



# INCLUSIVE BUSINESS SOURCEBOOK



This sourcebook is intended to highlight some innovative examples of inclusive business initiatives across sectors and countries that can encourage reflection and inspire action.

# INTERCONTINENTAL HOTEL GROUP ACADEMY, CHINA

**Company:** Intercontinental Hotels Group China (IHG)

**Partners:** Educational Institutions across China

**Region/Country:** China

**Sector:** Tourism

**Project summary:** In response to the lack of appropriately educated and trained talent available to work in IHG hotels across China, IHG partnered with local educational institutions to form the IHG Academy and train the next generation of skilled tourism specialists.

## Project story

The Intercontinental Hotels Group (IHG) is the largest hotel operator in China with over 118 hotels in more than 30 cities. With such a sizeable presence and plans to continue growing, IHG is expecting to hire in excess of 20,000 new employees in China in the next few years. Despite the prevalence of tourism-related courses, only half of the course graduates go on to obtain employment in the tourism industry and among those who do, there is a significant turnover rate. As one of the largest employers of hotel staff in the country, the shortfall of talented individuals has been a big concern for IHG.

**In order to meet its need for adequately trained staff and to build economic opportunity within local communities, IHG partnered with credited educational institutions across China to form the IHG Academy to recruit and train new people in the tourism industry.**

The aim of the project was to develop a pool of highly qualified talent with the skills needed to help grow tourism services that are inline with modern international standards and perspectives.

## Activities

Starting in 2006, this project originally aimed to open 22 IHG Academies in China. As of May 2009, the company has successfully opened its 25th. Over the past three years IHG has moved from city to city identifying new partners for the IHG Academy initiative and replicating its programme to bring the training and economic benefits to communities impacted by tourism. Over the course of the project the IHG Academies have expanded their training opportunities from a two-year Advanced Certification programme to include a series of four- to eight-week courses on basic subjects such as front office support, housekeeping and food and beverage functions.

The roles of partners in IHG Academies are as follows:

- \* IHG provides guest executive lecturers, onsite training in its hotels and guaranteed employment upon completion of the course
- \* Partnering educational institutions provide the infrastructure such as classrooms as well as teachers and a developed curriculum

### Socio-economic benefit

Participating in the Advanced Certification programme provides students with a well rounded education that includes academic teachings, professional guest lecturers and hands-on internships. Training covers a variety of topics impacting the hotel industry instead of the specific role-related training that is often provided.

- IHG Academies are set up in 11 cities, partnering with over 25 institutions
- Between 2,000-3,000 students graduates from the Academy each year
- Around 5,000 Academy graduates are expected to join IHG and other industry hotels by 2010

There are also broader impacts of this initiative. It provides a trained talent pool for a key industry in China and also promotes good working practices, helping to gain trust from the international community.

### Company benefit

With close to 5,000 students enrolled in the IHG Academies every year, the company is on track to meeting its initial aim of developing a talent pool of educated and qualified individuals. With every individual who completes the programme successfully, IHG moves closer to meeting its staffing needs as well as helping to expand the economic opportunities available for communities impacted by the tourism sector.

### Partnership benefit

By partnering with respected institutions in China, the IHG Academies benefit from an established professional curriculum supported by state-recognised certifications. Additionally, the educational institutions are able to provide qualified teachers and existing physical infrastructure.

As the IHG Academy has grown so has the demand to participate. Partnering Educational Institutions are experiencing increasing numbers of applications and are benefiting from hosting a sought-after professional programme.

## TROPICAL SUGAR BEET, INDIA

**Company:** Syngenta International AG

**Partners:** Harneshwar Agro Products, Power and Yeast Ltd (HAPPY India), Samarth Cooperative Sugar Mill.

**Region/Country:** Harneshwar and Samarth, India. Cenicaña and Maquiltec SA, Colombia.

**Sector:** Agriculture

**Project summary:** Syngenta International AG, a world leading agribusiness, has developed a sugar beet crop that can grow in tropical and sub-tropical environments. In contrast to sugar cane the crop has a 50% shorter crop cycle, uses a third to a half of the water, and equals the output. The productivity increases and decreased demand on the environment offer sizeable benefits to rural farmers.

### Project story

The world's population is estimated to grow to over 9 billion by 2050, bringing increased demands on the earth's limited resources. Our ability to feed ourselves represents an enormous global challenge for the coming years and agricultural production has to innovate and increase yields to meet these demands; it has to do more with less in a sustainable manner. The majority of the world's poor live in rural areas and improvements in agricultural systems therefore works towards meeting the Millennium Development Goals (MDG).

Syngenta, a world leading agribusiness producing seeds and crop protection, is investing in innovative research and technology to meet these challenges. In recognition it was awarded the "2008 World Business and Development Award in Support of the Millennium Development Goals", jointly presented by the United Nations Development Program (UNDP), the International Chamber of Commerce (ICC), and the International Business Leaders Forum (IBLF).



Tropical sugar beet being offloaded at a factory, India

Since Syngenta was formed from a merger in 2000 it has been driven by the values of sustainable development. In 1995 Dilip Gokhale, previously head of Syngenta's seeds business in India, launched a trial programme to tropicalise sugar beet in Pune, India, a crop normally able to only grow in temperate climate zones. In 2001 Dilip and his team had a breakthrough – they produced tropical sugar beet that has a crop cycle of six months, needs only a third to half of the water and has equal output to sugar cane.

Following the breakthrough Syngenta worked with smallholder pilot projects in India and Colombia to test the crop's capacity for sugar and bio fuel production. In 2002 Dilip established a partnership with 12,000 local farmers organised as Harneshawar Agro Products, Power and Yeast Ltd (HAPPY India) to sow tropicalsugar beet and invest in an ethanol plant. In 2005 a partnership was established with a farmer cooperative run beet processing plant called Samarth Cooperative Sugar Mill in Ambad near Jalna. In both projects Syngenta India Ltd. sold seeds to their partner organisations who sold them to farmers on the basis of a buy-back agreement. Syngenta supported this enterprise development by training the farmers on production methods, techniques to avoid pest and disease, and efficient irrigation.

In 2001 Syngenta established a partnership with the Colombian Sugar Cane Research Centre (Cenicaña) and in 2005 with Maquiltec SA, a local Colombian company. With Cenicaña it worked to adapt tropical sugar beet to the local climate, use it as a rotation crop, and develop a hybrid approach with sugar cane for ethanol production. With Maquiltec SA and other partners it has started work on a tropical sugar beet ethanol processing plant with planned production capacity of 300,000 litres of ethanol per day.

Through perseverance and vision Syngenta has innovated to produce a crop that is not only economically lucrative but also make a considerable positive impact within poor rural communities.

## Community impact

The innovation offers wide benefits to rural farmers and their wider communities:

- With a crop cycle of only six months a tropical sugar beet farmer has the possibility of growing a second crop, such as wheat or corn for example, on the same land within a season thereby increasing output and therefore income. This multi-cropping can also diversify the local diet, and has potential nutritional benefits.
- Using substantially less water the crop is more versatile and able to grow in dryer areas than sugar cane, it decreases the burden on limited water resources and fragile environments.
- In terms of the wider industry, the shorter crop cycle also offers communities flexibility in responding to fluctuations in sugar prices, in contrast to the longer “reaction times” of sugar cane producers.

