch new ones.

Officially called *Beyond Dialogue: Building Sustainable and Inclusive Business Models in Partnership with Social Entrepreneurs*, the event was sponsored by Mars, Inc., EY, the Levi Strauss Foundation, Johnson & Johnson, and PepsiCo and consisted of a series of roundtables with themes that were considered high priority for the participants: energy, agriculture, workforce development, health, and water & sanitation. Beyond the sponsoring organizations, notable participants included Citibank, Novartis, Unilever, Marks & Spencer, Bayer, Microsoft, Sanergy, Sproxil, VisionSpring, Operation ASHA, Cacao de Colombia, Esoko, Echale a Tu Casa, d.light, the Shell Foundation, Telenor, Christian Aid, Water.org, and GSMA Mobile for Development.

The express objective of *Beyond Dialogue* was to help corporations and social enterprises learn more about the ways they could partner with each other to achieve shared goals for sustainable and inclusive business, and to spark new collaborations. In the context of these roundtable discussions, participants made the case for partnerships between multinational corporations and social entrepreneurs; shared any experiences, whether positive or negative, they had in engaging in such partnerships; and networked among themselves to explore further possible collaborations. Event participants – whether they were from a big corporation, social enterprise, or an intermediary organisation – overwhelmingly came away with a positive experience, expressing that *Beyond Dialogue* had triggered profound and valuable reflections on what it meant – in terms of opportunities and challenges – to partner with a very different kind of

WHAT IS A "SOCIAL ENTERPRISE?"

"Social enterprise" can mean different things to different people. Some even use the term as an alternative to "non-profit organization." For the purposes of this report, social enterprises are to be understood as businesses that apply entrepreneurial approaches to social problems to change the status quo and build lasting solutions. Therefore, the terms "social enterprise" and "social business" may be used interchangeably.

organisation to their own. The event also catalyzed relationships that could lead to official partnerships in the future. Participants emphasized that these discussions need to advance beyond talk, and should lead to replication and accelerated expansion of these types of partnerships.

This report seeks to answer this desire of event participants by recording and reinforcing the most salient points and stories raised during *Beyond Dialogue*. It aims to distil useful insights and lessons mainly through a selection of case studies shared by event participants that will allow readers and practitioners to derive what is most relevant and suited to their context and sector. It will then analyse the key findings and lessons from the case studies before concluding on future opportunities for learning and collaboration. This report will hopefully lead to more proactive efforts to develop and expand partnerships that aim to improve the lives of people living in poverty, and to demonstrate how these partnerships can be designed to support both business and social impact goals.

DEFINITIONS AND FRAMEWORKS

In the context of collaboration between big companies, social enterprises, intermediaries and investors, "partnership" often means different things to different parties. While interest in these partnerships is growing, a lack of common understanding can be a major barrier to helping organizations create the partnerships they are seeking. The participants in the *Beyond Dialogue* workshop – whether they were from a multinational corporation, a social enterprise, or an intermediary organization and whether they were experienced or inexperienced in building partnerships – shared the view held by the event organizers at Acumen and the Skoll Centre that there is potential for much more to be achieved through these partnerships.

While many of the benefits of a partnership can include things like an increase in brand value or reputation, employee engagement, and license to operate, there was a strong interest in developing collaborations that impact the core business practice of companies. This could manifest in a variety of ways, from opening access to new markets while also delivering access to previously marginalized customers, more reliable supply chains, or whole new business models.

One of the goals of this report, therefore, is to offer some common definitions and a framework for categorizing partnerships that can guide organizations towards the best models for collaboration. The definition of "partnership" used for the remainder of this report will be defined as a legally recognized relationship and/or a sustained collaboration between two or more parties with a shared vision and an equal level of commitment.

An earlier report on corporate-social enterprise partnerships published by Acumen and Business Fights Poverty[2] prior to *Beyond Dialogue*, as well as the lessons exchanged at the *Beyond Dialogue* workshop itself, highlighted four major types of partnerships being undertaken between global corporations and social enterprises:

1) **SKILLS PARTNERSHIPS** leverage the considerable resources of global corporations to address the limited resources of social enterprises, contributing to employee engagement and development for the corporation and any number of business benefits for the social enterprise, depending on the partnership focus.

Skills partnerships involve one party sharing their skills and expertise with the other, either through structured pro-bono or low-bono engagement, through skills-based volunteering, or through informal mentoring, coaching or advising. Typically, it is the global corporation that shares

Francesco Piazzesi

Workshop participants discuss Energy Access

[2] See Acumen, 2015. Social Enterprises and Global Corporations Collaborating for Growth with Impact. http://acumen.org/wp-content/uploads/2015/10/1502_AcumenSummitReport_092115Finalv2_pgs.pdf

"It is not just about what corporates can bring to social enterprises, it is about creating an ecosystem where social entrepreneurs and corporates alike can be more effective. For example, in the solar space, social entrepreneurs are engaging with non-traditional market segments that have not been the focus of big Lighting companies. So the real disruption and innovation in these markets, in the base-of-the-pyramid segments is led by social enterprises. We learn from them, and are finding out how to support them."

– PRAJNA KHANNA, PHILLIPS LIGHTING


Prajna Khanna and Shelly Batra

its skills and expertise to address a specific challenge the social enterprise is facing. Social enterprises benefit from the experience and insight multinationals' employees bring to the table, particularly on issues enterprises face as they work to scale their businesses. For their part, global companies benefit from exposure to new markets and innovative approaches to serving them, which can inform long-term strategy and business development if captured and utilised appropriately – which can be a challenge for many. In addition, by providing opportunities to use their time and skills to help improve the lives of people around the world, multinationals contribute to their employees' sense of purpose and leadership potential, which can increase productivity, retention, and impact.

2) **CHANNEL PARTNERSHIPS** bring the market insight and targeted products and services of social enterprises to the large-scale supply and/or distribution networks of global corporations, helping social enterprises to achieve scale and global corporations to strengthen their supply chains and/or sales.

In channel partnerships, social enterprises and multinational companies serve as sales or supply channels for each other. The multinational may serve as a channel for the social enterprise, with the social enterprise selling products and services to the multinational's suppliers, distributors, or retailers. Alternatively, the social enterprise may serve as a channel for the multinational, providing on-the-ground presence and services that help the multinational reach that "last mile" to procure from smallholder farmers or sell to low-income consumers effectively. The benefits of such channel partnerships – for both the social enterprise and the multinational – can include increased sales and enhanced quality, quantity, and reliability of supply. These partnerships are also essential to building more inclusive business models, making the benefits of business, both in terms of access to products, and access to markets available to people who have been historically excluded from markets.

"50 years ago, financial capital was scarce and natural capital was abundant. The reverse is true right now, but we're still operating with the old model, which is inappropriate."

– BRUNO ROCHE, MARS CATALYST

3) **VENTURE PARTNERSHIPS** combine the risk tolerance of social enterprises with the resources of global corporations to develop new products and services and even entirely new business models through investments, joint ventures, and acquisitions.

In venture partnerships, social enterprises and multinational corporations actually go into business together. A multinational may take equity stakes in a social enterprise whose goals align with its own – because the social enterprise's work expands the market for the multinational's products and services, for example, or reduces the risk in the multinational's supply chain or operating environment. A social enterprise and a multinational may also invest financial and/or human resources to jointly get a brand new venture up and running.

4) **KNOWLEDGE PARTNERSHIPS** are an emerging form of collaboration whereby corporations and social enterprises partner with each other to gather, share, or analyse data and market information in an area of overlapping interests that either one or both sides need, or to conduct research and development together.

Knowledge partnerships are driven foremost by a thirst for innovation and make sense where either the global company or the social enterprise (or both) are challenged by an "information blind spot" that their resources or business model won't allow them to resolve alone. It could be that the multinational corporation lacks the last-mile reach to gather the data that would allow it to innovate for low-income customers. Conversely, social enterprises, by themselves, can have a hard time conducting key research that could help them to scale, expand delivery of products or services, or become sustainable. Knowledge partnerships can sometimes lead to the development of intellectual property or, in some cases, a prototype of a new product. For this reason, knowledge partnerships often later evolve into one of the partnerships listed above.

The case studies that follow reflect the full range of partnership models categorized within this framework. However, this framework is only helpful up to a point. Across these categories, each partnership offers lessons and patterns that can be instructive to those who want to strengthen their corporate-social enterprise partnerships or launch new ones. By continuing to refine definitions and share lessons, our aim is to increase the number of such partnerships and improve their likelihood of success.

