



# Impact Business Creation Toolkit

*Practical tools for collaboration, Innovation and Sustainability*

**THE JAPAN RESEARCH INSTITUTE, LIMITED**

**DRISHTEE FOUNDATION**



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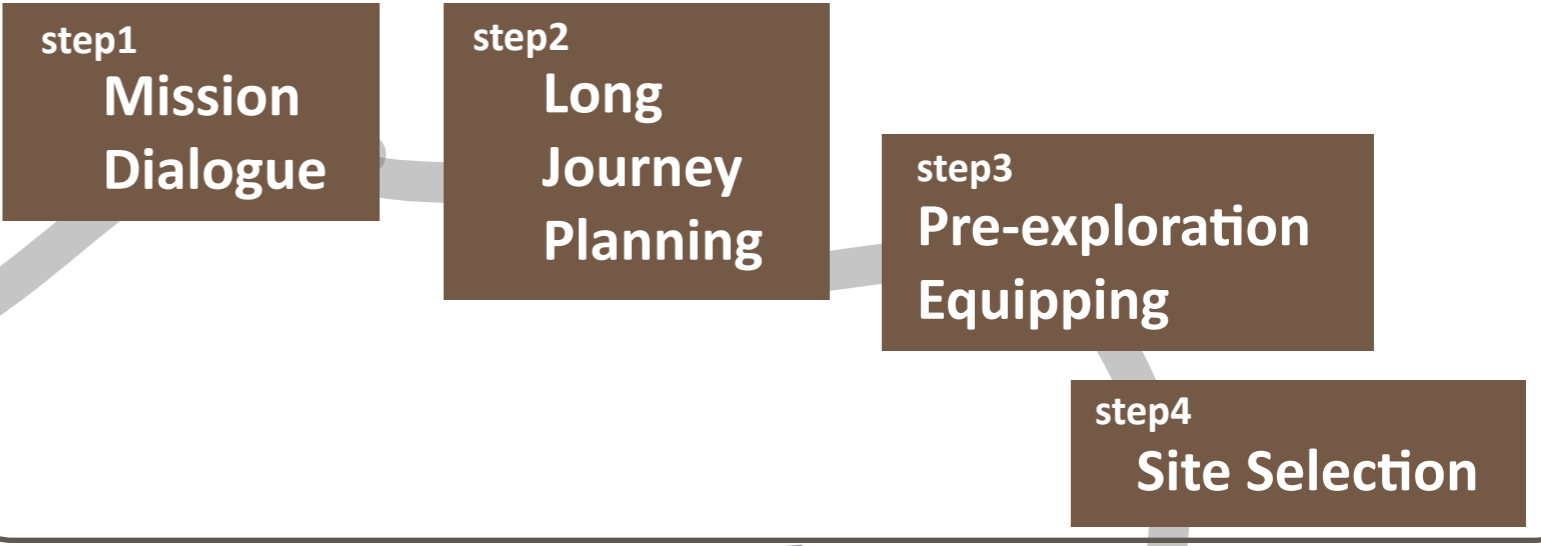
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# Total Flow of Impact Business Creation