## Business sense

Tropical sugar beet is a win-win innovation. Not only does it offer huge benefits to marginalised communities but makes clear business sense:

**The large-scale benefits for poor rural communities producing tropical sugar beet over alternative crops – shorter crop cycles, less pressure on the environment, high output – ensure the potential for expansion into wider tropical and sub-tropical markets.**

The long process of research and development, the vision of the idea and the process of its implementation highlight Syngenta's integrative and participatory problem solving approach, which gives it an edge over its competitors.

## Partnerships

Syngenta needs effective partnerships with local governments and the wider industry for sustainable implementation.

Testing and introducing the product into new markets involves building partnerships with diverse local and international actors. A strong relationship with local partners allows the company to see both the successes and weaknesses of the product's implementation on the ground and gives them the opportunity to respond effectively.

## Scalability and replicability

The product's expansion has demonstrated its capacity for scalability and replicability. Syngenta is working with MIDROC in Ethiopia on a US\$300 million project in Amhara state and a further factory has also been established in Sudan. Trials are being conducted in China, Australia, Thailand, Vietnam, Kenya, South Africa, Brazil, Mexico, Peru and the USA.

Most significantly the case study highlights the replicability of the symbiosis between profitability and community development, demonstrating the capacity for constructive and mutually beneficial relationships between companies and communities.



Tropical sugar beet in India

**“Tropical sugar beet is also a good example of sustainable agriculture, since it improves land use and helps water management. It also illustrates how Syngenta works in partnership with agriculture in developing countries around the world”**

*Martin Taylor, Chairman of Syngenta*

## ROZGAR DUNIYA, INDIA

**Company:** Monster India

**Partners:** ITC

**Region/Country:** India

**Sector:** Recruitment Services

**Project summary:** Monster India has teamed up with ITC's e-Choupal initiative to develop an online employment resource accessible to rural villages across India.

### Project story

Starting in August 2009, Monster India, the online career and recruitment company, teamed up with ITC's e-Choupal initiative to bring employment resources to rural India. Owing to the Government of India's vision of 'all inclusive growth', which seeks to expand economic opportunities in rural areas, a large number of Monster's customers were interested in extending their businesses into rural areas but were often unable to recruit the necessary talent.

Monster also recognised that potential employees in rural areas had no access to information regarding potential jobs.

The e-Choupal initiative is a programme developed by ITC Ltd, a diversified company with a big presence in agri-business in India, to address the information gap that prevents rural Indian farmers from participating in, and benefiting from, the agri-market and to strengthen its own agricultural supply chain.

ITC recreated the traditional Choupals – village meetings – into an internet platform and computer kiosk, e-Choupal, that would provide farmers up-to-date information about crops, crop prices, weather and current farming techniques as well as enable them to sell their crops and buy inputs directly from ITC. The main operator of the kiosks is a Sanchalak, who is identified by ITC and provided with training, a basic computer, solar panels and equipment needed to connect to the Internet.

The Rozgar Duniya is a website developed by Monster India that takes advantage of the prevalence of e-Choupals – 6,500 computer kiosks across ten states that reach 40,000 villages in India – and uses it and the Sanchalaks to deliver new employment services to rural Indians.

The aim of the Rozgar Duniya website is to link the infrastructure developed by ITC for the e-Choupals with Monster India to provide employment resources for millions of individuals located in rural locations across India and enable companies to hire directly from rural areas.

### Activities

Rozgar Duniya provides free employment information about a variety of professions to rural citizens and creates a new source of revenue for the e-Choupals. Monster also trains the Sanchalaks to help the youth submit resumes online, apply for jobs, explore other career opportunities and to act as the key facilitators for jobseekers in the village.

Given the project is new, measurable results are not yet available. During the first month of activity only small numbers of jobs were available on the Rozgar Duniya website but Monster predicts several hundred more would be added within the first few weeks of operation.

### Company benefit

The Rozgar Duniya website project is bringing business value to both Monster and the ITC's e-Choupals. While jobseekers are able to access job information for free, companies who post jobs are charged a fee by Monster. This fee is divided between Monster and the e-Choupals thereby creating value for both. ITC itself benefits from a stronger e-Choupal offering and strengthened links with the rural communities in which it operates.

### Partnership benefit

The Rozgar Duniya website is an example of two different organisations working together to bring value to themselves and the communities they serve through their core competences. The partnership made the development and delivery of the Rozgar Duniya website cost effective as well as providing benefits to both organisations. Additionally, fees will trickle down to the Sanchalaks who operate the e-Choupals and, as a result of a more accessible talent pool, companies who are interested in expanding their operations into new rural areas in India will be able to provide employment where none previously existed.

