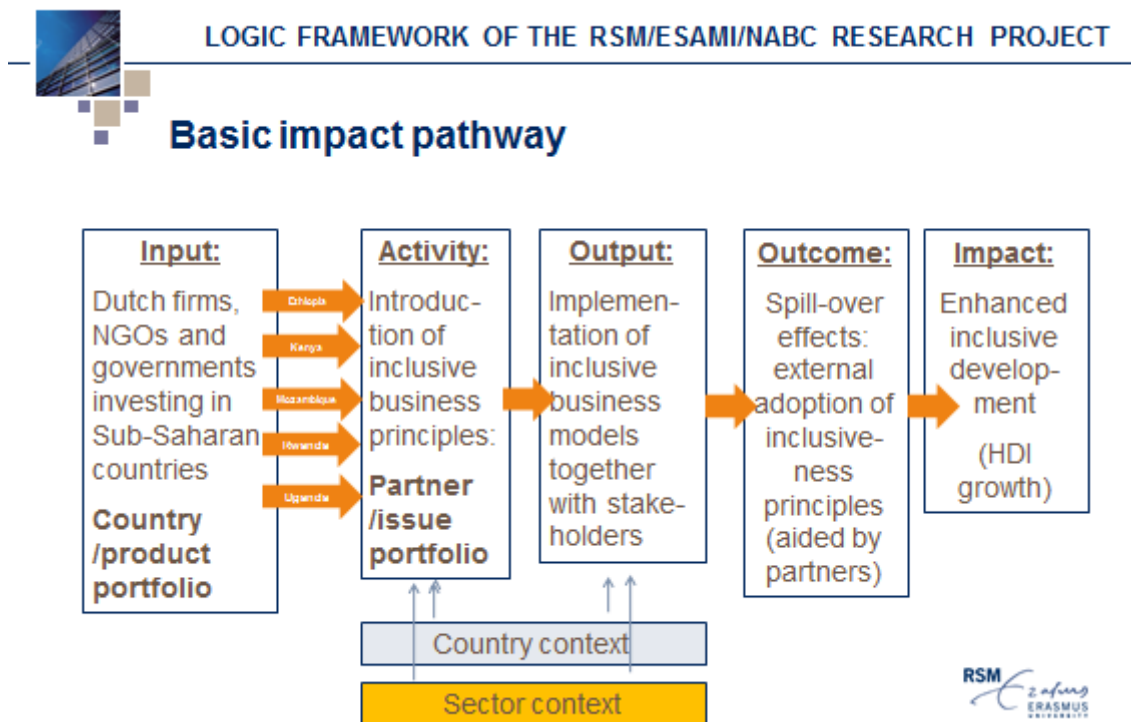


INCLUSIVE BUSINESS → INCLUSIVE DEVELOPMENT?

The project in KEY FIGURES and slides

Dutch firms investing in Africa are increasingly searching for more 'inclusive' business models. By doing this, they can create a positive relationship with 'inclusive growth/development' of a country. It is suggested that an important precondition for this link to materialize is through elaborate partnerships with non-market actors like NGOs and (local) governments. In the development policy discourse this trend refers to the introduction of public-private-partnerships (PPPs) as a means to more effectively enhance sustainable development. The way these partnerships can be effectively integrated in actual business models and thus help create a positive relationship between business strategies and inclusive growth at the national level, however, is not yet systematically researched nor practically grasped. This project, explores (1) the characteristics of inclusive business models and (2) the critical success factors for effectively implementing this strategy through PPPs for a sample of frontrunner Dutch companies and NGOs in five different East-African countries.



Questions:

- (1) to what extent do internal and external restructuring processes need to be aligned in order to create sufficiently inclusive business models?
- (2) what is the nature of the partnership portfolio?
- (3) what issues should be addressed by the company in what way?

Methods:

- Description of the present international business models of leading Dutch investors and NGOs in five African countries (method: Lem et al, 2013).

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- Development and validation of a detailed set of general indicators of inclusiveness per functional area of management (method: Van Tulder and Da Rosa, 2012; Van Tulder et al., 2013). Indicators from the Global Reporting Initiative will be integrated in this measurement through which the direct impact of companies on sustainable development can be documented. Specific indicators will be further developed per sector (to control for sector effects) and per country (to control for country effects).
- Measurement of the transition phase these companies are in on their pathway to a more inclusive business model: company internal surveys, desk research, interviews with key persons.
- Action research: identification of relevant primary and secondary stakeholders in the five countries; organisation of two rounds of stakeholder dialogues along the method as pioneered in Zambia by Munkumba (2013) in which lead companies and local stakeholders from different sectors will participate and will assess direct and indirect effects of business models.
- Final conference: confrontation of the findings of the two rounds of stakeholder dialogues bringing together the various stakeholders. The final conference will be used to fine-tune the findings of the research and come up with policy and strategy advice.