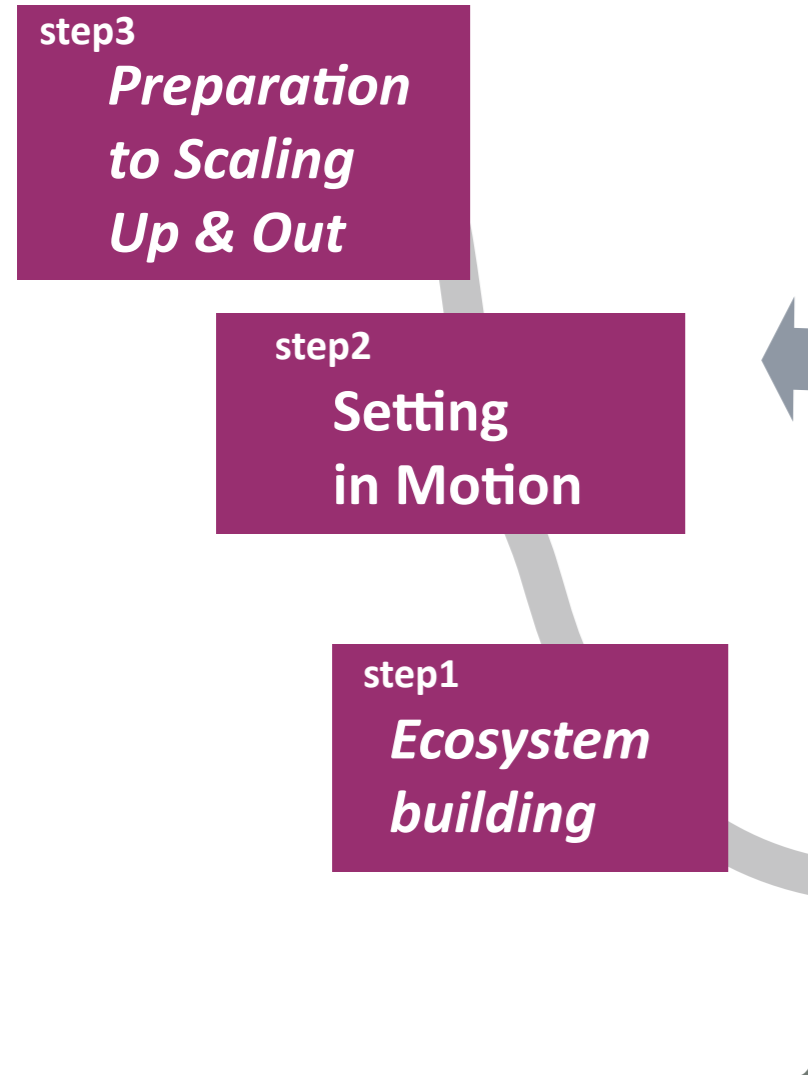
## Stage 0: Creating the Environment



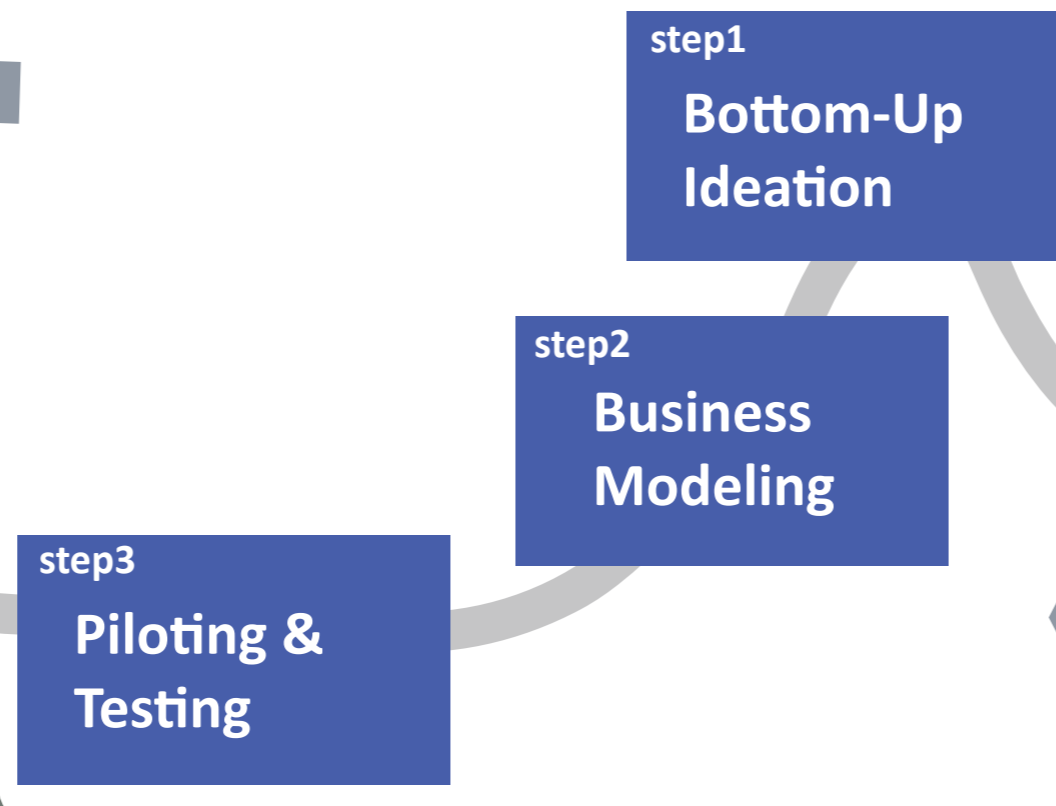
## Stage 1: Road Mapping



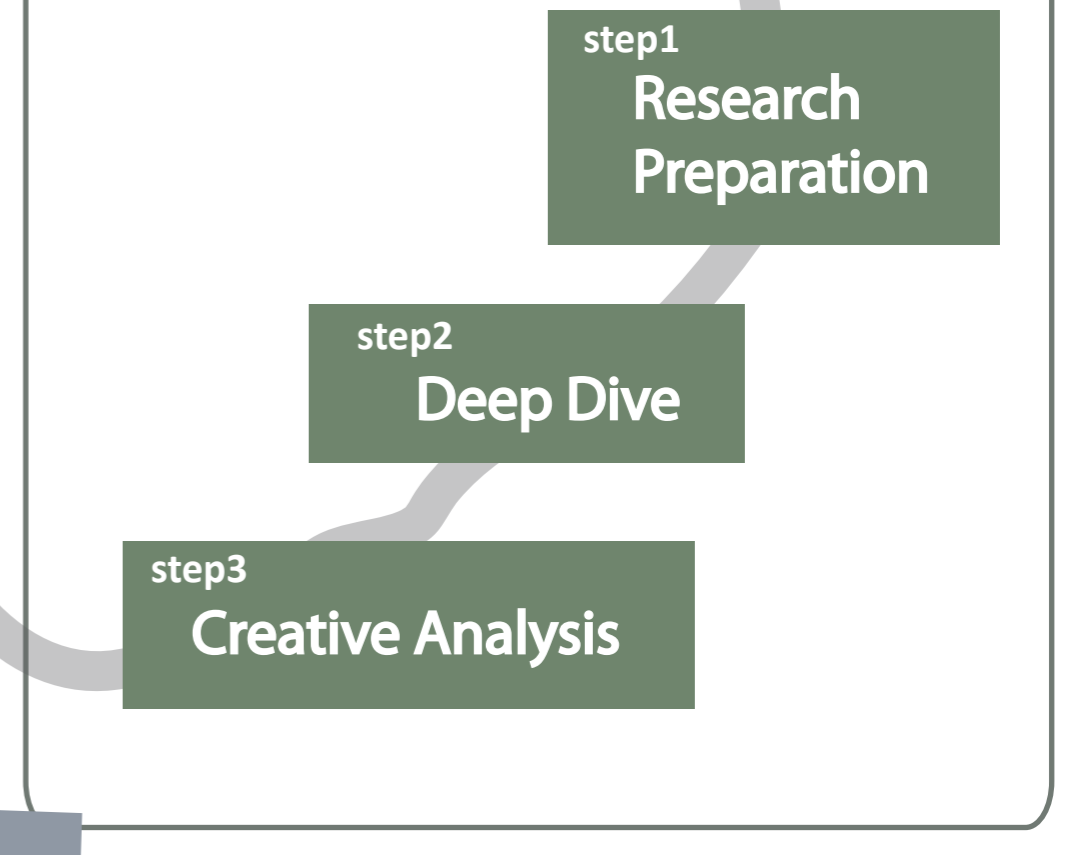
## Stage 4: Creating an Impact Business



## Stage 3: Designing Solution



## Stage 2: Immersion-focused Research



# Stage 0: Creating the Environment

## <MAP>



### Toolbox & References

- Social Impact Assessment
- Global Platform Database

Due Diligence Criteria

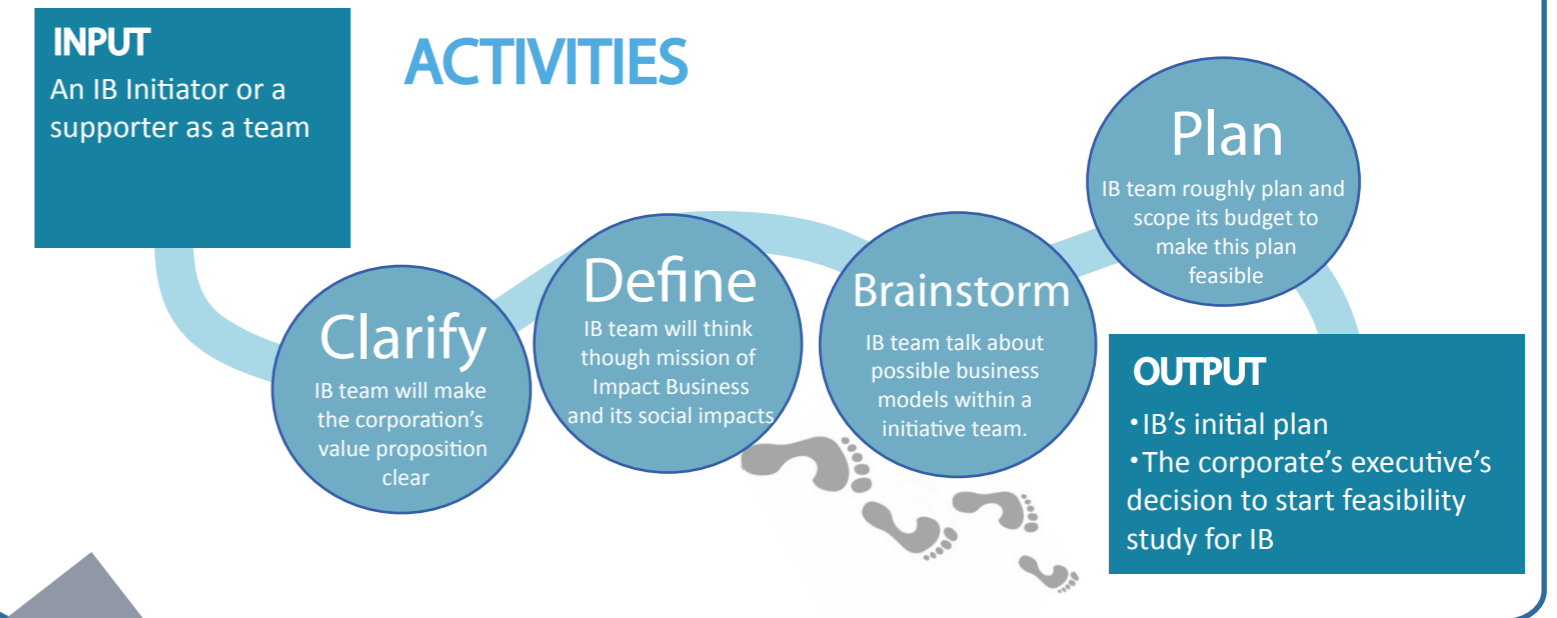


### 1 Kick-off Team Building



**Dynamic change**  
Changes you may find  
The employees will experience to form a issue or mission-driven, cross-departmental and cross-generational project team.

### 2 Internal Scoping



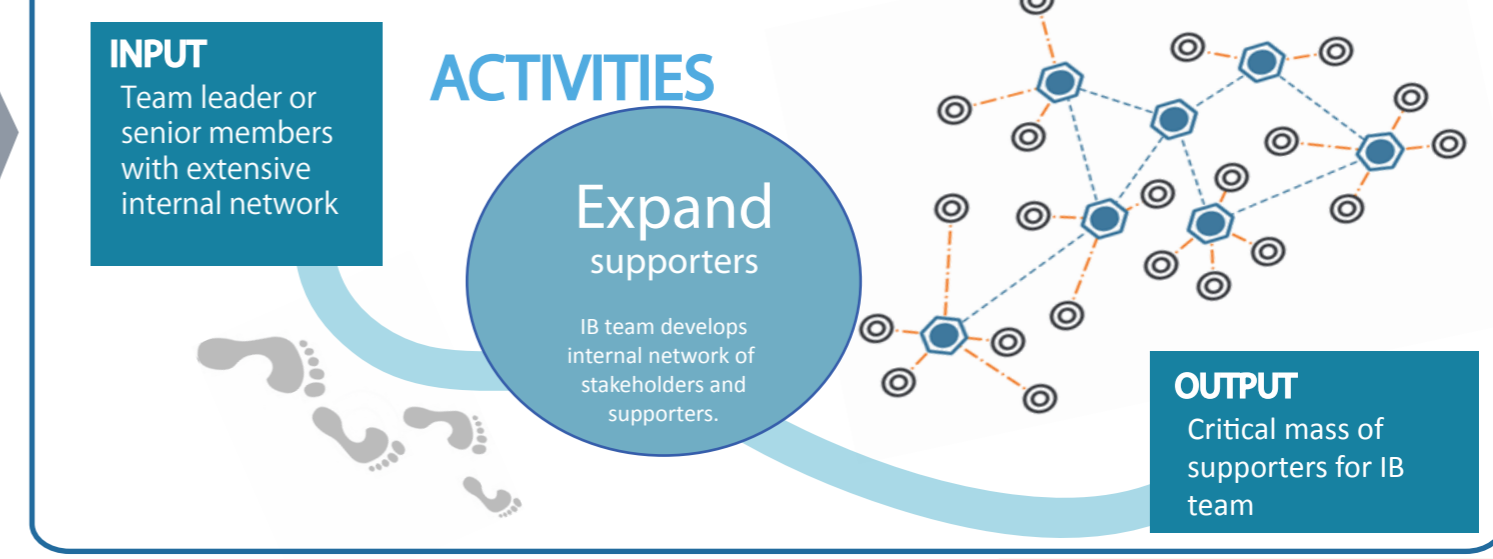
**Cultivation**  
Changes you may find  
The culture of creativities is enhanced by the talk in this initiative to build a new innovative business.

### 3 Finding the Right Partner



**Think Globally, for local action**  
Changes you may find  
After this search stage, IB team will get the picture of global networks for rural market business stakeholders.

### 4 Internal Networking



**Creativity spreading**  
Changes you may find  
Social intrapreneurs' story will stimulate other staff for innovate new business ideas



## ① Kick-off Team Building

### Form a team

Impact Business team leader forms a Kick-off team. No Impact Business can succeed without a good team. When Impact Business initiators form a team, it is most difficult to find a leader with “authentic” leadership, which is based on his vision and values rather than power. However, realistically, a team leader also needs to have a decision making and budgeting power to realize the project. For core members, the initiators look for social intrapreneurs with entrepreneurial spirit and ambition to make a difference in society through disruptive innovation. Also, having a cross-departmental/generational team with diverse backgrounds is good for triggering innovation.



Impact Business team members' qualifications



The employee will experience to form an issue or mission-driven, cross-departmental and cross-generational project team. Such dynamic organizational management enables a corporation to develop innovative business ideas and overcome diverse challenges in today's fast-moving global market. In Impact Businesses, many corporations are challenged to go beyond the conventional vertical management system.

### Train

Impact Business Team goes through an introductory training. The team goes through an introductory training by sharing Impact Business-related references, participating in like-minded people's social media network groups, participating in seminars and workshops etc. Main themes are concept and case studies of Impact Business or Inclusive Business at the Base of the Pyramid, and about social enterprises. Ideally, team members visit emerging market's rural areas to gain a very initial feeling of communities there.

## ② Internal Scoping

### Clarify

Impact Business team makes the corporation's value proposition clear. We observed some companies struggled to move on from piloting to business creation stage because corporations did not do this value proposition activity and piloted businesses far from their expertise and capability. First, the team reassesses their corporation's current market position and values to its customers and society. Then, the team considers how Impact Business can contribute to corporate long-term strategies by further developing such corporate values.

### Define

Impact Business team will think through Impact Business's mission as well as social and economic impacts and returns. The corporate team sets initial Impact Business mission by breaking down the value proposition results with primary understanding of local needs. “WHAT can you provide to WHOM?” - This is the question which the team answers when defining Impact Business's mission. The team also defines Impact Business's goals by considering social and economic impacts to customers and stakeholders as well as social and economic returns to the corporation itself. The corporate team cannot successfully engage local partners and communities, and even its internal executives, unless it clearly communicates about these mission and goals.

