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?

Inclusive Business Checklists provide a quick and simple way to determine how effective an idea, tool or model might be for your inclusive business project. They can be used by inclusive business practitioners, to develop and scale up business strategies. They are based on the real-world experiences of companies actively expanding opportunities for people at the base of the economic pyramid through their core business activities.
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 partnership with Mitsubishi in which Jita will pilot a new nutrient-rich food flavouring using the Jita network. Further information can be found within the following materials:

- Final reference: Partner Assessment Tool

Additional Resources


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?

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