# PROBATIONARY OFFICER PROGRAMME /INDUSTRY-ACADEMIA PARTNERSHIP, INDIA

**Initiative title:** Probationary Officer Programme/Industry-Academia Partnership

**Company:** ICICI Bank

**Partners:** Manipal University, Manipal Universal Learning.

**Region/country:** India

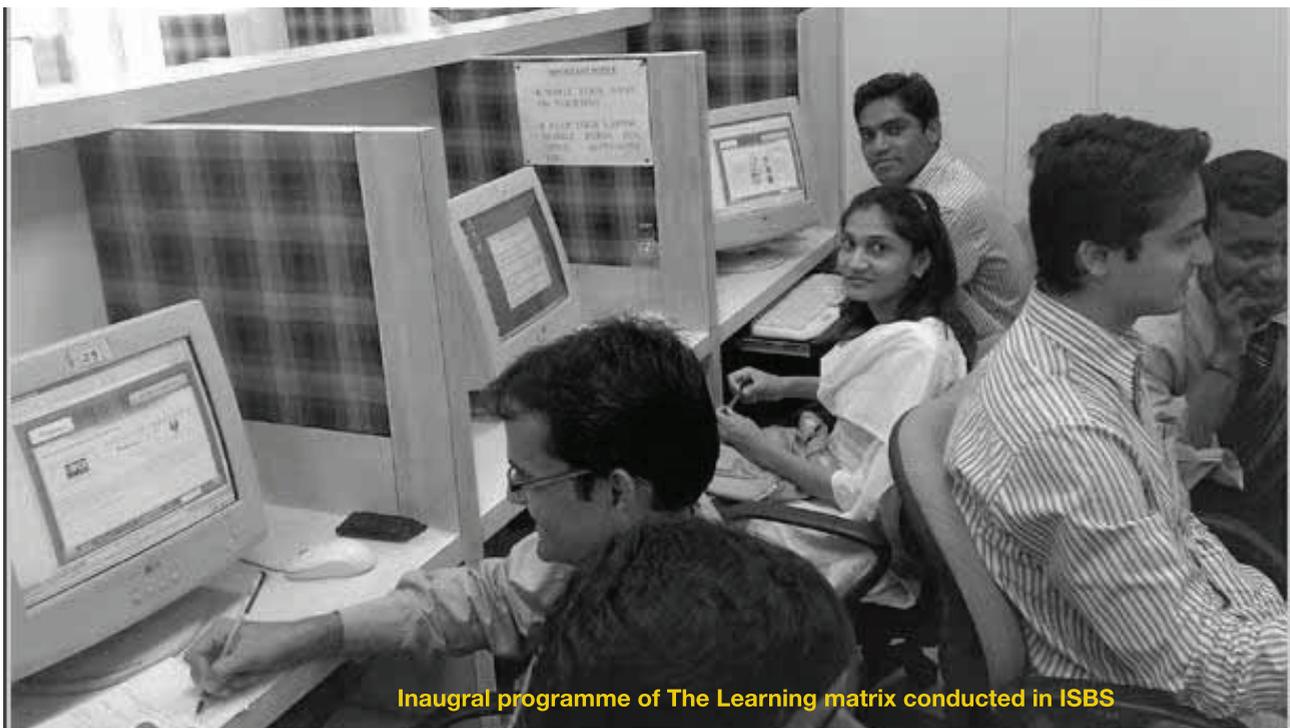
**Sector:** Finance

**Project summary:** ICICI Bank use of innovative e-learning and technology based techniques and partnerships with academic institutions to build the core skills base of employees for the financial sector; contributing to the dynamism of the sector and challenging social and economic inequalities.

## Project story

Globalisation presents Indian businesses and workers with both challenges and opportunities. The growth of new financial and technology based services integrated within world markets is symbolic of the beneficial potential of globalisation. Often however this potential isn't fully captured because of inadequacies within the workforce. ICICI Bank identifies three challenges that have arisen over the past 5 years. Firstly, there is a demand-supply gap – the high growth experienced by particular sectors has led to a sector specific shortfall in labour. Secondly, there is a skills gap – the higher education system is not preparing people with the vocational training needed for a dynamic economy. Thirdly, there is an experience gap – two thirds of India's workforce has less than 5 years experience, leading to an experience shortage.

Building the education and specialised skills of a workforce is therefore essential to the competitiveness of Indian businesses within international markets, as well as to the dynamism of the domestic market. India



Inaugural programme of The Learning matrix conducted in ISBS

also faces huge social inequalities of opportunity. The majority of people are left out - excluded either by birth on the basis of caste and ethnicity, gender, geography or the economic status and education of their family. Businesses can meet both these challenges - building competitiveness and profitability on the one hand, while simultaneously contributing to social aims on the other - and ICICI Bank has demonstrated an innovative and dynamic way of doing so.

In partnership with academic institution, ICICI Bank has established educational programs with a greater focus on those from social and economic disadvantaged backgrounds. Thereby building up its own employment base as well as the general capacity of the workforce. ICICI Bank's Probationary Officer Programme and Industry-Academia Partnership are targeted at young people from class C & D locations - areas normally untapped by large companies which tend to unduly focus on linguistic abilities. Further, a significant proportion of the population residing in such C & D locations are from the 'scheduled castes/scheduled tribes' (SC/ST) and 'other backward communities' (OBC).

## Probationary Officer Programme

**ICICI Bank “did wonderful job by creating such type of study materials with both theory and practical base in a easy way”**

*KANHAIYA KUMAR – ICICI Manipal Academy*

Launched in late 2007 in partnership with Manipal University, India's largest private university, ICICI Bank founded the ICICI Manipal Academy, offering young bright students employment opportunities through specialised training in banking. The key features of the programme are as follows:

- Gaining knowledge and skills in core banking, one specialized area in banking, etiquette and language skills.
- A blended curriculum with classroom, e-learning, simulations, gaming and live internship, along with co-curricula and extra-curricula activities.
- The classroom sessions (9 months, trimester pattern) are conducted at the Academy and Internship (3 months) at any ICICI Bank branch or office in India.
- Awarding a Post Graduate Diploma in Banking by Manipal University on successful completion of the PO Programme
- Absorption of successful participants in the Bank to hold first level managerial positions
- Opportunity to further their management education through an MBA course, specially drawn up and designed by the Bank in partnership with Manipal University.

An innovative funding scheme enables students from diverse backgrounds to access the course. ICICI Bank provides participants with educational loans at concessive rates of interest with easy repayment terms. Part of the costs of the course is borne by the bank and participants are paid a stipend during their nine months classroom training and during internship. The programme is also connected to an MBA programme offered by Manipal University, allowing students to further build their knowledge and skills while in employment.

**“It’s really an innovative and interesting way of learning. We are able to understand even difficult concepts that are not understood through lecture sessions.”**

*ABHISHEK KUMAR JAIN, ICICI Manipal Academy, Bangalore, Aug-2009*

## Industry-Academia Partnership

Building closer links between industry and academia, ICICI Bank works with colleges, universities and business schools across the country, with a greater focus on those situated in C&D locations where the representation of students from the socially and economically disadvantaged segments is higher. The partnership aims to integrate education and business needs through:

- Designing curriculum and developing content on Banking & Financial Services
- Offering foundation course on banking for graduates
- Providing access to a range of e-learning modules (in the area of Banking), educational gaming & simulators hosted on a web platform
- Conducting Faculty Development Programs

These schemes are offered to the institutions for free and the courses operate as either a blended or online version.

**Blended course:** A 300-hour course with 165 hours of e-learning supported by classroom facilitation and assignments. This certificate course covers the basic concepts of banking principles & operations, customer service & business etiquette.

**Online Course:** A complete set of e-learning modules to facilitate self-learning and online certification. The principles of banking operations are covered through a comprehensive range of 40 e-learning modules. The completion of the program is followed by an online evaluation test & accreditation.

## E-learning

**“The course design and modules are extremely student friendly and a great learning experience.”**

*PHILIP JACOB, faculty member, ICFAI Business School (IBS), 2009*

Key to both programmes is an innovative new approach to education based around e-learning which uses ICICI Bank’s online Campus Learning Management System – the Learning Matrix – and electronic gaming and simulators.

One form of e-learning is the “Foundations of Banking” course, which helps students understand practical banking basics completely online, without the need for faculty intervention. This can be particularly helpful in situations with constraints on faculty or high student-staff ratios.

Another form of e-learning is game based learning (GBL), which is a central concept within ICICI Bank’s learning processes. Similar to any form of education related to work the goal is to enhance skill and increase productivity but unlike most approaches GBL uses fun competitive games to engage participants, motivating them to keep playing (and keep learning). The games focus around real situations such as processing a cheque or dealing with customers and in so doing allow the participants to more clearly understand the different roles within an organisation and the exact nature of administrative processes.

## Community/Society impact:

These two programmes provide a platform for greater employment opportunities to bright and capable young graduates from all social and economic strata across the country. With the focus on those who hail from disadvantaged segments it enables them to alleviate poverty and overcome the lack of opportunities that are otherwise entrenched along lines of caste, gender, income and geography. The programmes use the medium of education to enhance the opportunities for the disadvantaged.