### Brainstorm

Impact Business team discusses about possible business models. The team discusses very rough ideas of possible business models, including target locations and business areas. At this point, the team's objective is not to develop a perfect business model, but to identify general direction in line with corporate value proposition and long-term strategies. It also helps the corporate team to identify possible functions which the corporation needs to seek from potential partners.

### Plan

Impact Business team roughly plan and scope its budget to make this initiative feasible. The team develops rough Impact Business initiation plan and budget primarily to obtain approval and budget for the next partner selection activities. Depending on the value proposition results, corporate teams may obtain budget from different departments such as R&D, corporate planning, HR and CSR. The team may also consider applying for external funding, such as governmental subsidies, foundations' grants and impact investments, by understanding their criteria as well as pros and cons.



Impact Business Goal Mapping



The culture of creativities is enhanced by the talk in this initiative to build a new innovative business. A corporation fosters a corporate culture which employees are encouraged to initiate new innovative businesses. Such culture enables a corporation to continuously enhance its competitiveness in fast-moving markets.



List of Impact Business grant makers and investors

## ③ Finding the Right Partner

### Search globally

Impact Business team searches into available global social business online databases. By going through the internal scoping, the corporate team realizes that it needs good long-term local partners to achieve the Impact Business's mission and goals. How can corporations find the right partners? Nowadays, the team can make a long list of potential partners by referring to global online databases on social enterprises. Then, the team screens the list with basic but important criteria, such as experiences in working with foreign corporations, business expertise and extensive local.



List of global online databases on social enterprises

### Select the best fit

The project team selects suitable partners on site. The project team goes on sites to select potential partners among the long-listed social enterprises. We advise that corporations without such partnership experiences seek due diligence support from external professionals, such as Impact Business consultants. Corporations who selected their local partners by themselves tend to struggle as they go further along the road because their partners' capabilities do not meet their initial unrealistic expectations.



After this partner selection step, Impact Business team will get the idea of open innovation by being exposed to open and active global networks of Impact Business social enterprises and professionals. Also, cross-sector partnerships with local social enterprises enable a corporation to obtain business acumen and network necessary in emerging rural markets.

## ④ Internal Networking

### Expand supporters

Building a critical mass of supporters within the corporation is critical for Impact Business Creation but also takes time. The team should start early to obtain support from corporate executives with deep understanding of the Impact Business. S/he can protect the project from short-term profit maximization pressure. The team also gathers staff volunteers. Corporate executives and managers are often surprised to discover that so many employees are interested in and increase their motivation through Impact Businesses activities.

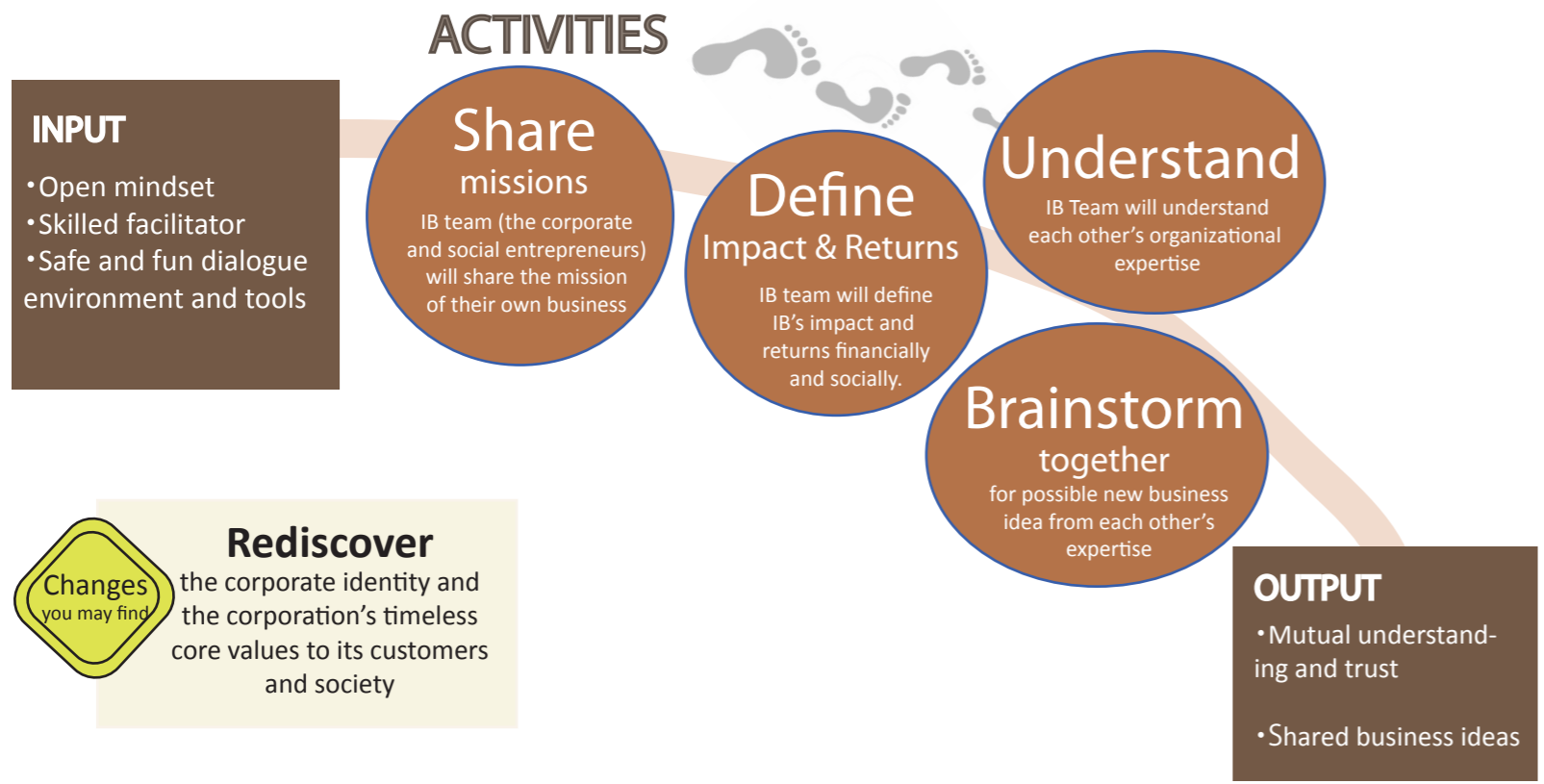


Social intrapreneurs' story stimulates other staff to also generate innovative new business ideas. Like-minded people start informally connecting with each other across different departments to initiate new projects. Such internal network not only enables a corporation to be innovative in new markets, but also to develop a sense of unity among staff who share the same mission.

# Stage 1: Road Mapping

## <MAP>

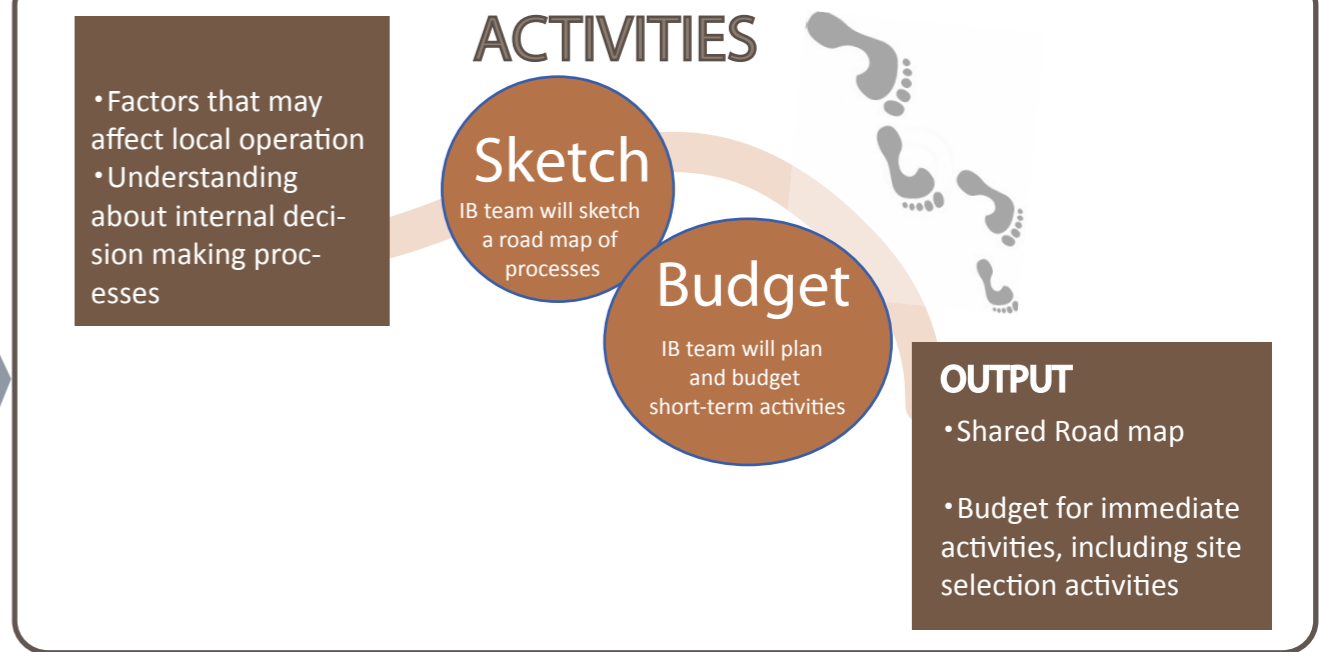
### ① Mission Dialogue



**Toolbox & References**

- Mission Pyramid
- Pre-Visit Questionnaire
- Site Selection Criteria
- Template for MOU