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Activities

Months	Scientific steps	Deliverables	Contribution of consortium partners
1. Fall 2014	1. Further development of indicators of inclusive business models	<ul style="list-style-type: none"> - Indicators of inclusiveness per functional level in the organization - An initial scoring for your company on 'the inclusiveness pathway' 	Feedback through: <ul style="list-style-type: none"> - participation in meeting - providing feedback over e-mail or phone
2. Jan-June 2015	2. Validation of indicators	<ul style="list-style-type: none"> - Overview of critical (internal and external) barriers and triggers for organizational change 	<ul style="list-style-type: none"> - Feedback on indicator list - Sharing of business dilemma's in 1 day executive training in Netherlands and/or Arusha
3. June-Aug 2015	3. Defining contextual issues relevant for doing business in countries selected	<ul style="list-style-type: none"> - Clear understanding of the issues of inclusive business in general and specific per country (media analysis) 	<ul style="list-style-type: none"> - Participation in closed stakeholder dialogues on issue prioritizations per country
4. Sept-Dec 2015	4. Checking barriers to implementation through zero measurement;	<ul style="list-style-type: none"> - confidential company/NGO profiles: <ul style="list-style-type: none"> * Implementation tracking (internal and external) * Partnership portfolios plot * analysis of perception gap amongst employees - Best practice and critical success factors analyses 	<ul style="list-style-type: none"> - Provide basic information on companies through interviews - participate in organizational survey amongst employees
5. Jan-June 2016	5a. First round interventions (+mid-term reporting)	<ul style="list-style-type: none"> - Per country stakeholder dialogue on barriers to further developing and implementing inclusive business models - Executive training how to implement solutions - Upgraded indicators 	<ul style="list-style-type: none"> - Participate in stakeholder dialogue with local executives - Participate in executive training in TZ and/or NL - Feedback on new indicators - Participation in mid-term conference (NL) on take-away thus far
6. Jan-Sept 2016	5b. Second intervention	<ul style="list-style-type: none"> - In-company check on tipping points - Information from stakeholders on implementation and discussion on how to improve 	<ul style="list-style-type: none"> - Facilitate in-company check - Maybe participate in survey - Participate in feedback meeting
7. Oct 2016-Feb 2017	6. General conclusions	High level conference in Arusha (covering all countries)	<ul style="list-style-type: none"> - Participate in the conference - apply lessons learned

Impact

Please complete the diagram below (*max 1 page*)

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Diagram research impact pathway

Research outputs	Indicators
More sophisticated understanding of the condition under which inclusive business models can be implemented	Improved indicators of inclusive business per functional area of management (e.g. frugal innovation)
Greater understanding of sector potential for inclusive business	Specific indicators of inclusive business models per sector
Experiments with stakeholder engagement	Improved indicators of issue management; enhanced partnership portfolio management practices
Relationship between internationalization strategy and inclusiveness	Better understanding of sector effects on the relationship between internationalization strategy and inclusiveness
Evaluation of local PPP projects of Dutch government	Improved monitoring indicators for PPPs
Attribution effects	Differences between countries for the same firms

Research outcomes	Indicators
Assessment of effects of more or less pro-active inclusive business models in general (of lead companies)	General indicators of inclusive growth: employment growth; income distribution; Implementation of inclusive supply chains
Sector effects of inclusive business models; spatial spread over regions	Improved assessment of effects of pro-active business strategies per sector
Better understanding of importance of specific issues in countries as precondition for inclusive development	Novel approaches to the wicked problems of a country; spatial distribution of effects (urban-rural)
Greater insights into the governance preconditions for active stakeholder engagement; specific: frugal innovation	Enhanced quality of governance; Spill-over effects of cross-sector partnerships (including formal and informal sectors)
Improved evaluation tools for Dutch PPP facilities	Feedback loops for learning effects of M&E exercises
Attribution effects of the partnership on inclusive development	The difference between countries in the effects of a comparable partnership

Impact
Enhanced understanding of what constitutes inclusive development (beyond Human Development Index) under the influence of Foreign Direct Investment; including specific indicators per country
Improved indicators of effectiveness on inclusive growth through cross sector partnerships (between national and international actors); Comparative indicators of intervention effectiveness per country, region and sector.
Improved insights for host country governments (and donors) on how to link investment policies to the selection of host companies, NGOs and donors.



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Round one – Core Consortium composition

Sector	Countries					
	Ethiopia	Kenya	Mozambique	Rwanda	Uganda	Comparison*
Tourism	Greendream co.		Greendream co.			
Finance	FMO Bank of Africa (BoA)	Rabo FMO BoA BoK	Rabo FMO BoA	Rabo FMO BoA B. of Kigali (BoK)	FMO BoA BoK	Rabo FMO BoA
Health	Philips	Philips	Philips	Philips	Philips Barefoot	Philips
Food	Inyange SABMiller	Inyange SABMiller	Inyange SABMiller	Inyange SABMiller	Inyange SABMiller	SABMiller
Construction	BAM	BAM FEIL	BAM	BAM	BAM FEIL	BAM
SMEs	PUM WISE FAWE	PUM FAWE	PUM FAWE	PUM	PUM FAWE	PUM FAWE
NGOs: Health (urban) Poverty Finance gap Inclusiveness	SNV ICCO AMREF CORDAID	SNV ICCO AMREF CORDAID	SNV ICCO AMREF	SNV ICCO AMREF CORDAID	SNV ICCO AMREF CORDAID	SNV ICCO AMREF CORDAID
Government – embassies Priority PPPs	Water 2 Food 4 2scale	Water 1 Food 6 2Scale	Food 1 Schokl. 2Scale	Water 1 Food 2 2Scale	2Scale	Water Food 2 Scale
Supportive organisations	New World Campus (NWC) Centre for Frugal innovation (CFI)	NWC CFI	NWC CFI GDI	NWC CFI	NWC CFI	NWC CFI GRI

*relevant activities in other West-African countries