"For our company, partnerships with food and agriculture businesses are key. Esoko's model is to bridge between corporations and farmers to the benefit of both, and our corporate partners value that direct connection more and more as they seek more flows of information both to and from smallholder farmers."

– HILLARY MILLER-WISE, ESOKO

MODELS OF COLLABORATION BETWEEN SOCIAL ENTERPRISES AND GLOBAL CORPORATIONS

PARTNERSHIP MODEL

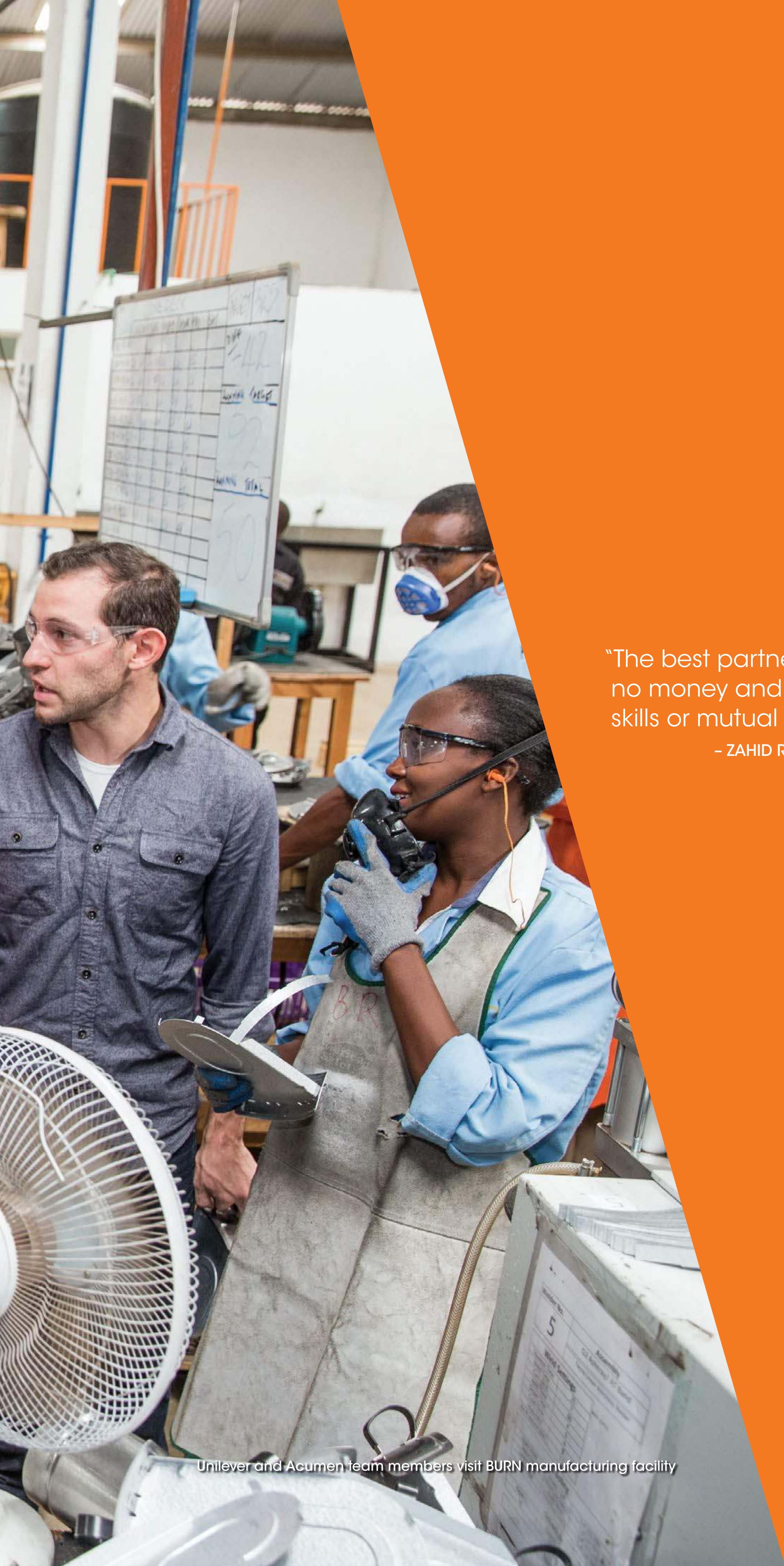
Skills Partnership	Channel Partnership	Venture Partnership

PARTNERSHIP DESIGN ELEMENT

Drivers	What does each partner need? What are their incentives to collaborate, and what benefits do they expect?
Objective	What do the partners aim to achieve together?
Partner Roles	What will the social enterprise do? What will the global corporation do? Are there additional roles that additional partners need to play?
Operating Structure	What does the "partnership org chart" look like? How will project management communications take place? How will decisions be made?
Funding Structure	Which partners will incur what kinds of costs on what timeframes? How will these costs be covered? How will revenues be managed?
KPIs	How will success be measured by the social enterprise? By the corporation? By any other partners involved?

This framework was originally published in *Social Enterprises and Global Corporations: Partnering for Growth with Impact*, published in 2015 in collaboration with Business Fights Poverty.


DASANI



Unilever and Acumen team members visit BURN manufacturing facility

"The best partnerships often involve no money and can be as much about skills or mutual learning."

– ZAHID RAHMAN-TORRES, BUSINESS FIGHTS POVERTY

SKILLS PARTNERSHIP

MEETING OF MINDS: EY ENTERPRISE GROWTH SERVICES + JIBU

It's no secret that starting a social enterprise is hard, but scaling one comes with its own unique challenges. East Africa-based social enterprise Jibu recognized that quickly and efficiently scaling their business would require detailed, standardised ways of working. They opted to build these into their business early on, recognizing that it would be much harder to do further down the line. To do this, they sought input from a third party that could offer an informed and impartial point-of-view, along with practical, hands-on delivery.

Jibu engaged EY (formerly Ernst & Young), the global professional services corporation, to develop easily-replicable accounting, stock control and point-of-sale (POS) practices. While relying on the expertise of an enormous, global firm such as EY, which itself is known for advising enormous, global firms, might seem unusual for a small but growing social venture, Jibu's collaboration with EY proved to be a positive experience for both organizations.

THE PARTNERS:

EY's Enterprise Growth Services (EGS) division extends EY's services, expertise, and the company's experienced consultants to social enterprises to help them scale sustainably, charging 10-15% of the fees normally billed to larger, conventional companies – an arrangement referred to as "low bono". EGS projects are full-time, tailored to clients and delivered by consultants on the ground – who are either based locally, or are based with the enterprise for the duration of the project. The EY consultants who are deployed deliver

A Jibu franchisee

their best work, with oversight from EY partners, just as if the client were a global corporation. EY usually works closely with impact investors, foundations and NGOs to identify social enterprises that would most benefit from their support. These have included Acumen, Echoing Green and IEP.

Jibu is a social business with operations in Rwanda, Uganda, and Kenya that addresses the problem of lack of access to safe, clean drinking water for communities in East Africa. An officially registered Limited Low-Profit Corporation (L3C), Jibu achieves this through a franchising model, equipping and training local African entrepreneurs to supply affordable drinking water, treated through solar-powered filtration technology, to their communities in mainly underserved areas. The water is bottled in reusable plastic bottles and sold through visible store fronts run by Jibu franchisees. The enterprise's business model has seen significant success, and, at the time of the partnership, it was seeking to expand sustainably.

THE OBJECTIVE:

EGS would work with Jibu to develop standardised ways of working and to streamline the social business's accounting and POS data management– which was running on 11 different systems – into something more coherent and simple, in order to help Jibu scale sustainably and for the long term.

WHAT THEY DID:

EGS sent a consultant (Alex Paur) from EY Switzerland to spend five months with Jibu, supported part-time by colleagues from EY's Kampala and Kigali offices. Alex was able to intimately understand Jibu's operations, processes, and pain points. He worked with the company to help them track and capture important logistical and inventory data that would help the company choose the best available accounting and POS software on the market. Once that software solution had been identified and purchased, Alex stayed on to support Jibu's efforts to train their franchisees

Alex Paur from EY visits Jibu team in Uganda

on how to use the new system as well as basic bookkeeping and reporting. EY Uganda and Rwanda provided tax and payroll advice.