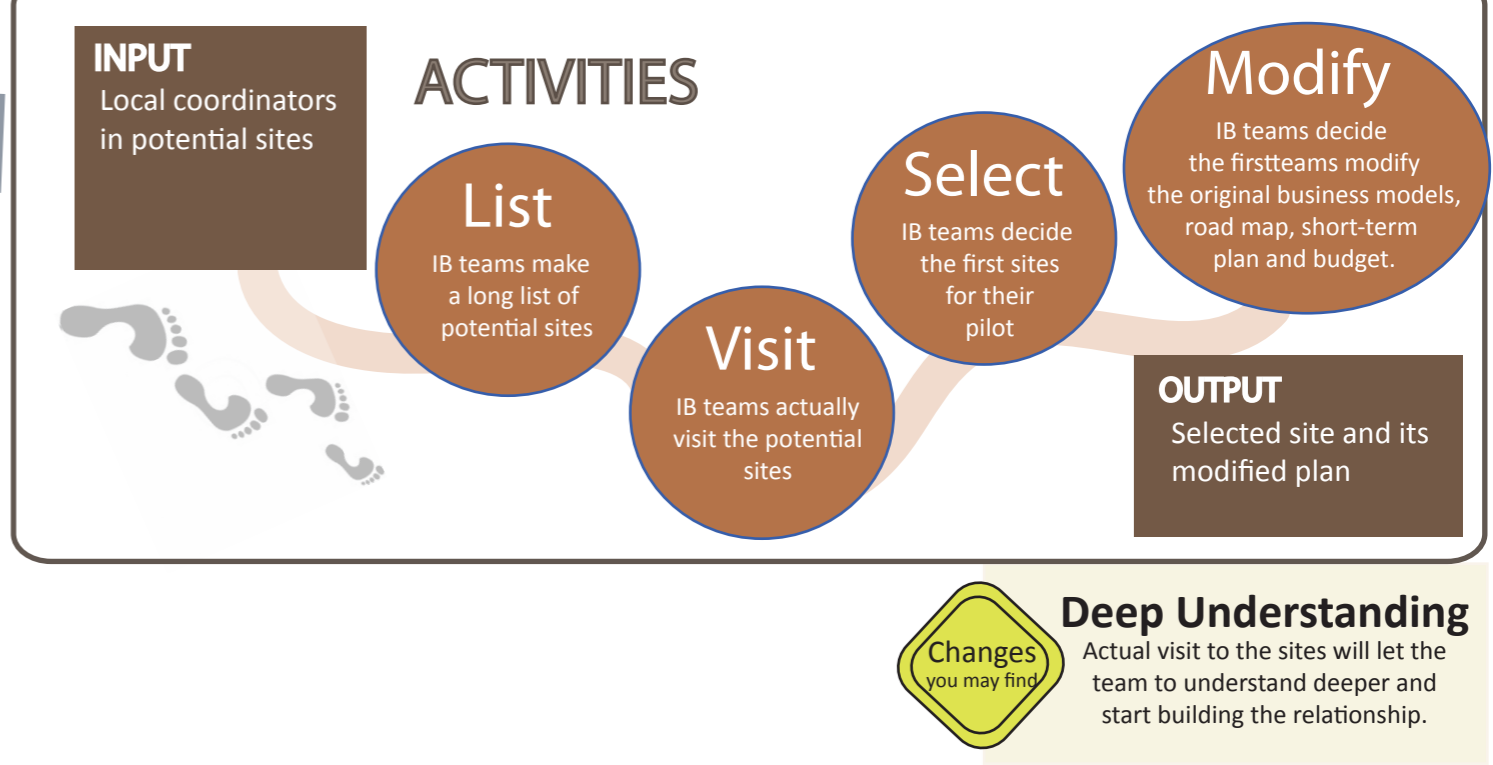
### ② Long Journey Planning



### ④ Pre-exploration Equipping



### ③ Site Selection





## ① Mission Dialogue

Share missions

The IB team (a corporation and a social enterprise) will share the mission of their own business. Many corporations and social enterprises have terminated their partnerships due to gaps between each other's expectations and realities. Such tragedy could be avoided to some extent if they understood each other better when initializing the partnership. For this, Mission Dialogue is useful. Both parties introduce each other's history, mission and vision. Then, two parties find common areas of the two's missions



Mission Pyramid

Define Impact & Returns

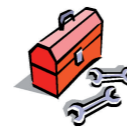
The IB team defines the Impact Business's impacts and returns financially and socially. The IB team develops the business's impacts and returns based on shared mission and by discussing to WHOM they want to deliver WHAT. Also, they discuss social and economic returns a corporation and social enterprise may achieve. Shared business mission and goals serve as the Impact Business project's pillars. The team later finds they come back to this activity continuously.

Understand

IB team will understand each other's organizational expertise. This activity is necessary for developing effective business collaboration scheme in the future. Both parties conduct some research about their organizations' expertise developed throughout their history as well as current range of expertise. Also, we found exchange trips to each other's sites can be effective.

Brainstorm together

The IB team together brainstorms possible new business ideas based on each other's expertise. At this point, the goal for brainstorming a business model is not to develop a perfect business model, but just to have general business ideas to design the field research. Tools for developing a rough business idea are provided here. The most important thing to bear in mind when using it is: : start from the issues



Simple business model development steps



The corporate team members rediscover their corporation's identity and timeless core values to its customers and society. Through deep dialogues with the local partner, the team members often rediscover their corporation's DNA. In other words, the staff understands the corporation's timeless core values to its customers and society. Such understanding enables the staff to be more creative by developing new business ideas by respecting the corporate DNA but not being limited by current business areas.

## ② Long Journey Planning

Sketch

IB team sketches a road map of business creation stage Planning entire project cycle until business creation stage enables the corporate and social enterprise teams to have mutual understanding of how the team will be moving towards the goal. The plan can be developed by following this toolkit's activities and putting a new timeline. The team should also consider 1) internal decision making process and 2) general division of roles between two parties.

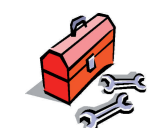
Budget

IB team plans and budgets short-term activities. Once the long-term plan is developed and general principles of division of roles agreed, the team develops a rough budget.

## ③ Site Selection

List

IB team makes a long list of potential sites. IB team selects a site that matches with the corporate long-term strategies as well as social enterprise's local networks. First, the social enterprises make a long- list of potential sites from communities they are active in. Then, through the social enterprise, IB team collects further information by using the pre-visit questionnaire. Site selection criteria list is also provided in the tool box.



Pre-visit questionnaire, Site selection criteria,

Visit

IB team actually visits the potential sites. IB team together visits short-listed sites. Here, the team meets with key persons in local communities, including local government, and observe the communities. This is a good opportunity to gain information not available if sitting at the office, such as the local key persons' support and capacity, entrepreneurship spirit in the communities.

Select

IB team decides the first sites for their pilot. The corporate and social enterprise team members together make the final decision to avoid future conflicts. IB team often faces the question of whether to select strictly "representative" or "more likely to succeed" site. The answer we often go for falls in the middle - "likely to succeed" community within the "representative enough" range of communities. Unless the pilot succeeds, the local communities are unlikely to buy in the business idea. However, if the site is not "representative", the business model cannot be applied elsewhere.

Modify

IB team modifies the original business models, road map, short-term plan and budget. With more information about the piloting site, IB team modifies the plans developed before site selection.



Actual visit to the sites will let the team to understand deeper and start building relationship with local communities. Site selection is the starting point for a corporation to put understanding and relationship building with local communities at the center to its business development.

## ④ Pre-exploration Equipping

Re-organize

IB team reorganizes into a "Dream Team". The corporation and social enterprise reorganize their team base on the modified road map. Basically, criteria for team leaders and members do not change from stage 0. However, unlike stage 0, the corporate and social enterprise teams obtain official approval by HR department or executives to make IB team official before entering a formal cross-sector partnership.



Forming a partnership with a social enterprise is unprecedented and a breakthrough for most corporations. This can serve as an example for a corporation to actively develop extensive network across sectors. A corporation needs such cross-sector network to meet increasingly complex needs in new emerging markets with little expertise.

Allocate the tasks

IB team allocates short-term tasks to each organization and member. With the modified short-term plan and understanding of each other's expertise, IB team allocates tasks to each organization's members.

Budget

IB team allocates short-term budget to each organization. The corporate and social enterprise allocate budget between each other. How to allocate the budget depends on legal partnership scheme between a corporation and a social enterprise. Two common schemes are, firstly, a corporation and a social enterprise both become business owners and secondly, a corporation outsource some services to a social enterprise. In the first case, the two make investments based on their shares. Most corporations and social enterprises take the second case at the early business development stage since social enterprises do not have reserves.

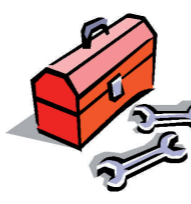
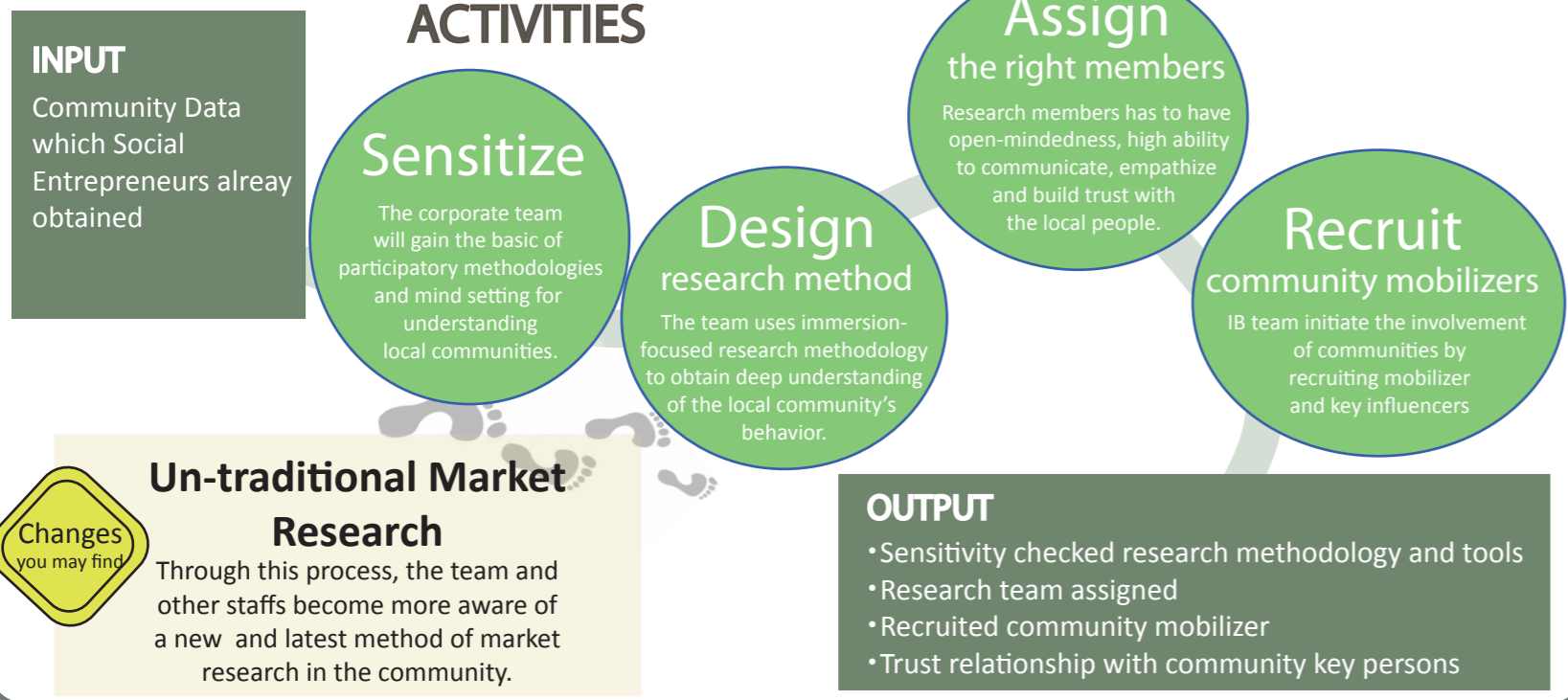
Formalize

