

Facilitator:

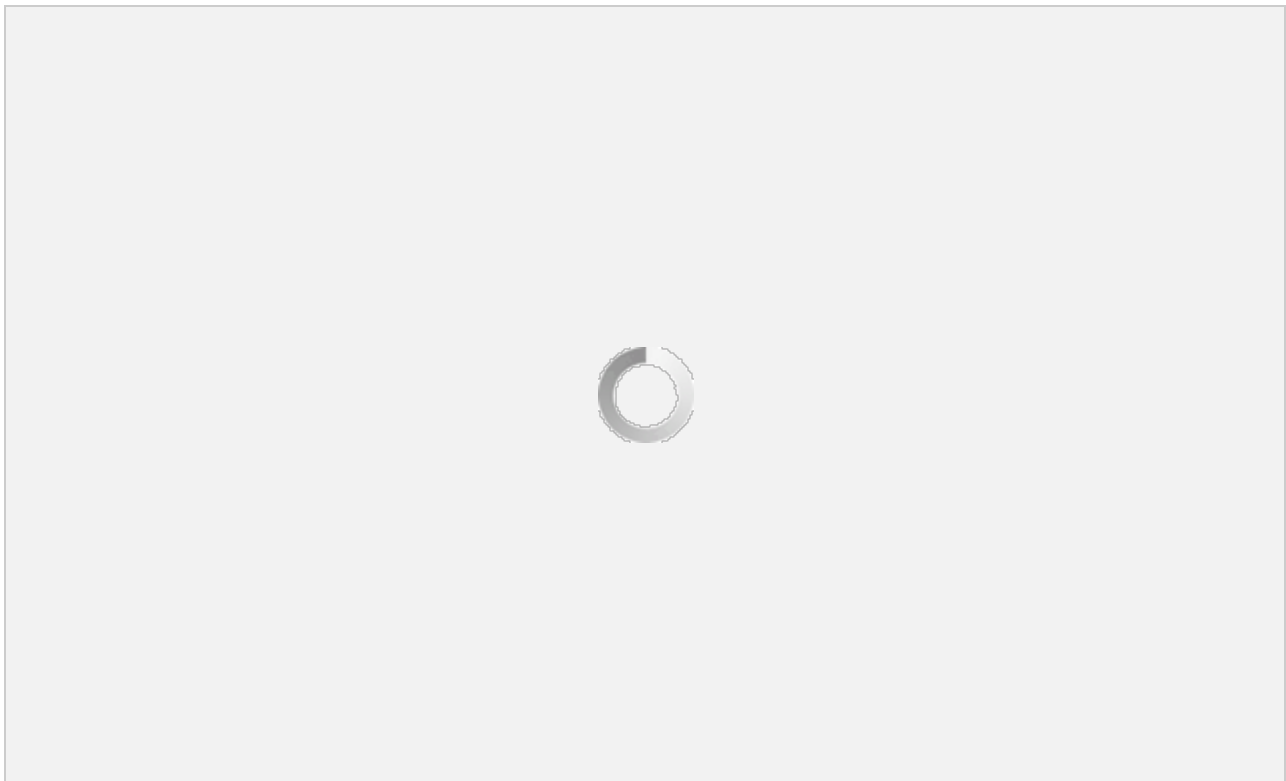
Dick van Barrens – CSCP

Stephanie Schmidt – Ashoka

Fellows who were present:

1. Genevieve Moreau (SINN, Belgium)
2. Zoe Finch Totten (The full field, US)
3. Sylvia Banda (Silva Food Solutions, Zambia)

Hybrid Value Chain



A win-win partnership, where complementary skills of each partner are leveraged, creating a social impact which allows the business to go beyond the usual CSR and philanthropy strategies.

Why integrate Social Entrepreneurship in the Value Chain

Two main examples:

Mars:

Benefitting from the early mover advantage by leveraging the production capacity in developing

countries.

The current situation: Mars is currently following a mass model production but is however considering changing their route to market approach: produce and sell their products locally in i.e. Africa.

The challenge: Mars is not very familiar with the market of the developing world, where consumers have different tastes and most of all different nutritious needs.

“The big question arises is how do we (Mars) put parts of the supply chain back into the developing countries? “

Nestlé

The current situation: Nestlé served 160 billion people with fortified food in developing countries, regardless this high number Nestlé has been reaching limits: With the fortification process the crops' taste and appearance changes, resulting in farmers' hesitation to eat and process the modified food.

The need: Nestlé needs the help from the local entrepreneurs to find solutions on how to successfully integrate these nutritious crops in the value chain - how does Nestlé process the crops and reach out to the urban poor?

Current challenges:

1. Two different languages: Social Entrepreneurs/NGO's and the private sectors do not speak the same languages.

A perception often exists that one can either be a social entrepreneur *or* a cooperation - a profitable sustainable social business is often not taken into consideration – even though these are exactly the kind of business models that have greater probability to sustain in the long run.

2. Internal Champion: In many businesses it is challenging to convince top management from the co-creating idea. To be in the best position to push the innovative project idea to the top of the company, the corporate champion has to be identified, well trained and motivated to succeed.

3. Data is the key: If a company wants to adapt a social entrepreneur's business idea, metrics that measure the outcome and impact of the project, are essential. For businesses the metric systems forms the fundament to become efficient. They play a vital role in the decision making process of top management if a social entrepreneur will be integrated in the value chain of a cooperation.

However certain impact i.e. experimental education through a gardening project at the company site made employees happier and more productive, is often very difficult to measure and put into a metrics.

4. Reluctance of the social entrepreneur: Social entrepreneurs seem to hesitate to approach corporate partners. (This came from a business lady, David A. said that in his work he has experienced rather the opposite...)

Action Plan / Strategic possibilities

1. Engagement of all partners: Create a stakeholder engagement process – a deliberate process where all stakeholders are being actively involved and connected to nurture each other's skills and creativity.
2. In depth training sessions in cooperation, providing a knowledge transfer of the potential of collaborating with social entrepreneurs. The equipment with a set of skills how to leverage the potential of this co-creation will further be part of the sessions.
3. Awareness: E-consultation about social entrepreneurship on companies website.
4. Match making: Develop a database (or a weekly email) stating what people are working on and what kind of challenges they face and distribute these information to a wider audience. An exchange platform is created, following the Sandbox concept. (Please visit www.changemakers.com/nutrientsforall)