In collaborating closely with Jibu in this way and considering it as important as any high-profile corporate client, EGS gave Jibu access to the precise set of skills and insights that it needed to progress as a company. As a result, Jibu not only gained a tool that helped make their operations more efficient and cost-effective and empowered their local entrepreneurs to better manage their stores, but also the real-time performance data captured by the new system, which enabled the social enterprise to make appropriate, informed strategic decisions that before would have been made blindly due to lack of evidence.

For EY and in particular for Alex, this collaboration represented a unique and exciting opportunity to work with and learn from an innovative and pioneering business that was truly making a difference in underserved communities. The way the partnership was executed brought about a mutual development of skills and capacities.

WHAT THEY LEARNED:

+ **Skin in the Game:** The low bono model of consulting used by EY is often more effective than pro bono consulting, because it focuses enterprises and their investors on using consultants for their most pressing problems, and engaging fully with them during the project. For EY, it is operationally much easier for local offices to release their best people for several months at a time if their costs are at least partially covered.

Jon Shepard from EY visits Jibu in the field

+ **Mutual Benefits:** While the business case of this partnership may be obvious for Jibu, since it gains high-quality strategic consulting services at a fraction of the normal price, it is also significantly helpful for a company like EY, particularly in the area of employee engagement and retention. Projects of the kind undertaken by EGS help build up EY's brand value in the eyes of potential employees among Millennials, thereby helping the firm attract young talent and reducing attrition. As Alex stated, "It's been amazing. I've had the chance to apply my knowledge and skills to something that will make a real difference to the quality of people's lives, and met some wonderful people along the way."[3]

+ **Open-mindedness and Flexibility:** It's important for the consultant to have the right attitude when working with atypical clients, which social enterprises are likely to be. The founders and staff at Jibu were impressed at how EY's team were able to be open-minded and flexible, coming in without any assumptions about how the social business does or should work. They actively listened to Jibu's employees and franchisees, genuinely seeking to understand the enterprise's business model as well as to gain trust with all involved stakeholders. As Galen Welsch, Jibu's CEO commented, "EGS filled a skillset and experience gap that was crippling our capacity to scale. For the first time, we're able to make management and business model decisions that we were previously making blindly."

[3] EY Enterprise Growth Services, 2016. Where clean water's value is so high, can the price come down ? London : BMC Agency

CHANNEL PARTNERSHIP

TAILOR-MADE EMPOWERMENT: LEVI STRAUSS & CO., LEVI STRAUSS FOUNDATION + CHANGE ASSOCIATES

The partnership between Levi Strauss & Co. (LS&Co.), Levi Strauss Foundation (LSF) and Change Associates illustrates that skill transfers don't flow solely from the corporate partner to the social enterprise counterpart. It is also sometimes the case that the smaller social enterprise teaches and imparts vital management or workforce development skills to the corporate partner.

More than 20 years ago, LS&Co. established itself as the industry standard-bearer for responsible supply chain practices with the introduction of its Terms of Engagement. LS&Co. has continued to lead and innovate as a result of its commitment to apparel workers and the environment. Like many major apparel manufacturers and retailers, LS&Co. has significant business interests in Bangladesh, namely in the country's booming ready-made garments (RMG) industry and labor force, comprising mostly young women that have migrated from rural areas. Most major brands do not own or operate factories in Bangladesh. Instead, brands place orders and purchase from contract suppliers who operate factories in Bangladesh. Consequently, it can be a challenge to monitor conditions or support workers in those factories, even with strong Terms of Engagement and strict Codes of Conduct. LS&Co. and LSF have also been investing in factory workers' empowerment programs since 1999 by partnering with credible and capable NGOs on the factory floor. In Bangladesh and other countries, there are histories of deep mistrust between factory management and NGOs. This suspicion and resistance from factory management are in part due to confrontational tactics some groups take in order to try to improve the industry, such as gathering grievances from the workers to report back to either the buyer brand's corporate headquarters or to the Bangladesh national government – or to inform global advocacy campaigns.

In Bangladesh, LS&Co. and LSF's search for a credible and capable social enterprise that took a different approach guided them to Change Associates. Rather than going into garment factories with the stance of monitoring working conditions or penalizing factory managers, Change Associates sought to engage workers, supervisors and management in training and education that both empower workers and improve their productivity and performance metrics. The results were so encouraging that the Levi Strauss Foundation has continued the partnership and suppliers have, for the most part, welcomed the collaboration and their involvement in it. The biggest and most important winners, of course, are the apparel workers in the factories, whose health, workplace satisfaction, and performance have improved measurably.

THE PARTNERS:

Levi Strauss Foundation is the philanthropy arm of Levi Strauss & Company, the global corporation whose founder invented the first pair of blue jeans in 1873. Based in San Francisco, California, the Foundation was established a century after its parent organisation in 1953 by Levi Strauss & Co. executives and awards grants to pioneering, entrepreneurial organisations around the world that are driving meaningful change in the areas of HIV/AIDS, social justice, and the rights of workers in the apparel sector with innovative cross-sectoral approaches.

Change Associates is a Bangladeshi social enterprise that seeks to empower women factory workers, especially in the ready-made garments industry, through tailored training and capacity building programs and workshops – focusing usually on life skills, health, and education of workers' legal rights. The enterprise tries as much as possible to involve mid and senior-level management of their client factories in the training activities. It also offers partnership development services and conducts research and evaluation studies on the impact of their interventions as well as issues faced by workers and client factories. It has a team of more than 30 people, all engaged in different innovative projects related to workers' empowerment or shifting the mindset of factory managers.

THE OBJECTIVE:

Improve the working conditions, health, and productivity of women garment workers in LS&Co.'s supplier factories in Bangladesh.

WHAT THEY DID:

In an unusual twist, Levi Strauss Foundation first came to know about Change Associates' founder, Nazneen Huq, before the organisation existed. In 2005, LSF met the future founder and was impressed with her entrepreneurial vision; in 2008 they began working with her and helping her build a new social enterprise. Change Associates was finally launched two years later with the help of a start-up grant from LSF, and Change Associates started working with LS&Co. to identify where and why factory workers were facing challenges in the industry and developing potential solutions.

Like others in the industry, LS&Co.'s suppliers were aware that turnover and absenteeism among workers in their factories was high. This gave the impression to factory floor managers that workers were flighty or uncommitted, which then decreased their incentive to invest in or support the professional or personal development of their workforce.

Health workers from HER Project visit Levi's supplier in Bangladesh

Further investigation, however, revealed that many female workers were skipping work during their menstrual cycles, likely out of embarrassment or physical discomfort. LS&Co. introduced the HERproject and Change Associates to its suppliers to provide education and training to workers and managers, as well as emphasize the importance of access to reproductive health, pain killers, and feminine hygiene products. As a result, absenteeism among the garment workers decreased significantly.

LS&Co. believed it was time to go beyond compliance to further invest in programs that focus on improving the lives of the workers who make its products. It believed the industry can and should do more. Investments in worker well-being programs generate compelling business and social returns, generating value for workers, vendors and LS&Co. There was also a business case for this. After the implementation of a women's health education program in Egypt, a study showed that for every $1 invested in providing health education training to workers, $4 of return were realized in the form of reduced absenteeism and lower turnover rates among female workers.

In 2011, LS&Co. announced the next phase of its commitment to creating a more sustainable supply chain and launched its global initiative, Worker Well-being. Through this approach to supply chain engagement, LS&Co. partners with its suppliers and local organizations to implement worker programs focused on financial empowerment, health and family well-being, and equality and acceptance. This initiative is unique in the industry in that it goes beyond philanthropy: vendors will integrate worker well-being into the way they operate, create economic value, and make it a sustainable initiative. LS&Co. has launched pilot programs with five vendors in five countries covering more than 29,000 workers.

For the Worker Well-being pilot site in Bangladesh, LS&Co. continued to collaborate with Change Associates to

"The Levi Strauss Foundation sees tremendous potential for social enterprises to support our goals for improving the lives of apparel workers, and we've already seen what's possible in Bangladesh. A stronger landscape of enterprises focused on the needs of low-income communities globally will create significant new opportunities for partnerships that are sustainable, impactful, and that engage with apparel workers to address their needs and aspirations"

– DANIEL LEE, LEVI STRAUSS FOUNDATION

Apparel workers receive training from Change Associates and Her Project

empower factory workers as well as train supervisors and managers on how to engage with workers to increase overall productivity. Levi Strauss Foundation convened and facilitated conversations between LS&Co.'s corporate representatives, the vendor factories and Change Associates. At first, the pilot vendor was largely sceptical, due to previous negative experiences with confrontational NGOs, and it took several meetings before a sense of trust emerged and factory management allowed Change Associates staff to enter its factories.