### Probationary Officer Programme

- 65% of participants are from class C and D cities
- 35% are women
- 85% are from families with annual family income of less than Rs. 5.00 lakh
- 13 % of the participants are from the SC/ST category.

### Industry-Academia Partnership

- A total of 20,000 users who have secured 230,000 e-learning certificates
- 4,500 students from 83 colleges are registered for e-learning
- online banking course – 500 students pursuing the blended course
- 85% of the students are from C & D class towns

## Business sense & Scalability

Both programmes benefit ICICI Bank in clear and measurable ways. Student success in either programme represents an opportunity to employ a capable and now trained individual who has already demonstrated their capacity to succeed and their commitment to the sector. Loyalty to the Bank is established from the beginning, which can greatly improve an employee's motivation and performance. It is also cheaper than employing graduates with higher level qualifications.

More broadly, training workers from less privileged segments of society builds a positive relationship with diverse communities and strengthens ICICI Bank's commitment to social and economic development in public perception.

### Partnerships

As well as the benefits brought to each individual participant these programmes also represent an important step in aligning business needs and cutting edge higher education. The partnership between business and academic institutions not only allows students to find jobs and businesses to find effective workers but can be replicated in sectors other than finance – improving the competitiveness of firms across the board and the overall strength of the economy.

# WORKFORCE DEVELOPMENT IN THE LEATHER SECTOR, BANGLADESH

**Company:** Apex Adelchi Footwear Limited

**Partners:** USAID (United States Agency for International Development), PRICE (Poverty Reduction by Increasing the Competitiveness of Enterprises), LFMEAB (Leathergoods and footwear manufacturers & Exporters Association of Bangladesh)

**Region/country:** Bangladesh

**Sector:** Leather

**Project summary:** To train 200 individuals every three months time, resulting in a total of 2400 operators trained in three years and create employment opportunities in footwear and leather goods sub-sectors.

## Project story

Bangladesh's labour market inadequately meets the needs of its growing and increasingly dynamic private sector. This partly stems from a lack of cross sectoral linkages between businesses and educational bodies providing vocational and technical training. As a result labour supply does not match demand, preventing more accelerated growth.

Apex Adelchi Footwear Limited has recognised this problem in its own sector. The company has a 300 000 square feet factory in Shafipur with 104 cutting machines. There are 15 sewing lines and 9 lasting lines, both working in two shifts with 70 workers a shift. In total, the factory has approximately 4000 operators, more than 70% of whom are female. Given the scale of production (about 150 000 pairs of shoes are produced a day) the company faces serious obstacles in finding workers with the sufficient skills to maintain and expand production.

This problem affects the sector more broadly, particularly in the areas of footwear and leather goods, and Apex Adelchi has therefore been part of a sector wide movement to address this underlying problem. In partnership with PRICE, a non-profit scheme supporting private enterprise in Bangladesh, and through LFMEAB, a trade association, Apex Adelchi has started a scheme using factory premises to train 200 individuals every three months, resulting in 2400 operators trained over three years. It is expected that 50% of trained people will go on to work for the company.

The process hasn't however been simple and cross sector partnership is inherently challenging. Understanding that the problem faced was equal to the whole sector and then engaging all stakeholders around the issue took hard work. The next steps are to deepen the scheme through involving wider industry stakeholders such as NGOs and the Government, along with expanding the training to other core staff areas such as machine technicians, supervisors and quality control. Apex Adelchi Footwear Limited has proven that profitable changes in core business can be inherently pro-poor.

**“We are inspired by the initiative and would like to start the same in our factory”**

*A.K.M. Afzalur Rahman, Managing Director,  
Landmark Footwear Limited*

## Community impact

PRICE has the explicit aim of reaching people most marginalised from employment, particularly women and young adults. Apex Adelchi Footwear Limited training scheme directly benefits low income communities by providing employment opportunities and skills training.

## Business case and scalability

Employee skill development is seen as the essential edge for companies competing in international markets. Building skilled workers is a long term investment in core capabilities. The scheme has proven successful and essential for scaling up existing operations.

## Partnerships

The initiative has grown through partnership with PRICE, a programme designed to support the Bangladeshi private sector, launched in 2008 by USAID. PRICE provides technical and managerial assistance in areas of marketing, management, finance, accounting and operations; working to introduce new processing technologies and management systems. PRICE has formed an umbrella agreement with LFMEAB to leverage its members resources to facilitate skill development and the supply of new skilled workers to the sector.

- **2400 people trained**
- **Expected increase in sector sales of US\$10 million**



## LIFESPRING HOSPITALS, INDIA

**Company:** LifeSpring Hospitals

**Partners:** Acumen Fund, Hindustan Lifecare Limited (HLL)

**Region/country:** India

**Sector:** Medical

**Project summary:** LifeSpring Hospitals delivers high quality, affordable maternal healthcare to lower income mothers on a financially sustainable, for-profit basis.

### Project story

LifeSpring Hospitals is an expanding chain of mid-sized maternity hospitals, created to serve low-income women and children in India. Started in 2005 with one hospital, there are now nine hospitals currently operating in and around the city of Hyderabad. Created in response to the dearth of opportunities available for low-income women to access both affordable and high quality healthcare, LifeSpring specialises in normal and caesarean deliveries, in addition to antenatal and postnatal care, as well as family planning services.

LifeSpring Hospitals is a pro-poor business with a dual goal of fulfilling its social mission while achieving financial sustainability. By providing its services for a very low price while still covering its costs, LifeSpring is impacting the lives of an increasing number of low-income women as the company grows. The price of a normal delivery in our general ward is between US\$ 40 to \$80, which is one third to one half of the prevailing market rates at private hospitals. This all-inclusive package price includes a two-day stay, medicines, vaccinations, and a baby kit consisting of a baby robe and blanket.

**“At admission, LifeSpring provided us with a rate estimate and at discharge, we paid the same amount. We were really happy not to pay anything extra... from ayah to nurses, receptionist to doctor, everybody took a lot of care of my daughter and her baby”**

*Mother of LSH Moula Ali customer*

LifeSpring’s specialisation in maternal healthcare has allowed it to significantly drive down costs, the benefits of which are passed onto customers. The high asset utilisation and high throughput means that resources are used very efficiently. Doctors perform 4-6 deliveries per week (compared to 1-2 at private clinics). These high volumes enable optimal utilisation of the most expensive asset, doctors, decreasing unit costs. Ambulances are shared across all hospitals to avoid the underutilisation of this capital.



LifeSpring does not turn away customers in need due to their inability to pay for the services, however. The Sponsoring Births Initiative is a program that allows donors to fund the deliveries of very low-income customers.

LifeSpring's 20-30 bedded hospitals allow each customer to receive personalised care from doctors, and the focus on standardisation ensures the same high quality care across all hospitals. Plans for expansion are to have 18 hospitals in operation by the end of 2010, and 200 in the next five years. By this time, LifeSpring will have hospitals in additional states across India.

