Predicting and Improving the Effectiveness

of Social Investment Programs

Using International Business Theory

A Research Report

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By

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Social entrepreneurship and international business theory have not been properly introduced. Many authors conducted micro-studies within their field of interest but limited information has been published on the opportunity selection models and entry mode strategies that social entrepreneurs use to venture into foreign countries.

The primary purpose of this study was then to introduce these distinct industries to one-another, transferring international business's best practices into the social entrepreneurship arena.

A foundational research framework was selected, using Coetzee's (2006a) "16 Vectors of Global Venture Creation" model as baseline. The deliverables of the research project, along with other interesting correlations made, can be attributed to the tapestry of lessons learnt from:

- A comprehensive literature study,
- The desktop analysis of 25 case studies as well as
- In-depth interviews with 3 renowned social entrepreneurs.

The outcome of the study is a Global Social Investment Model that will empower social entrepreneurs and investors with a means to structure their project proposals prior to entering a new country and to highlight problem areas within their existing proposals.

The research project is by no means the miracle cure for world hunger, but it is definitely a paradigm shift that would enable social entrepreneurs to leverage the multitude of teachings contained in the vast selection of international business theories.

All information contained in this document and its appendices are privileged and confidential and are under no circumstances to be made known to any person or institution without the prior written approval of the author or the University of South Africa's School of Business Leadership.

I, Andries Stephan Wilken (76 1001 505 3084), hereby certify that this research report is my own work and that all references used are accurately reported.

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A.S. Wilken

I would like to dedicate this report my Father in heaven, who never stopped loving me for who I am. Dad, I love you so much! You've never left my side and I just adore You for Your greatness. I pray that you will keep my feet on the road that you have laid before me. Make my life count…

I would also like to thank the following people whose contributions made this dream turn into a reality:

- **My beloved wife** who carried me day and night. Your endless love, sacrifice and support gave me the courage to walk the extra mile.
- **The interviewees** who were willing to spend up to 5 hours with me in consultation; allowing me to dive into their abundant pool of experience.
- **My promoter,** who dreamt the impossible dream with me, who patiently kept on inspiring me to the next level.
- **My best friends,** who kept my arms aloft with their continuous prayer.
- **My superior,** who accommodated me so many times and taught me the true meaning of grace.

TABLE OF CONTENTS

AIDS - Acquired Immune Deficiency Syndrome

CAGE – Cultural, Administrative, Geographic and Economic

GDP – Gross Domestic Product

GNI – Gross National Income

HIV - Human Immunodeficiency Virus

MDG - Millennium Development Goals

NGO - Non Governmental Organisation

WHO - World Health Organisation

UNAIDS - Joint United Nations Programme on HIV/AIDS

SETTING
THE LANDSCAPE

On June 26, 2006, the international business world was shocked by the sudden announcement by one of its iconic leaders. The renowned US investor, Warren Buffet, announced that he would start giving the majority of his Berkshire Hathaway fortune away to philanthropic causes. This major contribution was part of a bigger phenomenon that was hitting the US.

One of the most successful business men of his time, Bill Gates, announced in 2006 that he would be retiring as the head of Microsoft over a five year period. He was redirecting his efforts to join his wife, Melinda, in their struggle against poverty. He was ready to move beyond Maslow's stage of self actualisation and come to a point where he can leave a legacy for generations to come. His commitment was authenticated by the $35 billion investment from his personal wealth into their foundation. He motivated his retirement from Microsoft by saying that their foundation was in need of the business skills so desperately needed to bring forth the desired changes.

With Bill Gates at the helm of Bill and Melinda Gates Foundation, Buffet was convinced that his $30 billion gift would not go to waste. Suddenly, a single foundation had a capital budget bigger than the GDP of a small country and they were definitely a force to be reckoned with.

Bill, Melinda and Warren were not the only celebrities using their influence as activists against poverty. People like Oprah Winfrey, Madonna, U2's lead singer Bono, Angelina Jolie, are all personally and financially involved the fight against poverty. Even the infamous US president, Bill Clinton, is now investing all his time and energy to combat poverty through the Bill Clinton Foundation.

There has been an increased commitment from the G8 countries, UN, World Bank, political leaders, NGO's, churches, etc. towards philanthropic activities. Even 32-36% of the Millennium Generation is labelled as "Bootstrappers" – people who are willing to trade the professional industry for a less glamorous setting where they actually make a difference.

With all this eagerness to help, one must ask the question: *What will they do differently from the previous generations to ensure success? What should be done differently if we want to shine a light into the "darkness" of Africa?* Most of these people come from fist-world countries and the burning passion to make a difference might blind them from the realities at hand such as the:

- Ever-growing economical distance between first-word and developing countries,
- Difficulties of cultural and physical distance,
- Reality of war, corrupt officials, death,
- Magnitude and emotional burden of the problem…

With all this money, energy, commitment and passion breeding around the world, one has to stand back and define success. There is too much at stake to sanction failure. One has to look at the past, learn from our father's mistakes and build on their victories. Like the old saying goes: "Only an idiot will do the same thing twice, expecting different results."