In addition to directly training workers or line supervisors, Change Associates staff trained select factory management staff as trainers so they could themselves then lead training and gender empowerment workshops, in a 'training-the-trainers' model. Change Associates distributed materials for trainings and workshops and regularly follows up on the progress of the implementation. Over time, the pilot site vendor and its factory managers became enthusiastic about the program. In fact, the vendor became so impressed that management rolled out the program in all five of its factory locations, funding the work internally. It also started thinking about gender integration, which led them to experiment with promoting women garment workers into management roles, and they found that this improved productivity levels as well.

Now LS&Co. is scaling the initiative across its supply chain. By 2020, the goal is for 80 percent of LS&Co. product volume to be produced by suppliers that are implementing Worker Well-being programs, reaching more than 140,000 apparel workers. LS&Co. continues to partner with Change Associates in Bangladesh and regionally.

Change Associates itself has grown and has built up its own body of work. The social enterprise completed interventions in their 100th factory in August 2016. It works with a list of multinational brands on various worker programs. The organisation has also started to intervene in workers' communities, based on a holistic view of the worker, providing essential services so that factory workers are able to see improvements at home and in the workplace.

WHAT THEY LEARNED:

+ **The Central Role of Relationship-building:** A hallmark of LSF is recognizing pioneers in different fields. Working with the founder of Change Associates from the very earliest days (before the organisation even existed) and strengthening this relationship ahead of the actual collaboration meant that the partnership could also grow in a more cooperative way and address key priorities from the outset.

+ **Attacking the Problem at the Right Level:** The topic of labor rights or industrial relations is usually not a comfortable one for factories to confront. The mistrust of NGOs and labor rights advocacy groups meant factories were not open to the idea of partnering. With all the other efforts to address issues in the industry, "initiative fatigue" for vendors limited what could be done. In Bangladesh, Levi Strauss tried to engage labor rights differently, attempting to design interventions at the community level. The partnership between LS&Co., LSF and Change Associates tackled some of the issues at the factory level through engaging directly with all major actors, and dedicating the time needed to achieve success.

+ **Understanding All Perspectives:** The Worker Well-being pilot vendor didn't readily accept the partnership with Change Associates and resisted cooperating in the implementation of the partnership. It was important to understand where they were coming from, instead of coercing them through threats of dropping them from LS&Co.'s supply chain. Once it was understood that much of the vendors' reticence stemmed from negative experiences with NGOs (and its assumption that Change Associates was a traditional NGO), the partners had a better idea of how to go about building trust with the vendors. As a result, LS&Co. and Change Associates developed the practice of carrying out worker and management surveys in order to gauge buy-in from vendors directly.

VENUTRE & CHANNEL PARTNERSHIP

A RECIPE FOR SUCCESS: UNILEVER + BURN + ACUMEN

In January 2015, global firm Unilever was instrumental in launching the Enhancing Livelihoods Investment Initiative (ELII), a consortium led by Acumen and the Clinton Giustra Enterprise Partnerships (CGEP) in order to identify, invest in, and scale business models or enterprises that improve the lives of smallholder farmers in the Unilever value chain. The ELII was designed as a 3-year, $10 million initiative intended to catalyse innovative business models, alleviate poverty in low-income communities, and improve the livelihoods of as many as 300,000 farmers and their families. As part of the ELII, Acumen made an investment into a Kenyan cookstove company called BURN to bring their new low-cost, energy-efficient wood-burning cook stove, Kuniokoa, to smallholder and plantation workers in Unilever's tea estates in Kenya and Tanzania.

The partnership aligns with Unilever's Enhancing Livelihoods target: to have a positive impact on the lives of 5.5 million people by 2020 by improving the livelihoods of smallholder farmers, particularly women. While traditional cooking methods on open wood or charcoal fires pose considerable health hazards and contribute to deforestation, this innovative stove reduces women's exposure to cooking smoke and helps them to save time and money on fuel collection.

Through Unilever's local Kenyan bouillon brand, Royco, BURN aims to reach tea farmers with communication on how to cook nutritious and healthy meals for them and their families. The BURN partnership complements the work that Unilever is doing with the Global Alliance for Improved Nutrition (GAIN), where they have created a global Nutrition

A wood-burning BURN Cookstove demonstration

Intervention Programme to help improve the health and nutrition of 2.5 million people in rural communities.

The partnership also made sense for BURN, because collaboration with Unilever enabled them to expand their product line and grow their business, reach a new segment of customers, and leverage Unilever's support, networks, branding, and distribution.

THE PARTNERS:

Acumen is changing the way the world tackles poverty by investing in companies, leaders and ideas. Acumen invests patient capital in businesses whose products and services are enabling the poor to transform their lives. Founded by Jacqueline Novogratz in 2001, Acumen has invested more $103 million in 96 companies across Africa, Latin America and South Asia. Acumen recently launched a program to invest in the United States as well. In addition to working with entrepreneurs, Acumen is also developing a global community of emerging leaders with the knowledge, skills and determination to create a more inclusive world. Since 2012, Acumen has actively sought to partner with global corporations who see social enterprises as critical to achieving the inclusive and sustainable business objectives. Acumen has hosted the Collaboration Summit in Kenya since 2013, and published *Corporations and Social Enterprises: Collaborating for Growth with Impact* in 2015 with Business Fights Poverty. In addition to Unilever, Acumen works with GE, The IKEA Foundation, Barclays, EY, Bain, Safaricom, SAP, Dow, Goldman Sachs and a variety of other leading global corporations.

Unilever is one of the world's leading suppliers of food, home, personal care, and refreshment products with sales in over 190 countries and reaching 2 billion consumers a day. It has 169,000 employees and generated sales of $53.3 billion in 2015. Over half (58%) of the company's footprint is in developing and emerging markets. Unilever has more than 400 brands found in homes around the world, including Persil, Dove, Knorr, Domestos, Hellmann's, Lipton, Wall's, PG Tips, Ben & Jerry's, Marmite, Magnum, and Lynx. Unilever's

The Kunikoa stove is designed especially for use in rural communities

Sustainable Living Plan commits to helping more than a billion people take action to improve their health and well-being by 2020; halving the environmental impact of their products by 2030; and enhancing the livelihoods of millions of people by 2020. Unilever was ranked number one in its sector in the 2015 Dow Jones Sustainability Index. In the FTSE4Good Index, it achieved the highest environmental score of 5. It led the list of Global Corporate Sustainability Leaders in the 2016 GlobeScan/SustainAbility annual survey for the sixth year running. Unilever was ranked the most sustainable food and beverage company in Oxfam's Behind the Brands Scorecard in 2016 for the second year in a row.

BURN Manufacturing is a social enterprise and Acumen investee based in Kenya and the US that designs, manufactures, and distributes clean, environmentally friendly, and fuel-efficient one-pot cook stoves in sub-Saharan Africa. Its target customers are low-income communities in both urban and rural settings. As a business, BURN seeks to address the problem of over-reliance by low-income African residents on kerosene, charcoal, or firewood for cooking, often indoors in poorly-ventilated accommodations, which has demonstrated detrimental effects on both human health and the environment. The company expects charcoal consumption in sub-Saharan Africa to increase from 30.5 tonnes a year to a whopping 45 million tonnes a year by 2030 but aims to help reduce that number by half through its affordable products. Its current trademark product is the Jikokoa, the energy-efficient, almost smokeless charcoal-based cooker, but BURN intends to develop other lines of stoves that run on more sustainable fuels such as ethanol or agricultural wastes. Since the majority of BURN's customers are from BOP communities and earn less than $2 a day, the company has also innovated on providing alternative financing options, such as paying in instalments.

THE OBJECTIVE:

To manufacture and distribute a low-cost, energy-efficient wood-fired cook stove to smallholder tea farmers in Unilever's supply chain, improving their lives, reducing their fuel costs, and introducing nutrition messages.

WHAT THEY DID:

In 2015, Acumen organised a meeting in Nairobi, Kenya, gathering representatives from its network of corporations and social enterprises to brainstorm ideas for collaboration. Unilever and BURN were both present at the event, and it was in that setting that they and one of their suppliers in Kenya came up with the idea to partner to bring clean cook stoves to tea farmers in Unilever's supply chain. BURN had already designed and market tested a new version of their cook stove specifically for rural markets and was excited to accelerate the launch through Unilever's and the ELII's support.