### Community impact

The positive impact of LifeSpring's healthcare services goes beyond simply those customers who have delivered in one of the hospitals. For most low-income women in India, deciding where to deliver a baby often means having to choose between high-quality care offered at private, multi-speciality hospitals at an unattainable price, or delivering at a government or family-run maternity hospital, which all too often lack transparency, quality and personal attention. LifeSpring Hospitals gives these women an alternative, and what may be even more important, access to this option. By having access to dignified and safe healthcare at an affordable price, low-income families are not forced to pay a significant fraction of their income, or go into debt, as would have been necessary if they had sought similar care at a traditional private hospital. LifeSpring significantly eases the burden of maternal health costs on low-income families, thereby reducing maternal and child mortality rates by increasing the occurrence of institutional deliveries.

During monthly health camps held at each of our hospitals, free medical consultations and vitamins are provided to all pregnant women in the community. Paediatric consultations and vaccinations for children are also provided, free of charge. Additionally, as part of LifeSpring's community outreach program, each hospital employs two Outreach Workers, who go door-to-door within the surrounding communities to educate women and key decision-makers about all aspects of female reproductive health.

**Since inception, LifeSpring Hospitals has delivered more over 6000 babies, and doctors have treated over 100,000 outpatient cases.**

### Business case and scalability

LifeSpring Hospitals Private Limited is a for-profit company whose core business is to provide affordable maternal healthcare through a chain of hospitals, each of which has been designed to independently achieve financial sustainability.

Normal and caesarean deliveries are the principle generators of profit, and make up the core business. LifeSpring's hospitals generate revenue from inpatient cases (in addition to deliveries, this includes family planning and other gynaecological procedures), but also from outpatient doctor consultation fees, and the rent they receive from the outsourced lab and pharmacy.

### Partnerships

In early 2008, Lifespring Hospitals received joint equity funding from Hindustan Lifecare Limited (HLL), an Indian government-owned enterprise, and Acumen Fund, a US-based social venture fund. Over the past 20 months, LifeSpring has grown from one to nine hospitals, six of which are located in peri-urban areas around Hyderabad and the remaining three, in smaller nearby cities within the state.

## GRAMIN SUVIDHA KENDRA, INDIA

**Company:** Multi Commodity Exchange of India Limited (MCX)

**Partners:** India Post

**Region/country:** India

**Sector:** Agriculture

**Project summary:** MCX's 'Gramin Suvidha Kendra' aims to transform small farmers from producers to informed marketers who may trade their products on the MCX platform and thereby create a new competitive sector that will increase MCX stakeholder, membership and business.

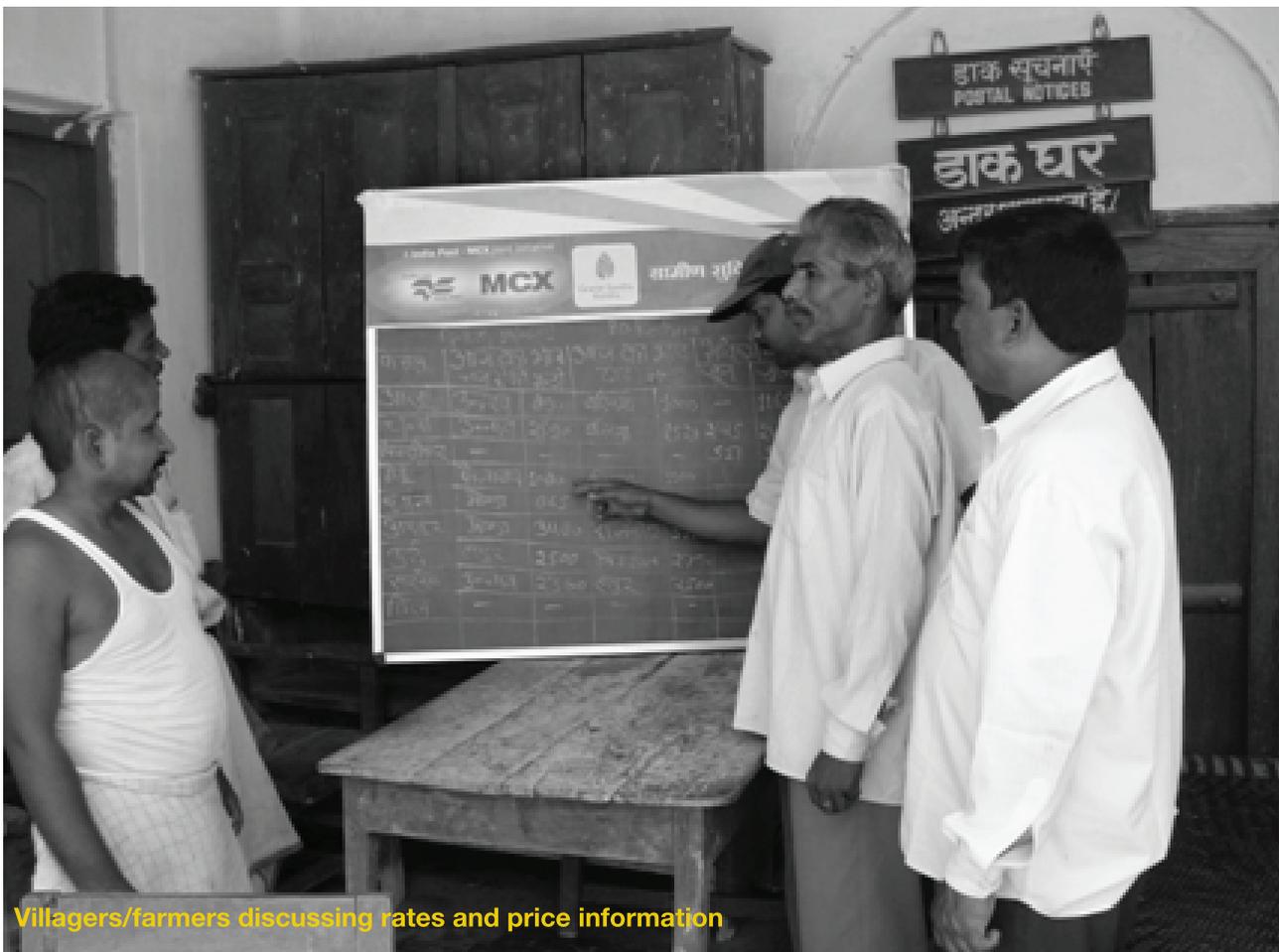
Farmers themselves face particularly acute challenges. They have to go to the market several times to gain knowledge about the crops and to get to know the market prices of seeds, fertilizers, pesticides, etc. Moreover, they have to deal with unscrupulous agents who often cheat them, taking advantage of their lack of knowledge and education. A farmer's decision to sow a crop is limited by his individual financial and physical restrictions, and in terms of the efficient inputs and technology that he can access to improve his returns. After sowing the crop, the farmers have to encounter more challenges. For instance, the lack of information on monsoon and weather, pest and disease infestation, and inappropriate intercultural practices can affect their ability to make a profit. After the crop is harvested, they have the additional challenge of marketing their produce both in terms of access to the markets and information regarding market prices. Inadequate knowledge usually limits their ability to obtain fair prices for their produce. MCX also believes that the existing logistics, quality testing and standardization, and scientific warehousing are inefficient and contribute to the problems of the farmers.