The corporation and social enterprise formalize their partnership and sign an agreement for the pilot project. A corporation and a social enterprise may first sign a Memorandum of Understanding (MOU) to have a relatively loose agreement on partnership. Under this MOU, the corporation and the social enterprise sign short-term contracts with clearly defined tasks and budget.

# Stage 2: Immersion-focused Research

<MAP>

## 1 Research Preparation

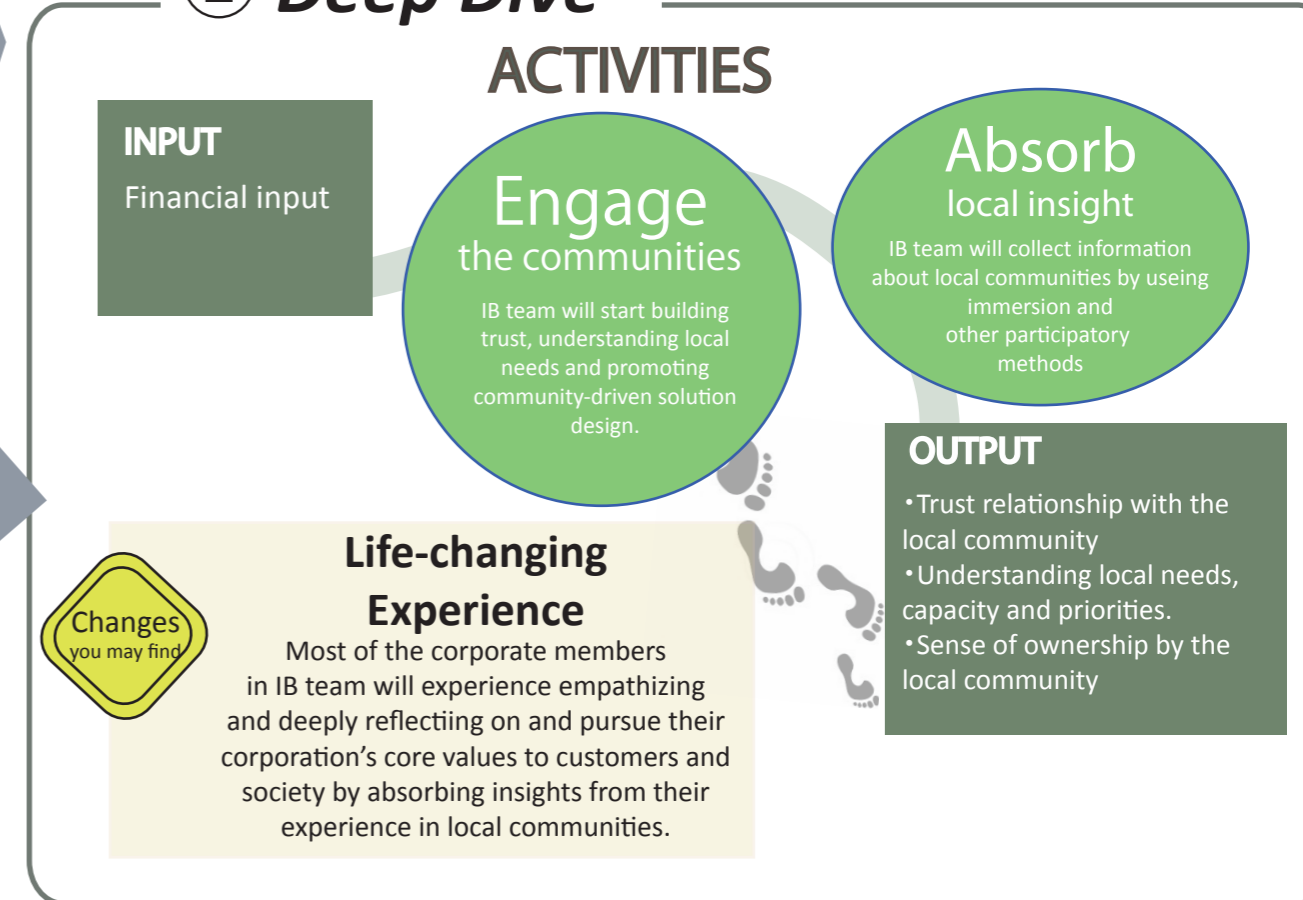


### Toolbox & References in this toolkit

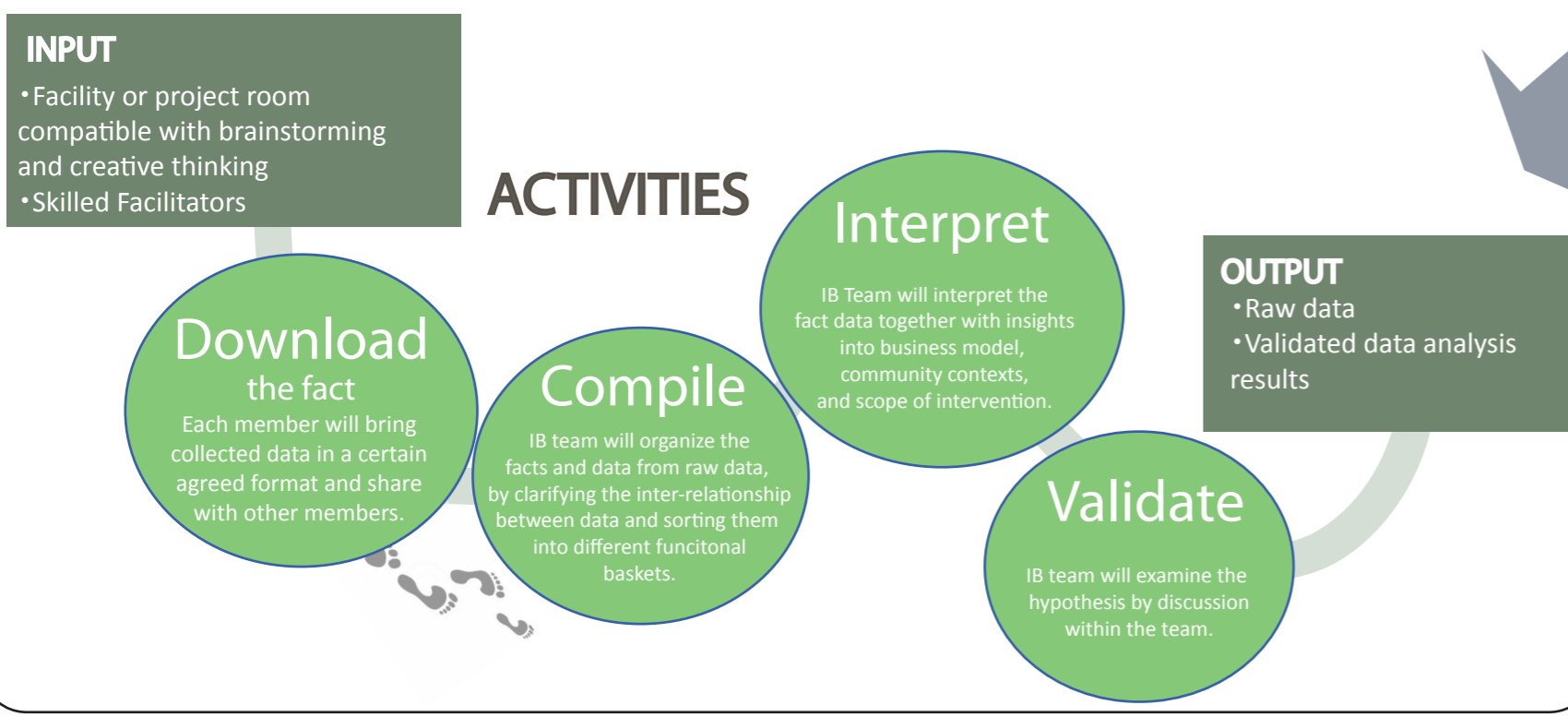


Village survey basic data sheet	Survey design template
Sensitization workshop guide	Idea competition guide
Dip-stick observation checklist	Community mobilizers' guide
Immersion research template	Do's & Donts list of communication
Qualitative Ethnography Method	Sensitivity check on research design

## 2 Deep Dive



## 3 Creative Analysis



**Creative Thinking**  
Trying to design and process through all the creative thinking and its workshop will give the team and other staff the confidence of getting used to the new style of thought process.

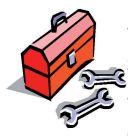


## ① Research Preparation

### Sensitize

The corporate team will gain the basic of participatory methodologies and mind setting for understanding local communities.


IB team becomes sensitized. They learn more about the site's local community through further knowledge exchange and an introductory community-visit.