The partners decided to focus in the beginning on tea farmers in Kenya, aiming to eventually reach 500,000 or more smallholder tea farmers across Unilever's extended supply chain in Kenya and Tanzania. There was a further opportunity to co-brand a local food brand that Unilever developed called Royco, which the corporation had successfully marketed in the past through linking it with cook stove programs. For BURN, the opportunity to extend their distribution reach and sell to a large number of tea farmers was welcome. However, as a social business that needs to be financially viable, BURN negotiated for a pricing arrangement that would assure this, as well as the opportunity for Unilever's local supplier (which provides input financing for farmers) to also provide a financing option for the stoves.

The Kuniokoa, BURN's new cook stove for this partnership, is set to launch in October 2016. It was agreed that the investment for the development of the Kuniokoa would be made by Acumen and underwritten by Unilever.

WHAT THEY LEARNED:

+ **The More (Sometimes) the Merrier:** This was an unusual partnership in that it was mediated through another, pre-exiting partnership (between Unilever, Acumen Fund, and the Clinton Guistra Enterprise Partnerships) and engaged stakeholders from this partnership to address a variety of roles – from due diligence, to investment, to local supplier engagement, distribution opportunities and beyond. In that sense, this case demonstrates the importance of enablers and intermediary partners – in this instance, Acumen – and also shows that partnerships between corporations and social enterprises can involve more than two parties and multiple overlapping partnerships.

+ **Communication at Every Level Counts:** Given this complexity, clear and consistent communication between everyone involved – Unilever, BURN, Acumen, and the local supplier working with the tea farmers (and within each of these respective organizations) – at both the local and global levels became of paramount importance to ensure all aspects of the partnership was satisfactorily coordinated and delivered.

+ **Going Slow to Go Forward:** There was a considerable investment of time and patience in launching the partnership, which couldn't be rushed. It took two years for ELII to be fully fleshed out and brought into operation by Unilever, Acumen, and the Clinton Guistra Enterprise Partnerships, and an additional year for the partnership and investment in BURN to be finalized.

+ **Staying Flexible to Achieve Complex Goals:** The parties in the partnership have needed to reiterate their own goals throughout the process and reinforce the idea that in a partnership each organization involved still needs to stay true to its goals, while adjusting, adapting, and learning from the others. Balancing diverse goals, in this case to support a fast growing social enterprise, bring clean cookstoves to farmers, and support improved nutrition goals, took frequent discussion of goals and the approach to meeting them.

Katja Freiwald from Unilever at the Acumen Collaboration Summit in 2015

KNOWLEDGE PARTNERSHIP

INNOVATION FOR SANITATION: WSUP + LIXIL

While toilets and their function are the subject of many a crude joke, almost 2.4 billion people lack access to a workable and hygienic toilet[4], which makes them susceptible to preventable diseases and suffering. At the same time, this sanitation deficit represents a potential market opportunity for any entrepreneurial venture willing to take it on. It was this big-picture perspective that brought together Clean Team – a social business within the Water and Sanitation for the Urban Poor (WSUP) network – and LIXIL, a $16 billion global company with more than 80,000 employees and an internationally renowned toilet manufacturer.

Through their common membership in the Toilet Board Coalition[5], an association of small and large businesses that tackles the problem of inadequate water and sanitation around the world and aims to achieve universal access to sanitation by 2030, the leadership at both LIXIL and WSUP realised that they shared a common vision and had complementary needs and assets. Clean Team needed a well-designed portable toilet for residents of informal settlements in Ghana to help them scale; LIXIL's R&D department was looking for opportunities to innovate and explore new markets. LIXIL had technical and technological expertise on toilet design, while WSUP had good relations with project donors and access to low income markets in Ghana where the need for sanitation improvements was acute.

THE PARTNERS:

LIXIL Corporation specialises in household and lifestyle items but is most well-known for its innovative toilets. It is based in Japan and formed in 2011 through a merger of five top Japanese firms in the household items sector: Tostem, INAX, Shin Nikkei, SUNWAVE, and Toyo Exterior.

WSUP is an organisation formed out of a multi-sector partnership between leading names in both the for-profit and not-for-profit sectors, such as Unilever, Care, and WaterAid to extend access to clean water and sanitation services to poor urban communities in financially and environmentally sustainable ways. In 2013, WSUP formed a social business called **Clean Team** to install portable toilet systems, starting in Ghana.

[4] http://www.toiletboard.org/

[5] For further information, see http://www.toiletboard.org/about-the-tbc

THE OBJECTIVE:

To develop and deploy an improved toilet for low-income populations in Ghana.

WHAT THEY DID:

WSUP's Clean Team already had a portable toilet that it had developed in the slums of Ghana at the time that LIXIL entered the picture, but the business was struggling to cover its costs, with one of the major challenges being the current toilet design. The design required high cost chemical additives to suppress odours, which increased costs and reduced efficiency. After learning about Clean Team's challenges through meetings at the Toilet Board Coalition, LIXIL saw an opportunity for its R&D team to offer its expertise as well as to innovate on portable toilet technology so that Clean Team could reduce costs and boost customer satisfaction. LIXIL had, in fact, already developed a prototype toilet for the slums of Laguna Water, Philippines. There was therefore already a foundation from which to build, and collaborating with WSUP would allow LIXIL to gain valuable feedback on whether this prototype was suited to the Ghanaian market and perhaps to Africa in general.

So, Victoria (Vikki) Bolam, project leader for LIXIL's portable toilet product, Neil Jeffrey, CEO of WSUP, and Georges Mikhael, Head of Sanitation at WSUP began talks to launch a formal partnership in September 2015. It was agreed that funding for developing and testing the toilet prototype for Ghana would be provided by WSUP/Clean Team, since the social enterprise had already secured a substantial grant from the UK Department for International Development (DFID). In fact, one of WSUP/Clean Team's strengths was its experience in securing grant funding from key donor governments that had prioritized sanitation.

Under this arrangement, LIXIL's R&D launched development of the product, applying their design expertise but also seeking constant feedback and data from the intended market supplied by Clean Team. The first prototypes installed in Ghana were considered a success, and now funding for limited testing of a new version of the toilet is pending.

WHAT THEY LEARNED:

+ **The Devil is in the Details:** While there was mutual respect and a pre-existing relationship between the partners, it still took over 6 months of back and forth to complete and sign the required documents. This was mainly because of issues arising from the differing sizes and legal identities of the partners, and the standard legal documents and contracts on both sides had not yet been adapted for this kind of partnership.
+ **Reading the Fine Print:** The size disparity between the partners can undermine the partnership if not properly addressed. In the process of the talks, the partners noticed that there were certain legal clauses in LIXIL's non-disclosure agreement (NDA) that allowed the corporation to sue the party to the agreement for any potential business damage to LIXIL. A breach-of-agreement lawsuit of millions of USD – standard in the corporate world – would likely destroy a smaller enterprise like Clean Team and WSUP. These kinds of issues had to be resolved before the partnership could be built up, even if it required lengthy internal renegotiation involving the legal department in LIXIL before the necessary changes could be officially adopted.

WSUP seeks customer feedback from target consumers

+ **Being Creative About Funding:** Funding doesn't necessarily always have to come from the corporation. In this case, it was the social enterprise that brought in the funding and had the necessary relationships to do so. Without it, it would have been difficult for LIXIL's R&D management to approve of the partnership, since the project would be piloted in Ghana while LIXIL's R&D base was in Tokyo and had other priorities in geographies closer to home.

+ **Sharing Knowledge Beyond a Single Project:** Framing the partnership in a clear and formal agreement with specified terms and commitment is important, but how the sides viewed the partnership beyond the official arrangement largely determined how successful it would be. In this case, both WSUP and LIXIL saw it as an on-going collaboration to achieve the same long-term goals, and for this reason their relationship and exchange of information didn't end with the development of the first-generation prototype and installation. Both sides continue to exchange information and feedback for the purposes of product and business development.