### Project story

MCX envisions a unified Indian commodity market that is driven by market forces and continually provides a level playing field for all stakeholders ranging from the primary producer to the end-consumer. MCX brings together farmers, consumers, middlemen, traders, exporters, importers from across the nation on a single platform creating a vibrant price discovery mechanism. The company aims to bring efficient markets and all their benefits to rural India and the economically marginalized in order to help achieve the agenda of 'inclusive' growth.

Despite the rapid growth of the Indian economy since the 1990s, many sectors have been left behind. Agriculture is one of these and farmers are particularly marginalised. Problems such as limited land availability, unfruitful technological developments and lack of private investment plague the sector, meaning slow growth rates, low profitability and low agricultural commodity prices compared to the increase in prices of industrial products, capital costs, and the cost of technology.

To address the challenges faced by small and marginal farmers, MCX set up Gramin Suvidha Kendra (GSK) in 2006. GSK is a Public Private Partnership (PPP) project with India Post, the Indian government's postal department. Through this platform, MCX provides various services to farmers including giving price/market information, addressing technical queries regarding farming, providing scientific warehousing facilities, issuing warehouse receipts and providing access to finance, quality agri and non-agri inputs, and non agricultural products like rural water purifiers and low cost educational booklets. MCX has entered into partnerships with various organizations to bring these services under a single window to benefit the target audience. MCX has invested in its ecosystem partners that include National Bulk Handling Corporation (NBHC), which is into collateral management of warehouses, providing warehousing facilities and credit lending against the same and National Spot Exchange Limited (NSEL), a national level electronic transparent institutionalized spot market place where farmers, traders, corporate, processors and importers can sell and buy at the best possible and competitive rates.



Villagers/farmers discussing rates and price information

GSK operates on a 'spokes and hub' model that leverages on the existing multi-tiered structure of India Post. In this structure, head post offices (HOs) exist at the city level, sub-post offices (SOs) at the taluka (sub-city) level, and branch-post offices (BOs) at the village level. Postal bags are exchanged on a daily basis between BOs and SOs. These SOs in turn report to the HOs on a regular basis. For the GSK initiatives, SOs are used as hubs while BOs (usually one for a few villages) reporting to the SOs, function as the spokes of the hub. MCX provides each SO with a PC, fax-copier-printer-scanner, web camera, and Internet connection. A youth from that area is appointed as the GSK coordinator at each hub. MCX pays the GSK coordinator a base amount plus a performance-linked incentive. The coordinators are given individual targets and report

to MCX through reporting systems the company has developed. Each BO is provided with blackboards and other necessary stationery using which the informational content of GSK can be displayed. MCX also pays a rent to India Post for the use of its space and services. Farmers are required to register at the relevant post offices to avail of the GSK services. As part of the registration process, the farmers are required to fill in basic information about their landholding, cropping history, and credit history. The services associated with the GSK initiatives are provided by utilizing the hub-and-spokes model.

## Community impact

GSK drives inclusive growth by providing the following services to address certain deficiencies in the rural economy:

- Price information
- Query readdressal
- Spot trading
- Quality agri inputs
- Weather insurance
- Warehousing receipt and credit lending
- Educational booklets
- Non agri products like rural water purifiers
- Adult literacy



**Farmer:** Ms. Shridevi Mishra  
**Village/ SO/ District-:** Salon/ Salon/ Rae Bareilly  
**GSK services utilized:** Purchased 3 packets of Mahyco and 3 packets of Pioneer Paddy seed.

**“As seeds were provided at our doorsteps, an average Rs 30 was saved per packet for Mahyco and Rs 20 for Pioneer. More services should be added for farmers.”**

## Business case and scalability

- Core business of MCX is integrated within this model: The first step for the growth of MCX business is dissemination of futures price information. It may directly or indirectly result in increased trading volumes on MCX/MCX business.
- By bringing in the complete ecosystem, MCX leverages the strength of its sister companies – spot trading, warehousing across the GSK platform
- By doing capacity building and empowering farmers to make informed decisions, it is envisaged that large farmer groups may aggregate and hedge their produce on the MCX exchange once the policies become conducive for them to do so. This would lead to increase in MCX stakeholder and membership and business.

## Partnerships

The initiative is built on a cross sector Public-Private Partnership with India Post, itself demonstrating an alignment of for-profit and development objectives. The services offered by the initiative also require partnership with numerable organisations thereby centralising access to services. Partner organisations include Mahyco, Syngenta, BayerCropScience, Dhanuka Agritech, DSCL Shriram, PHI Seeds, Aries Agro, Devgen, Mahindra Shubllabh, JK Agri Genetics Ltd, Weather Risk Management Services Limited, NABARD, Forward Markets Commission, Eureka Forbes Limited, Ion Exchange, Tata Chemicals Limited, Tata Consultancy Services and Pratham Books.

# TAXI OWNERSHIP SCHEME, INDONESIA

**Company:** Rajawali Corporation

**Region/country:** Indonesia

**Sector:** Transport

**Project summary:** Express Taxi's inclusive employment practises offer opportunities to poor people while also strengthening the businesses core service.

## Project story

Indonesian workers are still feeling the effects of the Asian financial crisis in the late 90s when approximately 1.4 million people were made unemployed. Over the past couple of years however poverty and unemployment rates have been decreasing, and initiatives such as Express Taxi's have been part of this process.

Express Taxi service is Indonesia's second largest taxi operator with more than 2257 taxi units as of 2006. The company's largest fleet operate in Jakarta, with smaller contingents in Surabaya, Semarang and Medan. Up to 1993 the company worked on 'fixed rental fee system' whereby the company owned the taxis and rented them to drivers on a daily basis. While this model was profitable it had a negative long term impact that resulted from drivers not taking responsibility. This led to high maintenance costs, theft and high attrition rates.

Express Taxi recognised that it could improve its own business model while also offering better opportunities to the drivers. From 1994 it built a shared responsibility model between the company and the drivers via a drivers cooperative. This linked to a government objective to develop cooperative systems as a means of improving citizen economic opportunities and social empowerment. Under this model drivers were encouraged through the cooperative to buy their own taxi using non-collateral and low interest loans (6% per annum compared to a 10% commercial loan rate) from a Rajawali subsidiary bank. The model however faced many challenges, particularly financial mismanagement, and the model failed to improve the business.

From 2002 the shared responsibility model therefore switched to focusing on the individuals, offering similar loans on a five year payback scheme. This was particularly important given that drivers weren't deemed credit worthy by normal commercial banks, as they are generally less likely to own homes or own goods substantial enough to use as collateral.

This model nonetheless also faced challenges. For example, many drivers did not have the sufficient knowledge and skills to provide the level of customer service required. To meet this, Express Taxi set up training schemes based around customer hotline feedback. As a result there was a sharp reduction in customer complaints (only 4% of drivers who received training subsequently had complaints made against them), accidents have been dramatically reduced (from 40% of taxis to 2.5%) and the reputation of the company has been significantly enhanced.