- 
- Sensitization workshop guide
  - Village survey basic data sheet
  - Dip-stick observation checklist
  - Do's & Donts list of communication

### Design

The team uses immersion-focused research methodology to obtain deep understanding of the local community's behavior.

IB team plans and designs the research. The team uses immersion-focused research methodology to obtain deep understanding of the local community's behavior. We observed many corporations conducting only conventional market research and failing to truly understand the local market. Once the research tools are developed, the team checks the tool's sensitivity.

- 
- Immersion research template
  - Qualitative Ethnography Method
  - Survey design template
  - Sensitivity check on research design

### Assign

Research members have to have open-mindedness, high ability to communicate, empathize and build trust with the local people.

IB team assigns research members with certain attributes, such as open-mindedness, high ability to communicate, empathize and build trust with the local people. Many big corporations have only few staff with such attributes at the beginning. They may regard this activity as a HR intensive training program to foster such staff.



The corporate team members experience designing unconventional market research methodology which aims to gain deep understanding about customers and stakeholders by immersing in their lives and looking from their perspectives. This methodology also provokes members to have insights and discoveries which may lead to innovative ideas in the future.

### Recruit

IB team initiate the involvement of communities by recruiting mobilizer and key influencers

IB Team initiates community involvement. Recruiting a capable community mobilizer is one of the keys for successful community engagement activities and even for successful business ahead. Through the community mobilizer, the team starts meeting with local community's key influencers.

## ② Deep Dive

### Engage the communities

IB team will start building trust, understanding local needs and promoting community-driven solution design.

IB team conducts community engagement activities. Community engagement is important for building trust, understanding local needs and promoting community-driven solution design. Community engagement activities have various phases depending on the engagement level, namely initiation, awareness raising, interaction, community participation and finally community ownership phase. Each phase has different activities suitable for the given engagement level. Community Engagement is an ongoing approach used across Impact Business Creation stages.



- Idea competition guide
- Community mobilizers' guide



We have observed that community engagement became a life-changing experience for many corporate members. They start to empathize with the community members. Such empathy becomes a powerful driving force for the corporate members to deeply reflect on and pursue their corporation's core values to customers and society. Also, corporate members obtain skills that are hard to acquire otherwise, such as abilities to listen without making judgments and to dialogue with people with completely different backgrounds from themselves

### Absorb local insight

IB team will collect information about local communities by using immersion and other participatory methods.

The Dream Team collects data about the local community. Data collection is an overlapping activity of the community engagement. Apart from the traditional market research methods, the team uses immersion and other participatory methods, such as Community Resource Mapping, designed in the previous Step. Collecting data from rural/traditional markets is especially challenging and need to be skillful about how to ask and how to obtain data from observation. Please refer to the tip list.

## ③ Creative Analysis

### Download the fact

Each member will bring collected data in a certain agreed format and share with other members.

The first creative analysis step is downloading all the facts gained on site. Conducting creative analysis, and even more, business ideation, without sufficient facts is almost like cooking without any ingredient. You may be surprised how corporations and social enterprises struggle to do this activity successfully. There are many three obstacles: recognizing the unapparent facts, keeping a record and sharing with members.

Firstly, members tend not to count as facts when s/he obtain information outside structured research methods, such as insights from observation, random conversation with non-sample locals etc. Secondly, keeping records every day on site is already demanding but also, thirdly, keeping effective records which can be easily shared with other field workers. However, it is more challenging to share the feelings with members who have not been to the site.

### Compile

IB team will organize the facts and data from raw data, by clarifying the inter-relationship between data and sorting them into different functional baskets.

Each member compiles the collected data in a certain agreed format and share with other members. The members make sure they present facts and not their analysis or interpretation. The members utilize visual tools, such as photos and videos to share the information with the members not present at the site. Then, the members together analyze the data. The key questions to ask the team for compiling data are: "What are the needs?" "What are the wills?" And always ask "why?"

### Interpret

IB Team will interpret the fact data together with insights into business model, community contexts, and scope of intervention.

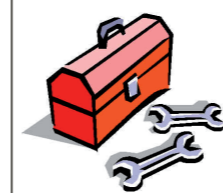
The members interpret the results and get ideas about rough scope of intervention.

### Validate

IB team will examine the hypothesis by discussion within the team

Especially the social enterprise team will check the validation based on their experience on the ground. Then the team discuss with deeper analysis on local contexts.

### ① Bottom-Up Ideation



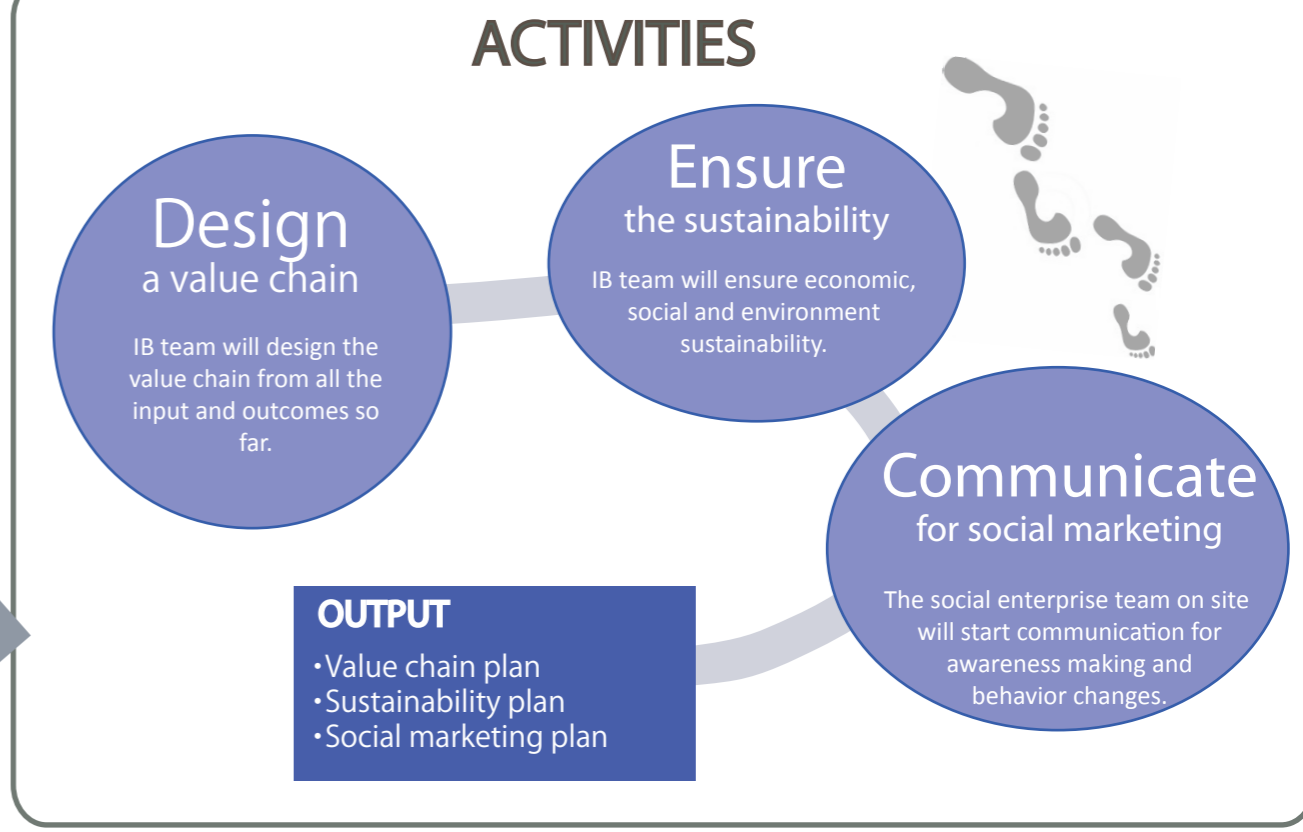
#### Toolbox & References in this toolkit

- Idea Competition
- Idea Mapping Workshop Facilitation Guide
- Idea Mapping Workshop Key Questions to Ask Yourself
- Rural distribution models
- Community validation forms
- Social marketing activities



**Integrating Customer's idea**  
Changes you may find  
The team will experience the difficulty to absorb the idea from potential users and will get used to user-centered design.

### ② Business Modeling



**Bootstrap for value chain creation**  
Changes you may find  
Team members acquire skills of being innovative to develop rural value chain with limited infrastructure and formal business ecosystem.

### ③ Piloting & Testing



**Small Piloting**  
Changes you may find  
Team members learn how to run numbers of small piloting when developing a business model.



## ① Bottom-Up Ideation

### Generate the Ideas

IB team will generate the ideas either from their own absorption or engagement to the community.

There are two ways: 1) the team idea generation with absorption from community; 2) local idea generation from villagers' viewpoint.

For the first method, the team has a brainstorming workshop, which the members go through divergent (generating new ideas or developing existing ideas by the community) and convergent (analyzing and improving ideas into practical solutions) thinking processes. The team goes through these processes by putting local needs and capacity at the center. In reality, many corporate members are not used to the divergent thinking. This is where a facilitator's effective facilitation is essential. Also, even with the fieldwork experiences, members may have limited or misinterpreted understanding of local needs and capacity. Thus, it is important to ask key questions, such as "whose need does this solution solve?" and "does this solution optimally utilizes the local resources?"

Changes you may find



Idea Competition  
Idea Mapping Workshop Facilitation Guide  
Idea Mapping Workshop Key Questions

For the second method, the team may organize community engagement activities, such as Idea Competition, to generate ideas and ownership directly by the community. However, there is a risk that the villagers' business ideas cannot go beyond a micro-business and be developed into the corporation and social enterprise's Impact Business. The team organizes Idea Competition only if it is prepared to support the winning idea in some ways regardless of whether the idea can be utilized into Impact Business. Otherwise, the team will lose the community's trust.

The team members acquire experiences and skills to generate new innovative ideas by putting customers' needs and priorities at the center. Such skills seem so basic for any businesses.

However, we have observed that many big corporations became too distant from their customers and less innovative. Strengthening its customer-centered ideation capacity allows a corporation to be successful especially when entering new markets.

### Prioritize

IB team will map the idea and put them into a priority order.