A Clean Team customer


Members of Clean Team


A member of the LIXIL team visits Clean Team in Ghana

TECH FOR TB: MICROSOFT RESEARCH + OPERATION ASHA

Tuberculosis (TB) is often called “the disease of poverty” because it disproportionately affects the poorest. It predominates in developing countries, where 95 per cent of all new cases and 98 per cent of all TB deaths occur[6]. Proper treatment, which requires daily or alternate day doses for full 6 months, requires healthcare providers to supervise patients as they take their medications. Every dose must be given under direct supervision. If the prescribed medications regimen is not meticulously observed, TB can easily develop into multi-drug resistant tuberculosis (MDR TB), which is unresponsive to TB drugs, has a much higher mortality, it is difficult to treat, and remains just as contagious as regular TB. Unfortunately, the populations most at risk of developing and spreading MDR TB are also the ones who are the most difficult to monitor and have the least access to doctors or health centers.

Dr. Shelly Batra encountered these problems as she led her organisation, Operation ASHA, on its mission to provide universal TB care to communities in informal urban settlements and rural and tribal areas, where she set up health centres and clinics. She developed a network of health centers and community healthcare workers who were members of the targeted slum communities and were deployed to supervise the treatment of patients. The health workers were expected to find and follow up with patients who had missed a scheduled visit. However, she realised that she had no way of verifying that health workers were actually supervising patients taking their medications, or that they had made the necessary visits, and was forced to rely on self-reporting of the health workers. A fortuitous friendship with a talented volunteer, who would later go on to work for Microsoft Research, inspired her to consider if technology could address the problem.

THE PARTNERS:

Microsoft Research is an independent division within Microsoft Corporation that conducts cutting-edge research on a variety of topics related to technology and its impact on society, including technologies in emerging markets. It is comprised of more than 1,000 scientists and engineers who work in six research labs worldwide on primarily pure research that nonetheless contributes to product development. The labs often work in collaboration with external partners to address global challenges. Microsoft staff in the labs have almost complete freedom in the research projects they pursue; many of the research artefacts are intentionally open source; and one of the main outputs and metrics

[6] http://www.targettb.org.uk/about-tb/poverty-and-tb/

is academic publications. While there may be Intellectual Property (IP) registered for ideas that impact Microsoft's business, projects oriented towards social impact are often collaborative with outside organizations and are free of IP concerns.

Operation ASHA is a social enterprise and NGO headquartered in India that brings vital tuberculosis (TB) treatment and health services to low-income communities. It was established in 2005 and now serves more than 15 million people in over 4,000 slums and rural villages in India and Cambodia, where its health workers provide the full spectrum of TB services – education and awareness, detection and active case-finding, and full and final treatment to prevent MDR TB[7]. Its doorstep delivery model utilises the premises of community partners to serve as treatment centers, so no-one has to miss work and wages to get their medicines. Following the Directly Observed Therapy, Short-course (DOTS) model developed by the World Health Organisation (WHO), Operation ASHA has developed its own unique community-based approach. In rural areas, where patients are scattered, health workers go on foot or bikes or even boats to cover the last mile to visit patients' homes.

THE OBJECTIVE:

To develop and test a digital device and accompanying IT system that tracks, monitors, and guarantees the compliance of TB patients in taking their medications per the DOTS requirements.

WHAT THEY DID:

In 2008, Dr. Batra reached out to the Microsoft Research lab in Bangalore through her friend Bill Thies. When he was a PhD student in MIT, before he started working for Microsoft, Bill had visited Operation ASHA to explore the potential role of technology in treating tuberculosis. At this point in time, Operation ASHA had begun experimenting with monetary incentives, paying community health workers for ensuring every dose taken, and also to visit patients' homes if the patient had missed a dose, in order to repeat the education and administer the medications. However, he and Dr. Batra realised that there was no way to know if every dose was being supervised or not, nor if the health workers had truly visited the patients. There was no way of preventing data fudging, which is one of the biggest challenges in public health programs. Nor could they determine the success rate of this new incentive-based home-visit program.

Operation ASHA and Microsoft Research agreed to form a partnership to build and test a prototype eCompliance system. Bill Thies and his team approached it as a joint research project and an opportunity to stretch the lab's capacity for innovation and champion the inherent value of research. Microsoft did not approach this as a CSR project, but as a way to extend and reinforce the values of its research team.

Microsoft Research developed and provided the initial hardware and software for the eCompliance system, to be used and field-tested by Operation ASHA's community health workers. The prototype was continually tweaked


Microsoft Research provides hardware and software to Operation Asha to support tuberculosis treatment in India

[7] This model has also been replicated in Uganda, Peru, Kenya, Afghanistan and Dominican Republic since 2012. Third party replication will be started this year in Tanzania.

based on feedback from Operation ASHA on usability, compliance to WHO and Indian national regulations, and the need to prevent data fudging or tampering. Microsoft also helped to recruit and mentor additional staff needed to operationalise the collaboration, including a project manager who eventually became Operation ASHA's Chief Technical Officer.

It was agreed from the outset that the technology developed by Microsoft Research would be open source, but any further developments and upgrades that Operation ASHA made to it could be registered by the social enterprise as its intellectual property. Upon completion of the project, Operation ASHA applied for further grant funding to upgrade the system and now has the right to license these new versions on its own terms. This has given the organisation the ability to scale and expand thanks to a new revenue stream from local partners paying Operation ASHA for software licenses or support in adapting the eCompliance system to other markets.

Microsoft remains connected to Operation ASHA, mainly through the social enterprise's CTO but also by providing technical advice and support when needed. Microsoft has also collaborated with Operation ASHA in a follow-up project, called 99DOTS, which seeks to monitor medication ingestion without direct observation by a care provider. Bill Theis is on the Technical Advisory Board of Operation ASHA and is in continuous dialogue with its CTO.

WHAT THEY LEARNED:

+ **Data for Social Innovation:** The partnership represented a unique opportunity to innovate for a difficult-to-reach market and thereby gain insights into the role of technology in low-income communities. For Operation ASHA, collaboration with Microsoft gave it access to the most accurate real-time data on DOTS, improved efficiency, and new insights on how to improve their incentive scheme and empower community health workers through improving their skills with technology.

Operation Asha uses Microsoft hardware and software to manage treatment of tuberculosis

+ **Developing Rapport:** It was important for the partners to take the time to develop a working rapport and define clear expectations, roles and responsibilities before formalising the partnership. It took 6-8 months from the time of initial contact for the partnership to be fully fleshed out.
+ **Getting Buy-in from Employees:** It took a while for all the community health workers to buy into the idea of integrating technology into their job. Some perceived it to be an extra burden to adapt, after having gotten used to using paper forms. Eventually the staff at Operation ASHA came round to the idea of using the eCompliance system, but the experience underscored the importance of getting buy-in from all relevant stakeholders when there is a big operational transition.
+ **Technology is a Double-Edged Sword:** Technology and the use of technology can be extremely helpful but should be the "icing on the cake" and be seen as a supplement to a good business model, not its replacement. In the case of Operation ASHA, the organisation had to first go through additional business development to make sure they were adequately equipped and staffed before developing a partnership with Microsoft. Operation ASHA spent its initial six months in establishing best practices before going to scale. Only when they were satisfied with their implementation and business model did they take the next vital step towards technology.

VENTURE PARTNERSHIP

TOGETHER UNDER THE SAME ROOF: ECHALE A TU CASA AND A LEADING GLOBAL CEMENT COMPANY PARTNER TO MAKE HOMES AFFORDABLE

When looking at a house, it is easy to forget that this coherent structure was developed through a web of relationships and contractual arrangements between designers, suppliers and builders that must be based on trust. For a Echale a Tu Casa, there is also an important bond of trust that it shares with the eventual occupants of the houses that they build, who have often been marginalized and denied access to housing. The social enterprise facilitates the construction as well as financing of homes for low-income individuals and families in rural areas in Mexico. It helps organise members of rural communities (its clients) into Housing Committees and works with these community leaders to design the homes the community wants built and to explore financing options that Echale can provide through its integrated micro-credit program. Echale usually provides an architect and hires local masons, plumbers, electrical technicians, and carpenters, but the majority of the building of the houses is done by members of the community and the eventual occupants of the homes, using the Adobo block-producing machine also provided by Echale. Echale's houses are built to be environmentally friendly, using materials and techniques that are sustainable and energy-efficient.

However, Echale learned that not all of its business partners necessarily understood its vision of constructing and financing housing for some of the most marginalised populations, and this eventually eroded trust. This was increasingly becoming the case with the company's supplier of cement, a key input for Echale's business: Echale proposed several times to work with their cement provider on joint ventures to develop new low cost options, or to secure lower prices on their current cement, but these overtures fell on deaf ears as the cement supplier came to view Echale more and more as a competitive threat.

