Why go it alone? How partnerships can help a company address constraints to inclusive business

Inclusive business projects, by definition, tend to sit in areas outside of companies’ traditional comfort zones. Whether providing incomes to disadvantaged people by including them in the company’s value chain, or developing new markets with pro-poor products or services, they are rarely business as usual.

In some cases, this may mean companies partnering outside of their usual private sector partners – for example, engaging producer associations as suppliers, or working with a multi-national company to access international markets. In other cases, in order to ensure their success, ‘inclusive business (IB) projects may need to address a variety of constraints such as underdeveloped public services, social challenges, lack of skills, poor infrastructure and access to finance. Companies themselves are rarely in the best place to address these challenges and must collaborate with those outside the private sector as implementing, intermediary, capacity-building or knowledge partners. In addition, with a rising international interest in the role of business in development, there are more and more opportunities for financial or technical support from international donors and foundations where there are clear development benefits to the projects.

This Checklist helps to determine whether collaboration with other organisations might be appropriate to support your business model.

Does your inclusive business project:

- Sit in a new geography with which you are not familiar, or where you do not yet have the necessary networks and connections?
- Rely on a supply chain (e.g. smallholder farmers or micro-enterprises) that needs development to ensure quality and reliability?
- Create a new product or service that must be properly adapted to the needs of the poor?
- Rely on access to, goodwill, or engagement of local communities?
- Need skilled workers that are not readily available?
- Require some customers to have access to credit to pay for your products?
- Rely on non-traditional distribution models (such as village entrepreneurs / micro-enterprise)?
- Sit within a publicly-regulated area (e.g. education, water provision, electricity generation)?
- Require funding for proof-of-concept, risk capital or loan guarantees?
- Require new or improved infrastructure?
Potential partners, and what they could bring to the table, include:

Public sector:
- Capacity building (e.g. skills training in further education colleges, agricultural extension services)
- Regulatory permission or engagement with public systems (e.g. new health provision integrated with government social security)
- Provision of land and supporting infrastructure

Non-governmental / civil society organisations:
- Technical support and capacity building of suppliers, employees and distributors
- Direct knowledge of the needs of under-served customers and expertise in adapting products to those needs
- Social capital and engagement with communities
- Micro-credit lending to customers, suppliers or distributors

Foundations and international donors:
- Technical assistance
- Provision of risk capital, loan guarantees and project development funding

Private sector:
- Unusual suppliers (potentially through producer associations, cooperatives or other bodies)
- Formal and informal distribution networks
- Multi-national companies providing access to international markets

Partnering for success: Example of partnering initiatives on inclusive business projects

CARE’s Rural Sales Programme (RSP) has now become ‘Jita’, an independent company. The Business Innovation Facility helped to manage the transition from an NGO-run programme into an independent social enterprise. In 2012, BIF Bangladesh brokered a new collaboration with Mitsubishi in which Jita will pilot a new nutrient-rich food collaboration with Mitsubishi in which Jita will pilot a new nutrient-rich food

http://businessinnovationfacility.org/page/project-profile-jita-rural-sales-programme-bangladesh

If you answered yes to any of the questions above, what are some of the steps you should take?

Process
☐ Have you fully understood the full set of direct and indirect enablers, both up and down the supply chain, for the IB project to be successful?
☐ Have you mapped out relevant stakeholders?
☐ Have you identified, both within your direct stakeholders and more widely, potential partners who could provide skills, networks or resources necessary for success? Further reference: Partner Assessment Tool http://bit.ly/13uXBN
☐ Have you explored possibilities and opportunities with potential partners, understood their interests and how they would gain from partnership?
☐ Have you together developed clear partnership objectives; a mapping of commitments and benefits, roles and responsibilities; a project plan; and plans for monitoring and review?
☐ Have you built sufficient trust for all partners to be willing to sign a Partnering Agreement that commits them to the partnership?
☐ Are you paying significant attention to relationship management as well as project management to ensure success?

Making it happen
☐ Do you have sufficient knowledge of partnering process and the skill set (including interest-based negotiation and facilitation) and mindset to build a robust partnership with organisations with quite different missions, drivers and cultures?
☐ Do you need to engage specialist support to help align all the partners, broker the partnership and ensure it is set up with the best possible chance for long term success?

Additional Resources


Partnership Know How page on the Practitioner Hub: quick links to blogs, resources and more on the theme of Partnering in Inclusive Business. www.businessinnovationfacility.org/page/know-how-partnerships-for-inclusive-business

Further information can be found within the following materials:
Partnering for Inclusive Business in Bangladesh http://businessinnovationfacility.org/forum/topics/partnering-for-inclusive
The Partnering Toolbook: http://thepartneringinitiative.org/w/resources/toolbook-series/the-partnering-toolbook/

For further information and to view other Checklists, go to: Practitioner Hub on Inclusive Business: www.businessinnovationfacility.org

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