## Community impact

- Express Taxi's training and employment practises offer real economic opportunities to poor people – over 4,000 people have been employed.
- Non-collateral loans allow people from poor marginalised backgrounds to purchase their own car and join the business.

## Business case and scalability

- The initiative sourced new drivers who maintained the success of the business.
- The shared responsibility model increased accountability, improving the quality of the service.
- The drivers were more likely to show loyalty to the company in return to the opportunity offered to them.

**Express Taxi's training and employment practises offer real economic opportunities to poor people – over 4,000 people have been employed.**

## KAZI & KAZI TEA “CO-OPERATIVE”, BANGLADESH

**Company:** Kazi & Kazi Tea Estate Limited

**Partners:** Kazi Shahid Foundation “Dairy Co-operative”

**Region/Country:** Bangladesh

**Sector:** Farming

**Project Summary** Kazi & Kazi Tea has developed innovative partnerships with co-operatives that ensure environmental sustainability, offer superior supply for the company and real economic benefits to local farmers and general people of the Panchagarh area.

### Project Story

Kazi & Kazi Tea Estate (KKTE) was set up in remote Tetulia, in the northernmost tip of Bangladesh, in 2000. Within sight of the Himalayas, KKTE worked the entirely virgin soil with a principle of sustaining its nature and its community from day one. It produces organic tea for the domestic and international markets, certified by USDA & SGS, using innovative methods that go far beyond mere certification requirements when it comes to innovation and purity.

Kazi & Kazi’s unique innovations include the planting of millions of shade trees that are all precious, indigenous herbal trees (not imported mono-cultural timber trees). KKTE also maintains a conservatory of 250 plus rare local plants to support this immense private reforestation. It has brought life back to the sandy, arid soil that had lain fallow for decades. The earth is now rich once again with the churning of billions of worms, the trees alive with thousands of birds (including many rare species not seen for years), and the area is seeing a return even of wildlife, such as, foxes, rabbits, snakes, etc.

KKTE not only follows the basic principles of organic farming, meaning the total avoidance of all chemical fertilizer and pesticides. Rather, KKTE embraces a more bio-dynamic approach that tries to generate all its inputs from its own lands. It eschews external sources and sub-soil irrigation, in an effort to be not only organic, but to be as “closed-loop” (sustainable) as possible. The latest and most daring innovation involves an attempt to create bio-gas plants large enough to run the factory. Close to dozen smaller bio-gas plants are already in use for cooking and other purposes.

Given its deep organic approach, KKTE needs a large quantity of cow dung to produce bio-fertilizer. KKTE generates a portion of that from its own dairy farms. But, given the expanding size of the garden, the requirement became large enough that an own dairy alone was no longer a sufficient solution. So, in 2005, KKTE established a dairy co-operative named “Kazi Shahid Foundation” to secure a stable and adequate supply of a vital raw material.

### Dairy Co-operative

The KSF dairy co-operative started in August, 2005. Though set up with the needs of the garden and its workers in mind, it has an utterly flexible membership policy for both KKTE’s workers and neighbours. The people in the community, mostly women, can choose both to work in the garden and join the cooperative or only work or only join the cooperative.

The real innovation of the cooperative however is in replacement of cash loans with a barter system. So, instead of getting cash loans what members get is a milking cow worth TK 20,000. The debt of this cattle is mostly repaid with milk and cow dung. A rate of just 1 litre of milk and 7 kgs of cow dung per day allows repayment of the full loan, including a 12.5% service charge, within two to three years.

Moreover, the members are incentivized to take good care of the cows because the surplus milk is a source of nourishment or income for them, and the cow dung is also highly useful for a variety of purposes. Best of all, members get to keep any calves that the cow bears, doubling or trebling their cattle wealth.

KKTE and the co-op both also work with their members on a range of other relevant issues including health and hygiene and adult literacy. For their children too there are dedicated classes, and computer training for members with a tenth grade education. Co-op members are also crucially trained on organic and multi-crop farming, which allows them to generate feed or fodder from their small holdings.

## Environmental Support

KKTE's mission is to produce a world class tea while supporting its natural and social environment. KKTE has already achieved its quality objective as recognized in its six straight years of auction-beating price locally, and acceptance in prized global destinations from Harrod's to Whole Foods. But, KKTE strives continually with new learnings to improve its quality further and to innovate new blends. On the sustainability front, KKTE's main contributions take the following forms:

- Supporting nature through use of renewable resources in a renewable manner
- Using land and water in non-intensive and non-toxic ways
- Attaining massive but eco-sensible reforestation
- Creating rural employment
- Enhancing the quality of life for farmers and consumers



## Community Impact

At a community level, KKTE’s dairy cooperative brings several innovative benefits. It is a very interesting and promising model of how businesses can engage their communities not just as a matter of charity, but in a win-win partnership. The program strongly favours women, who are often the primary caretakers of their homestead farms and cattle, thus helping gender balance in the community.

Neither KKTEA nor KSF (the dairy cooperative), being the very first of their kind of projects, have of course been without some trial and errors. With the cooperative, for example, the idea was met with great scepticism from the community. It took a great deal of communication, and a few brave souls, to overcome that initial hesitation. The success of the first few members attracted others.

Other issues faced by the program include both expected and new ones. Collection, for example, as with any lending programs, has been a problem at times, but a minor one and particular to specific samities or members, and not for the program as a whole. Being a self-funded program, financial constraints have been a hindrance to growth at times.

More uniquely, members of KKTE and KSF, coming respectively more from private and NGO backgrounds, respectively, were initially bit sceptical of the motives or outlooks at times, and have gone through some valuable learning on both sides.

## Business Case and Scalability

Given KKTEA’s ultimate size, one expects that it will need a cooperative of at least 3000-5000 (possibly closer to the upper limit) cattle to meet its farming needs. That is also the projected stabilization figure (5000) for the project. At current rates of lending, at that size the project will comfortably break even.

So, as of now, the project is halfway to its eventual goal, which should be reached within the next 2-3 years maximum. To grow at a faster rate, the project would need either additional and external source of funding, or a higher rate than what is charged right now.

One of the apparent quandaries for the project is how, if at all, it will grow once KKTE’s needs are fully met? Currently, KKTE uses the milk to make high quality sweets and dairy products and the cow dung to make bio-fertilizer.

In theory, even once KSF reaches the size for KKTE’s internal purposes, the project can keep growing as a source of raw materials for dairy products and bio-fertilizer manufacturing. It can be an option of diversification both for KKTE, or for anyone willing to partner up with such a project.

Information Regarding Dairy Coop	As on April'10
• No of cooperative	100
• Total member	958
• Number of Cow distributed	1,358
• Number of loan Fully Paid	642
• Current Number of Cows	716
• Average milk/month (liter)	5,000
• Average cow dung/month (Kg)	1,50,000

# SUPPLIER ALLIANCE, BANGLADESH

**Company:** Otobi Ltd.

**Region/Country:** Bangladesh

**Sector:** Furniture

**Project Summary** By outsourcing certain elements of their production, Otobi creates employment for a large number of workers who lost their job during the current financial crisis and reduces cost considerably which also made it possible to expand their consumer base to include lower income people.