Luckily, another cement supplier[8], one of the largest cement manufacturers in the world, not only saw eye-to-eye on Echale's vision but also recognised a business opportunity for itself to expand into a new market and innovate in order to service an overlooked clientele. As one of the largest producers of cement, concrete, and building aggregates in the world, with a presence in 61 countries around the world, including Mexico, this global firm was also committed to innovating its business and product lines to meet ambitions related to environmental sustainability, community engagement, and socially responsible housing and urban planning. Notably, it dedicated considerable R&D and financial

[8] In this case, the company's name will not be mentioned.

resources toward affordable housing projects for residents of informal settlements around the world and set up an online platform to crowd-source and scale innovative ideas on affordable housing.

Echale had developed and was working with statelized compressed air block (SCAB) technology in the construction of their houses, offering a strong and less expensive alternative to cement. As it learned about SCAB, this global cement company saw an opportunity to innovate its own production processes. Through a fortuitous meeting between the representatives of the two companies at an Ashoka conference in France, they agreed to collaborate on a pilot programme to build 500 homes in Tabasco, Mexico together, with a view for this global company to eventually become Echale's preferred cement supplier and offer cement and lime to the social enterprise at a competitive price.

THE OBJECTIVE:

To establish a mutually beneficial supplier-buyer relationship that extends into joint projects and co-branding driven by a shared vision to eradicate housing poverty.

WHAT THEY DID:

As the relationship with their former cement supplier was clearly breaking down, Echale began to look for another supplier partner and immediately thought of this company, reaching out to their office in Mexico. The local Mexico office did its best to open up communication on the proposal. However, it was only when Echale's CEO met a member of the senior management in the cement company's headquarters that the partnership gained traction and was launched. After a year of talks between the two parties, the partnership was finally firmly established in 2016.


Echale works with communities to produce housing materials

In addition to the specific pilot project of constructing 500 homes in Tabasco together in a joint venture, the partnership would allow Echale to obtain cement and lime inputs at a reduced price. This would eventually allow the social enterprise to lower the costs for their BOP customers of building their own homes. And since their global corporate partner is such a well-established player in the cement and building materials industry, the partnership also allows Echale to benefit from the strong brand and the trust that affiliation inspires.

For the global cement company, the partnership gave it access to a relatively untapped market – as well as a new distribution channel – while also fulfilling the corporation's commitments to BOP clients with environmentally and affordable housing solutions. It also allowed the corporation to learn about Echale's SCAB technology, which contributed to this firm's ability to innovate production processes and expand to other product lines.

Currently, there is growing interest to jointly set up a fund specifically dedicated to expanding and replicating the pilot.

WHAT THEY LEARNED:

+ **Talking to the Decision-makers:** Echale reached out to the corporate partner's local office in Mexico, which enabled dialogue with the corporation's headquarters where Echale has also developed a direct connection, since the proposed program was something that needed to be reviewed and approved at the corporate level.
+ **Importance of Shared Vision:** Despite the clearly overlapping interests and shared vision, it still proved to be a challenge to convince the global cement company that the proposed partnership wasn't just a charitable social initiative but had real commercial viability and value for both partners. Once the majority of the corporation's senior leadership, and not only the initial representatives that had met, were convinced, the company was much more receptive to Echale's ideas.
+ **Going Beyond Shared Vision:** It was clear that this partnership represented an alignment of interests, but, at times, coordinating that alignment proved challenging, as the different stakeholders involved had different operating methods and order of priorities. The corporate partner had to prioritise quarterly reports to shareholders; Echale, as a small social enterprise, would need to shore up its finances and cash flow; and the BOP communities in Mexico often had day-to-day necessities to address before thinking of meeting the building schedules decided by their community leaders in collaboration with Echale. The parties in this case came to learn that partnership consisted of compromise and understanding each other in order to come to the point where the requirements and concerns of everyone were met and fulfilled.


Echale construction requires access to affordable cement

"There is a disconnect between people with skills and purpose and enterprises on the ground needing those skills."

– JON SHEPARD,
EY ENTERPRISE GROWTH SERVICES

KEY FINDINGS AND LESSONS

The case studies featured in this report illustrate different iterations of the four main types of partnerships between social enterprises and global corporations mentioned earlier – skills partnerships, channel partnerships, venture partnerships, and knowledge partnerships. They also transcend simple categorization since factors like sector and industry, location, whether the collaboration is administered at a local or global level, the expressed objective, target market segment, etc. make each partnership unique. Ultimately, the experiences shared here, as well as those that were discussed by event participants at *Beyond Dialogue*, share many common elements that can be instructive to others seeking to develop partnerships between social enterprises and corporations. We have summarized a few of these here, and hope these will spark debate and continued discussion about what is most important in developing successful corporate/social enterprise partnerships.

SHARED VALUES, SHARED VISION

The importance of working from a shared vision that is embedded into the fabric of each of the partners' business activities – for both the corporation and the social enterprise – was evident across each case study. Although almost all of the corporations in the cases had official CSR departments or programs, each of these partnerships had a strong link to core business functions. These complex and often innovative ways of working each supported strategic goals for both parties and were vehicles not only for social impact, but also for business growth. The stories gathered here demonstrate that some of the best partnerships are those that reinforce organizational values like social equity and long-term sustainability, while seeking to deliver commercial viability, either to the social enterprise or the corporation, or, ideally, to both.

Moreover, the social enterprises and their corporate partners believed that they could achieve the same goals more quickly and effectively by working together rather than separately. Before joining hands, the parties understood that their shared values had the potential to translate into value creation and mutual benefit. It also proved immensely helpful that the social enterprises in these case studies were open to collaborative projects with different kinds of organizations, including large corporations and other private sector entities. Many of them – for example, WSUP and Change Associates – had themselves been founded through a partnership and therefore instinctively understood the value of a well-designed and managed professional alliance. Skepticism must be put aside to make these partnerships work.

BUILDING TRUST, MAINTAINING FLEXIBILITY

The importance of having a shared vision and compatible values is not enough to sustain a partnership as very real differences between the partners, in terms of organizational structure, size, and culture, inevitably pose challenges as partnerships progress. Therefore, it is critically important to invest time and effort into building trust and clarifying the approach between the partners before a collaboration is formally launched. How much time that takes differs from case to case, but among those covered in this report it ranged anywhere from six months to three years. This stage cannot be rushed or avoided; it is a vital investment by all involved partners to be open about their expectations and interests and set reasonable terms and standards. In each of the


Clean Team seeks customer feedback

partnerships presented in this report, transparency about each party's interests and clear communication between the partners were key to the success of their collaboration.

Partnerships are about much more than signing a contract or writing a check. They often require, from both the corporate and the social business partner, major hands-on coordination and follow-up. Whether the engagement is for a specific project or a longer term program, successful partnerships must make room for a continuing and sustained collaborative relationship. Microsoft, for example, retained substantive communication with Operation ASHA even after the completion of their collaboration to build a prototype IT system for Operation ASHA's TB community-based care program. And, just like in any relationship, the partners need to share the work as much as they share the vision; they must be willing to make compromises (that do not undermine their core interests) and take on a reasonable degree of risk. Ultimately, the parties need to be open-minded and flexible in the face of the potentially vastly different working styles and operating timelines of their partner(s).

Being open-minded is particularly important since, as already highlighted, partnerships between social enterprises and multinational corporations do not come in a one-size-fits-all format. For example, it's not necessarily a given that the multinational partner will be expected to provide the funding: in the case of the LIXIL Group and WSUP, it was WSUP that raised and provided the grant funding for implementing their joint project. Likewise, it's not always the social enterprise that is expected to provide access to new markets: it was Unilever that provided BURN with the distribution channel that would give the social enterprise a new customer base among Kenyan and Tanzanian tea farmers.

ENGAGING STAKEHOLDERS AT EVERY LEVEL

Even if two organisations have obvious mission alignment and have compatible value propositions, ultimately it is certain people within organizations that have the decision-making power and sometimes indirect influence that will determine whether or not a partnership will get off the ground. However, it is often challenging, especially for social enterprises, to know who specifically within the potential partner corporation to approach, a point raised by many at *Beyond Dialogue*.

"Corporate partnerships in the water sector recognize that it's about converting the BOP from aid recipients into customers, and assuring long-term access."