This again can be done within the team by taking into account the fieldwork results or done within the community by conducting workshops or interviews.

### Vet

IB team will brush up and improve the high-priority idea.

This also can be done within the team by taking into account the community's viewpoints obtain through the fieldwork or within the community through workshops or interviews.

## ② Business Modeling

### Design a value chain

IB team will design the value chain from all the input and outcomes so far.

IB team plans creating values for the community and stakeholders at the following 4 levels.

- Rural procurement (optional but preferred): source local low-cost materials;
- Rural production (optional but preferred): place decentralized production sites in local communities;
- Rural assembly (optional but preferred): place assembling sites in local communities;
- Rural distribution (required): develop an extensive local distributors' network in fragmented and small communities.

Recommended models are Long Tail Model, Micro Franchise Model and Joint Sales Model.

Rural procurement, production and assembly aim to lower production cost while generating local incomes, thus ultimately making the product more affordable. However, corporations find it difficult to localize their production due to quality control. The corporation's relevant department needs to approve revising existing quality standards and control methods to meet the local needs and capacity. On the other hand, the social enterprise team assesses achievable local capacity level by capacity building. The value chain players' roles should be easy enough so that the capacity building does not have to be intensive, complicated and costly.

### Ensure the sustainability

IB team will ensure economic, social and environment sustainability.

For economic sustainability, the team reassesses prices and costs to be affordable enough for customers but profitable enough for the value chain stakeholders and the corporation/social enterprise. Corporations tend to set too low prices and too low margins. True, the customers are highly price sensitive, but are surprisingly willing to pay for what they really value. Also, with low margin high volume model, many corporations give up before they reach enough scale. Thus, corporations need to be more realistic about pricing, drastic about lowering costs, and thus enhancing margins.

For social sustainability, the social enterprise team reassesses the community's acceptance towards the business idea. The team incorporates awareness raising and/or behavioral change community engagement into social marketing plan. For environmental sustainability, the team assesses the current Impact Business model's positive/negative environmental impacts throughout the value chain. The team may seek for an external expert to assess such impacts and develop solutions.

## ③ Piloting & Testing

### Prototype

IB team will make a prototype of the business model to test in the target market.

A prototype should be small and simple with minimum functions of demonstrating the hypothetical solution to the customers. Many corporations make too sophisticated prototypes by investing too much cost and time. By making prototypes small and simple, the team can test multiple prototypes by going through idea generation and piloting steps over and over. For big products such as irrigation system and alternative energy plant, the team can be creative to develop story-telling pictures as their prototypes.

### Demonstrate in the market

IB team will demonstrate the prototype in the target market and observe how the users will react.

The community mobilizer mobilizes community members' participation and organizes the demonstration activities in retail stores, community gathering space etc. The corporate and social enterprise teams observe and record customers' reactions and feedbacks.

Changes you may find

Team members learn how to run numbers of small piloting when developing a business model. Many big corporations tend to have complicated and long prototyping processes, which prevent them from flexibly and quickly develop successful new businesses in fast-moving global markets. Thus, small piloting skills are essential for enhancing corporations' competitiveness.

### Discuss with community

IB team will discuss with community by their interview with potential users in the community.

In addition to the on-site observation, the team conducts Focus Group Discussion and/or interviews with customers to gain their feedbacks. If the team finds most customers are satisfied with the business model, then the team deploys more widely and gets overall target community to validate the business model.

### Pivot the business model

IB team will reflect the potential user's feedbacks and modify the business model.

Based on the customers' feedbacks, the team improves the business model. Then, they repeat the activities from prototyping the revised business model.



Community validation forms

Changes you may find

Such skills are required not only for rural but often for semi-urban markets in emerging countries. Team members also acquire skills to incorporate sustainability plan into their business model. Many leading corporations started ensuring local economic, social and environmental sustainability not only as a public relation mean but as a real concern/necessity for ensuring their business's short-term sustainability. Thus, such skills are applicable for any business.

Impact Business's social marketing skills are also very useful even in developed countries. Today's customers are increasingly driven not only by material values but also by social benefits. Also, community building as a means to send messages to and influence customers has always been necessary in emerging rural market but only recently been emphasized in the developed market.

### Communicate for social marketing

The social enterprise team on site will start communication for awareness making and behavior changes.

The team, especially the social enterprise team, designs communication approaches to raise awareness and change behavior that benefit the community. The social enterprise team engages community influencers to organize community engagement activities since there are limited advertising outlets in the community.