1. The 5-S (Structurise, Systemise, Sanitise, Standardise, Self-Discipline)
2. Proper machine layout
3. Optimum usage of raw material
4. Space utilization: work and store
5. Just-in time stock optimization
6. Skill based man power development
7. Safety Measures Training: Fire, electricity and gas hazard.

Otobi has always been known for its high quality products and it was crucial that outsourcing product would not compromise the high quality standards. The alliance with the unorganized sector resulted in the launching of Teak Sofa at a much lower price than Otobi existing line. This not only met the demands of the traditional Otobi customer, but also those of customers from much lower income groups. Thus Otobi expanded the market by penetrating lower prices points.

## Project story

Otobi's journey began in 1975 with only Taka 5,000 in a small workshop cum showroom in the city of Dhaka. This was the very first workshop business model in Bangladesh. Under the sole direction of Mr. Nitun Kundu, the founder of Otobi, the business prospered. Starting in a tiny tin-shed factory with a turnover of only Taka 60,000, Otobi now has 13 showrooms, 300 dealers across the country and more than 4,000 employees.

Following the recent financial crisis, a significant portion of the population faced the challenge of affording even essentials. Consumers expected lower prices than those which Otobi used to operate and Otobi's sales fell. At about the same time, cyclone Sidr hit and craftsmen from the region lost their income. The combination of these to accidents had catastrophic consequences for the local workers.

Under these circumstances, Otobi developed a new product and decided to outsource the cutting and sawing operation of solid wood furniture to the unorganized sector while keeping the critical processes in-house. For this purpose, several potential suppliers were chosen who had the ability to learn and grow. Otobi's representative engineers were then sent to the outsourcing locations and acted as factory managers by providing the following hands-on training:

## Community impact

Outsourcing offers opportunities to lower income groups and possibilities for downward flows of information about techniques and best practises which can improve their capacity to grow.

The totals outsources are: Wood - 30 Cr, Cane - 7.5 Cr, A & D - 16.5 Cr. Total 54 Cr per annum.

## Business sense and scalability

By innovating new products and expanding into new markets, Otobi has developed further avenues for profits. Given the size of the lower income markets there is clear space for further expansion.

# SANJHI UNNATI “PROGRESS THROUGH PARTNERSHIP”, INDIA

**Company:** SAB Miller

**Partners:** Cargill, The Morarka Foundation, Rajasthan State Government

**Region/Country:** India

**Sector:** Food & Beveridge

**Project Summary** Sanjhi Unnati is a partnership initiated by SAB Miller to secure a reliable long-term source of locally grown malt-quality barley while also testing new strains of barley to identify higher yield crops.

## Project story

SABMiller began its Indian operation in 2000 and has since become the second largest beer company in the country. To manufacture their beer they need a reliable malt-quality barley stock but unfortunately, subsistence farmers in India were producing predominantly lower feed quality crops that were unsuitable for SABMiller’s purposes. The feed-quality barley brought much lower profit margins than other crops so it was not a priority crop for local farmers. Low yields and excessive middleman fees were further deterrents.

SABMiller initiated the Sanjhi Unnati or “Progress through Partnership” project with the aim of developing a partnership to restructure and build capacity within the local malt barley supply chain. Their vision was to meet the long-term needs of their business while also improving the lives of farmers in their supply chain.

Given an expressed interest from Cargill, the primary historical barley supplier of SABMiller, to develop a world-class malting unit in India, SABMiller partnered with Cargill in the Sanjhi Unnati (SU) programme. While the expertise Cargill and SABMiller brought to the project included the bulk of the agricultural and technical knowledge required, they enlisted the Rajasthan government and The Morarka Foundation, a local reputable sustainable agriculture NGO, to fill the gaps in cultural, legal and infrastructure know-how.

## Activities

The initial SU project was a three-year development project starting in 2005 that cost SAB Miller between \$92,000 and \$156,000 each year. The SU project consisted of the following activities:

- Awareness-raising amongst 20,000 local barley farmers through farmer meetings, leaflet dropping and “jeep campaigns”
- Recruitment drive of local farmers including offering incentives in the form of access to specialist agronomists, premium seed stock and other services, such as insurance, pesticides and fertilizers
- Development of SU centres to provide seed stock, agricultural training and to procure properly weighed crops at the best price with on-the-spot payment
- Work with SU centres to introduce higher yield/ quality varieties of malt barley.

The roles of individual partners in SU are:

- SABMiller established the programme and provided initial funding. The company currently provides project management, monitoring and reporting and commits to buying the barley at a premium price if it meets quality requirements
- Cargill manages all operational aspects of the programme, providing training, selling seeds and managing the SU centres
- The Morarka Foundation facilitates interaction between SU management and local communities, including identifying and addressing the longer-term needs of communities where SU operates
- The government approves licenses and supports state infrastructure development. It also raises awareness, facilitates relationships on the ground and certifies seeds.

Other partners such as HEFAD and Sahaj Agrofarm also support the project by supplying materials and contributing to the capacity development of farmers.

After the initial three years, the SU project will continue its current operations, but will grow to include new partners and activities. An example of this is the new partnership SU is developing with ICICI bank to provide access to credit for SU farmers in the future.

**Despite SABMiller's vast experience and pool of technical and financial resources, their SU project claims success because every partner contributed to a positive outcome.**

### Socio-economic benefit

- 12 SU centres now operate in four districts, supporting 6,450 farmers. 1,533 metric tons of seeds have been sold to SU farmers. 20,165 tons of barley has been purchased from farmers to date
- Programme members experienced a 20-25% increase in acreage during the pilot phase
- Crop quality has also improved with malt extract levels increasing from 40 to 43 grams
- Districts served by SU centres have seen an increase in yields from 14.2% to 33.3%
- 14 new varieties of malt barley are being trialled by SU farmers
- Farmers receive a 50% subsidy on seed through SU centres and command up to a 10% premium for their produce when they sell their final products back to the centre.

### Company benefit

According to various sources, the SU project is on track to meeting the long-term malt barley needs of SABMiller as well as providing additional income for participating farmers. While local SU farmers are currently producing 20% of the barley needed by SABMiller, instead of the targeted 50%, they are on course to meet the target within the next five years. Barley quality is also improving thereby reducing costs in the brewing process, improving beer quality and extending the shelf life of products. The company is also benefiting from an improved reputation among local farmers and the government.

### Partnership benefit

All the partners have made different contributions to the project. Cargill's operational contribution, the government's assistance with licensing, infrastructure and promotion, and The Morarka Foundation's social mobilisation and relationship management efforts on the ground have all been vital to the success of SU. Recruiting the support of a locally-known and trusted NGO has given the SU project local credibility and SABMiller's commitment to pay above the local average for malt-quality barley has led to increased sales to SU centres.



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