– GARY WHITE, WATER.ORG

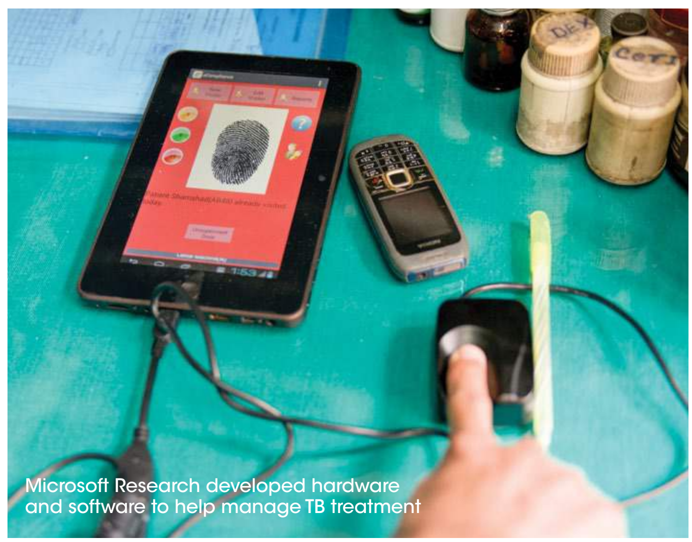
While in some organizations, buy-in for the partnership needs to be secured at the highest levels – in essence, the C-suite – in others, it is equally, important to convince mid-level managers and employees. This was notably the case for Operation ASHA, as the eCompliance system they had developed with Microsoft really started gaining traction once their grassroots-level community health workers finally started thinking favorably of the new technology. EY's Enterprise Growth Services functions so effectively for its social enterprise clients because of the buy-in and engagement of its consultants.

These partnerships almost always involve and impact people beyond those representing the immediate partners. And so their success often depends on how actively the partnership addresses the interests of these other stakeholders, even if securing their buy-in takes time. The Levi Strauss Foundation and Change Associates took the necessary time and effort to understand the views of Levi's suppliers and factory owners so that they could adequately address their concerns about admitting staff from an organization that, in their eyes, was there to expose their weaknesses. When, after countless, sometimes difficult, meetings, factory owners finally understood that Change Associates were there to provide solutions, they demonstrated such enthusiastic buy-in and endorsement that many factory owners happily funded expansion of Change Associates' program in their factories.

MOVING FROM PARTNERSHIPS TO NETWORKS FOR INNOVATION

This report started out by categorizing partnerships between global corporations and social enterprises into four broad categories – skills partnerships, channels partnerships, venture partnerships, and knowledge partnerships. This classification remains valid and can be helpful as organizations seek to navigate new partnerships opportunities. However, these same case studies suggest that as partnerships mature and progress, they naturally incorporate elements of the other three types or morph into other kinds of collaboration: what began as a skills partnership could transform into a venture partnership, or adopt characteristics of a channel partnership or knowledge partnership in response to changing circumstances and/or increasing levels of trust between the parties.

Yasmina Zaidman,



Microsoft Research developed hardware and software to help manage TB treatment

This indicates that engagement between corporations and social enterprises is going beyond formal partnership and into the territory of ecosystem development, connecting across several partner organizations, including investors, intermediaries, capacity builders. These case studies demonstrate that collaboration doesn't necessarily have to take the form of a traditional bilateral agreement. Social enterprises and multinationals are often connecting with each other through trusted intermediary organisations, whether they are corporate foundations, non-profit organisations, or an impact investor, that become partners in their own right in a partnership that has now expanded into a network for social innovation. Acumen and the Skoll Centre have both played this role, and are using their experiences to further drive partnership development across a network of organizations that are "partnerships ready." As these networks become more established, and more bilateral partnerships feed into them, the future may hold more complex, but also more efficient and resourceful, partnership-to-partnership and multilateral engagements. The Skoll Centre and Acumen are committed to supporting this expanding networked approach.

CONCLUSION AND NEXT STEPS

When Pamela Hartigan suggested the title for this summit, the first collaboration between Acumen and the Skoll Centre for Social Entrepreneurship, it seemed both apt and aspirational. The audience of accomplished entrepreneurs, thought leaders and inclusive business practitioners we had identified for this event would have little patience for discussion for its own sake, and would bring significant experience of cross-sector collaboration. However, at the same time, for a large number of representatives from across the corporate world and the social enterprise world who had not necessarily worked together before, it was ambitious to expect that they would be able to discover concrete opportunities to collaborate after a half-day convening.

What this event revealed was that partnerships between social enterprises and corporations are becoming more commonplace – across geographies and sectors, and with diverse objectives – and we have made an effort to capture several of them here so as to demonstrate the diversity of these collaborations, and the lessons they offer to others. This is just the tip of the iceberg, as not all of the corporations and social enterprises that are embracing the opportunity for mutually reinforcing partnerships were involved in the event, and an even smaller number were included among our case studies. In order to tap into the potential for these partnerships to expand and multiply, those who venture into this new collaborative space can further accelerate this phenomenon by sharing their challenges and lessons. Acumen and the Skoll Centre will continue to seek opportunities to collect and amplify these experience, individually and collaboratively.


Pamela Hartigan speaks at the Beyond Dialogue opening session

The Beyond Dialogue workshop in 2016 was a first of its kind, but built on years of work by both organizations to actively engage corporations in the social enterprise space. Acumen and the Skoll Centre plan to continue to offer this opportunity alongside the Skoll World Forum based on expressed interest from participants, and are already exploring a similar event in 2017 that will be refined based on feedback that was shared at the event. Similar leading networks and platforms that are currently active include:

+ The Aspen Network for Social Entrepreneurs, which supports the growth of small and growing businesses worldwide;
+ The Shared Value Initiative, a community of business leaders that applies the Shared Value management strategy to drive business innovation towards social impact;
+ Business Fights Poverty, a global network from across, business, government and civil society that aligns around specific global challenges; and
+ Acumen and the Skoll Centre's own events, which are designed in partnership with corporations and social enterprises to support their growing desire to collaborate.

Through each of these and others, there is a growing number of opportunities to advance the cause of corporate/social enterprise partnerships. With this report, it is our intention to bring stories, examples and lessons to these ongoing discussions and networks, and to continue to encourage the use of these frameworks in ways that help others to develop more and stronger partnership opportunities.

"To address public health issues in resource limited communities, we need new ideas and new business models to reach those in need. Engaging with social enterprises through events like this is giving Johnson & Johnson access to new perspectives that will shape how we partner, develop and deploy our products, services and innovations."

– ENRIQUE ESTEBAN, JOHNSON & JOHNSON GLOBAL PUBLIC HEALTH

It is important, however, that we do not lose sight of why this particular brand of collaboration merits this attention and focus. The scope and scale of the global challenges that we face, whether in terms of widespread poverty, deficits in healthcare and education, environmental degradation, or violations of human rights, require a driving sense of urgency and a commitment to innovative problem solving. Despite their many differences, leading global corporations and emerging social enterprises often share this sense of urgency and dedication to innovation. When they also share similar values and a vision of how they can positively impact these massive global issues, and *if they can tolerate the risks involved in forming a new kind of partnership,* then this combination may very well offer the world a potent new instrument of transformation that is truly greater than the sum of its parts.

Pamela Hartigan, the late Director of the Skoll Center for Social Entrepreneurship at Oxford University, famously said that she saw no fundamental difference between conventional entrepreneurs and social entrepreneurs and predicted that in the near future "every entrepreneur has to be a social entrepreneur, because we cannot continue on the kind of path we're on unless that actually happens."[9] Similarly, all companies may need to adopt the vision and perspectives of social enterprises, which consider and often prioritize the ways that their business can improve lives or preserve the natural environment. Social enterprises will continue to look for to engage with traditional corporations that help them accelerate and expand their delivery of positive impact, but it may be the social enterprise that can offer a new path forward for the global corporation. The experiences shared at the ***Beyond Dialogue*** workshop and the case studies captured in this publication indicate that this transfer of complementary strengths is starting to happen in ways that none of us truly understood when Acumen and the Skoll Centre embarked on this joint effort over a year ago. Our opportunity now is to go further, to transition from conversation to shared insight, to idea, to action. In this way, we can begin to fulfill the potential of these partnerships to achieve the positive social and environmental impacts that we know are possible, and that have never been more needed.

9 Skoll Centre for Social Entrepreneurship, 2016. See http://www.sbs.ox.ac.uk/school/news/dr-pamela-hartigan

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