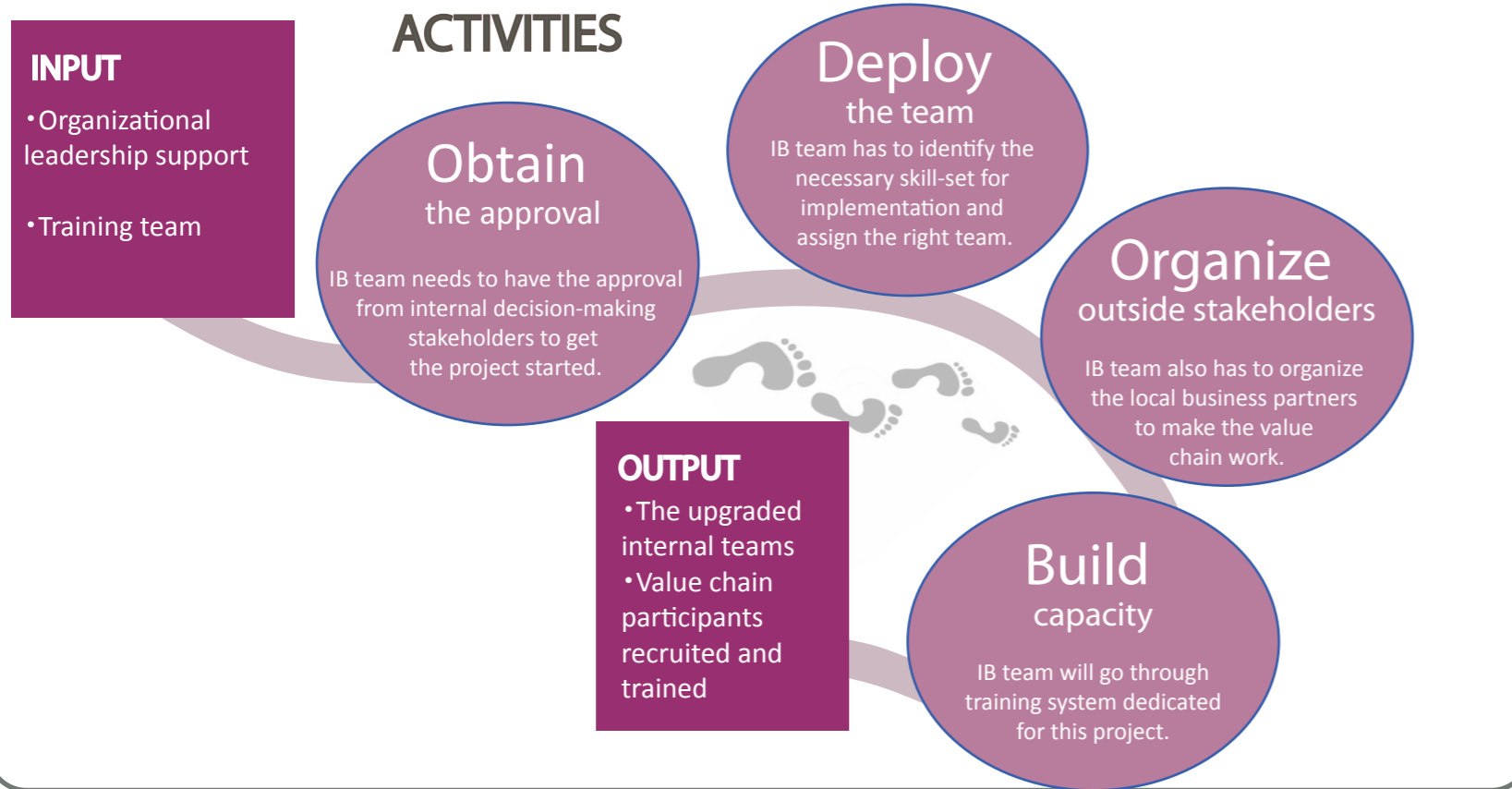


Rural distribution models  
Social marketing activities

# Stage 4: Creating an Impact Business

## <MAP>

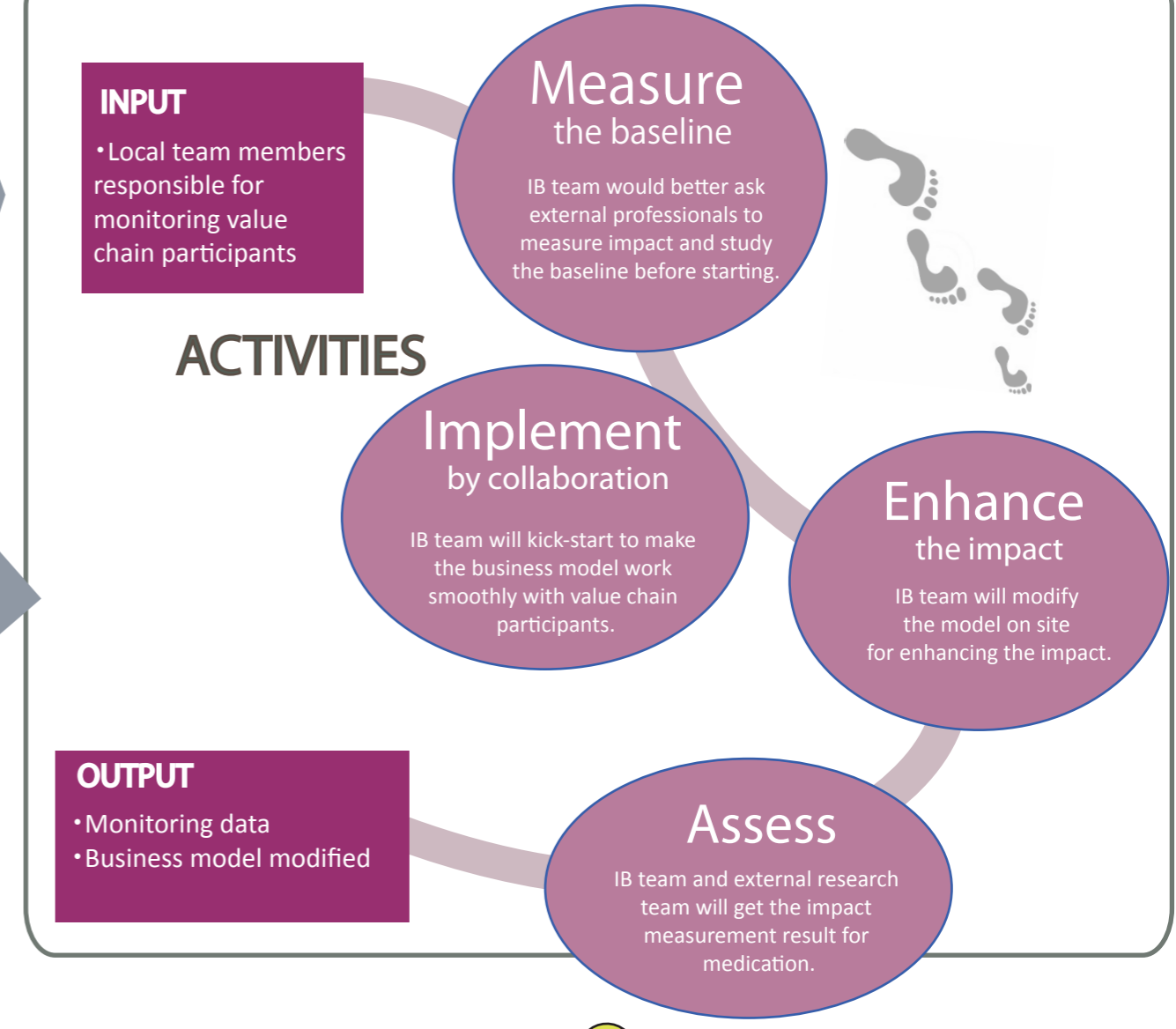
### ① Ecosystem building



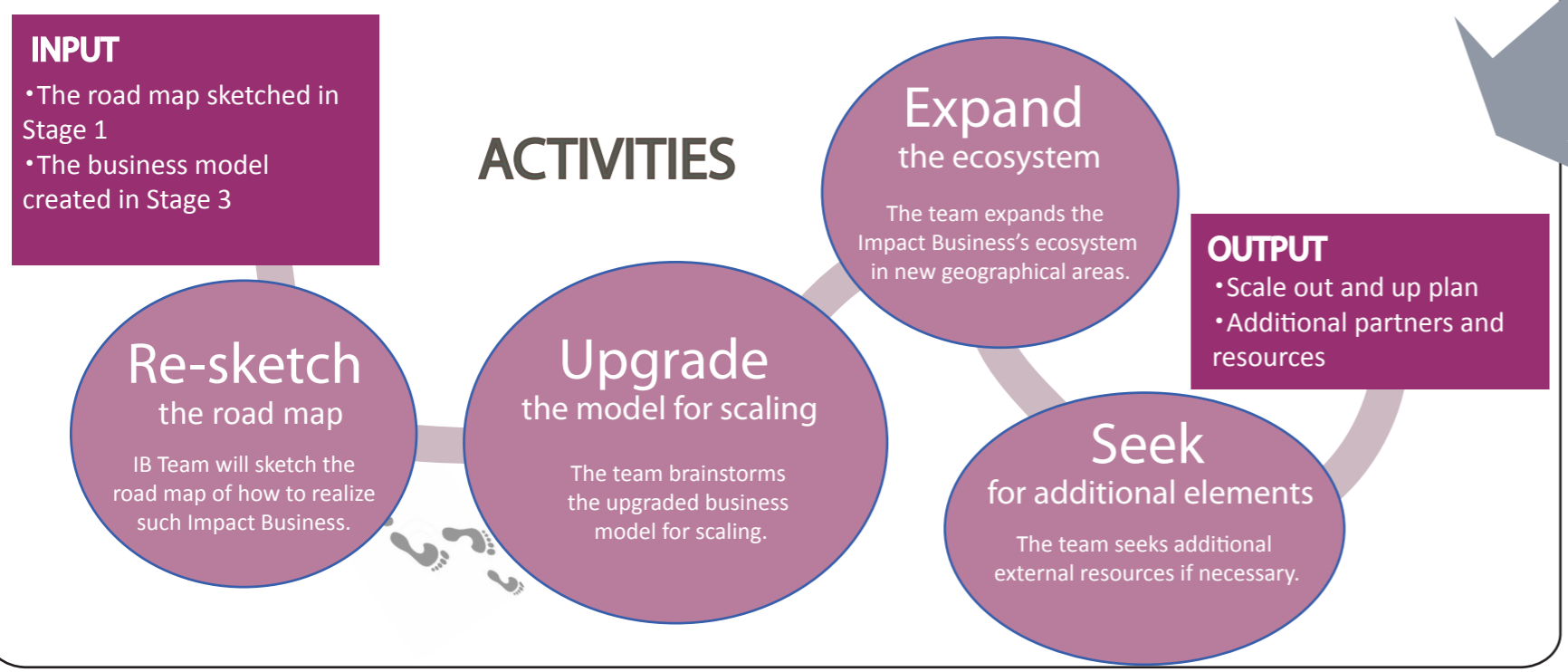
**Toolbox & References in this toolkit**

- Local entrepreneur recruitment score sheet
- Impact Assessment Steps
- Reporting sheet
- List of social/impact investors

### ② Setting in Motion



### ③ Preparation to Scaling Up & Out



**Changes you may find**

**Flexible Modification**  
The team members learn how to continuously co-enhance the business with local stakeholders.



## ① Ecosystem building

### Obtain the approval

IB team needs to have the approval from internal decision-making stakeholders to get the project started. The corporate and social enterprise's IB teams obtain official approval by their organizational leadership for their business plan. It is very important that the leaderships acknowledge how this Impact Business contributes to the organizations' long-term strategies.

### Deploy the team

IB team has to identify the necessary skill-set for implementation and assign the right team. Before start implementing the business, the corporate and social enterprise team leaders carefully examine necessary team capacities and reorganize their teams.

### Organize outside stakeholders

IB team also has to organize the local business partners to make the value chain work. Based on the value chain plan, the IB Team recruits local business partners, such as producers, assembly workers, distributors and entrepreneurs (sales). Recruiting the right people is critical for the business's success. The social enterprise team selects suitable people from their past activities' participants and gain neighbors' and local organizations' referrals. Recruiting talents in rural market often has more emphasis on personality such as motivation and trustworthiness rather than capacity. Impact Business's attrition rate tends to be very high. Thus, the team recruits more people at a time.

### Build capacity

IB team will go through training system dedicated for this project. The corporate and social enterprise teams build effective and sustainable training system for the value chain participants. The three keys are effective training content, good trainers and continuous follow-ups by the trainers. The team hires local trainers to train and mentor their peers.



Local entrepreneur recruitment score sheet

## ② Setting in Motion

### Measure the baseline

IB team would better ask external professionals to measure impact and study the baseline before starting. Conducting an impact assessment baseline study. An external research team conducts a baseline study for assessing the social and economic returns and impacts. Collecting evidence of the business's impacts is essential not only for the management to modify the business model but also for public communication as well as fundraising from investors.

### Enhance the impact

IB team will modify the model on site for enhancing the impact. Based on monitoring results, the team modifies the business model and provides the value chain participants with necessary capacity building.

### Implement by collaboration

IB team will kick-start to make the business model work smoothly with value chain participants. The team builds monitoring system, which the value chain participants report to the project team on a daily basis. The team incentivizes the value chain participants to report by providing them with easy-to-use monitoring devices, such as mobile phones, and incorporating their reporting duties in their salary evaluation. Also, the team members regularly visit the value chain participants for capacity building follow up and monitoring. The monitoring serves as two-way evaluation and information sharing between value chain participants and the team.

### Assess

IB team and external research team will get the impact measurement result for medication. An external research team conducts an interim impact assessment. The team also refers to the research results to modify the business model. Once there are enough evidences that the business model is effective in addressing issues applicable to significant number of other local communities, the team moves on to the next step to prepare scaling out and up.



The team members learn how to continuously co-enhance the business with local stakeholders. Such skills to flexibly modify businesses as you go and co-working with local stakeholders are very important when entering any emerging markets. Also the corporation utilizes impact assessment for business model improvement and fund raising. With investors' interests becoming more and more diverse, impact assessment will be a must for any business, not just Impact Business.



• Impact Assessment Steps  
• Reporting sheet



• List of social/impact investors

## ③ Preparation to Scaling Up & Out

### Re-sketch the road map

IB Team will sketch the road map of how to realize such Impact Business.

The road map for scaling the Impact Business includes directions on new geographical areas, timeline for achieving social and economic impacts and returns as well as internal organizational capacity. This road map should be in line with the corporate long-term strategies. This means that the team needs to clearly show how the Impact Business's is/will make a contribution to mid-to-long term corporate financial objectives and non-financial through its revenue and branding.

### Upgrade the model for scaling

The team brainstorms the upgraded business model for scaling.

The team considers upgrading the business model by considering whether to increase new product lines, add new customer segments and enhance the value chain capacity, including production and distribution. The team vets the upgraded business model by evaluating its accessibility, affordability, usability, sustainability and community participation.

### Expand the ecosystem

The team expands the Impact Business's ecosystem in new geographical areas.

The team designs self-propagating mechanisms for the Impact Business ecosystem to continue expanding. One of the most effective ways is to assign influential and successful customers and entrepreneurs and other stakeholders in the first business areas as trainers. These trainers then go to new areas to train and mentor local trainers. During the course of expanding the ecosystem in new geographical areas, the team also tests new prototypes in order to find ways to localize the business model if necessary.

### Seek for additional elements

The team seeks additional external resources if necessary.

Such resources include financial, human resource and in kind. Many corporations get stuck at this point since they cannot find the right external resources. For instance, the team can seek both investment as well as professional volunteers through social/impact investors. Again, clearly communicating your business's mission, social and economic impacts and returns is necessary for obtaining additional resources from investors.