In business, we have many ways to craft a strategy that will minimise risk and ensure maximum returns. Surely the same philosophy applies to social projects? There must be a way to guarantee success, identify risks, avoid pitfalls and maximise returns on social projects?

1.1   RESEARCH PROBLEM

> *Is it possible to predict the health and improve the effectiveness of international (and domestic) social investment programs?*

The main focus of the research study will be to design a model that would assist international (and local) Social Entrepreneurs and other philanthropic foundations in opportunity and entry mode selection, using international business theory as basis for the study. The model will also assist as an international "best practice" guide for social interventions in the field

The content of the model will be based on:
- International business knowledge and best practices,
- Social investment research findings,
- Lessons learnt from other field and case studies
- Interviews with successful social entrepreneurs and
- Personal experience.

Definition of Success: To empower social entrepreneurs with a tool that would allow them to invest their time, money and efforts effectively in those projects that will ensure measurable, long term sustainable success or the upfront structuring of the efforts that will increase the probability of success.

Sub-Problems:
- Is it applicable to re-interpret Coetzee's "16 vectors of global venture creation" (2006a) to suit the social entrepreneurship arena?
- Craft a generic template using existing literature, case studies and interviews with specialists in the field.
- Determine whether a generic template would be effective and identify any additional vectors to be addressed.

1.2   RESEARCH QUESTION AND OBJECTIVES

The research question can now be framed as follows:

> *To what extent can the Vectors Model tailored to improve the effectiveness of international social investment programs?*

The specific research objectives are:

1. To understand the theories underpinning the Vectors Model through a comprehensive literature review.
2. By way of a desk-top analysis to re-interpret Coetzee's (2006a) 16 vectors for the purpose of international social investment programs, and to craft a generic questionnaire for the existing 16 vectors.
3. By way of case analysis and structured interviews to verify and enrich the above desktop analysis.
4. Correlate and interpolate the social data with the foundational international business models.
5. To tailor the Social Investment towards a practical management tool for social entrepreneurs to structure projects up-front for sustainable success.

1.3   DELIMITATION OF THE STUDY

This study primarily focused to serve the needs of major international investments into Africa. The literature study was based on the main stream international findings but the case studies were predominantly based on work done in Bangladesh, India and Africa within the arenas of micro-finance and poverty related diseases like HIV/AIDS, malaria and tuberculoses.

The Micro-finance and HIV/AIDS arenas have been chosen due to:

- The number of successful social entrepreneurs operating in these areas,
- Major strategic focus of Millennium Development Goals and Gates foundation
- Amounts of data availability.

The interviews were limited to:

■ International Social Investment Organisations operating in South Africa,

■ Social entrepreneurs and social workers operating in Southern Africa, especially South Africa.

1.4   KEY ASSUMPTIONS

■ The re-interpretation of Coetzee's 16 vectors of global venture creation (2006a) will result in an effective social project health monitoring tool.

■ The generic template will be effective in most of the social investment programs but not all the vectors will always be applicable.

■ The template will be applicable to other developing countries but the actual implementation details will differ between the various projects.

1.5   DEFINITIONS

■ **Gini coefficient** is a number between 0 and 1, where 0 corresponds with perfect equality (where everyone has the same income) and 1 corresponds with perfect inequality (where one person has all the income, and everyone else has zero income).

1.6   IMPORTANCE OF THE STUDY

The world is in dire straits. The rich are getting richer and the poor are left behind. The mere fact that people have good intentions does not guarantee that the social program will succeed. Many social investment programs are driven by people who reacted to the need, and they aren't necessarily equipped to manage projects of this nature.

Africa is a classic example where numerous efforts showed little returns. It is not just the financial losses that occur during the failure of these projects, but more important – dreams and expectations of a better life are shattered. This often leaves deeper scars than poverty itself.

This study will equip social entrepreneurs and companies with the easy to use toolbox that will help them to realise the nature of their undertaking and to craft their strategy to ensure long-term sustainable success.

It is also a user friendly and understandable tool to be used by investors. They can use it to determine the heath of a particular proposal and it will give them greater comfort knowing that the money will be invested in sustainable projects with measurable outcomes.

1.7 TARGETED AUDIENCE

This research report is primarily aimed at:

- Major foundations like the Bill & Melinda Gates foundation, Bill Clinton Foundation and the Nelson Mandela Children Fund, etc.
- Other high profile social entrepreneurs and investors like Mark Shuttleworth, Oprah Winfrey, Bono, Graham Power, etc.
- Actively involved global organisations like the United Nations, World Bank, World Health, etc.
- Political officials, social service, non-governmental organisational and religious leaders operating in philanthropic activities.
- Lecturers of Unisa's School of Business Leadership as partial fulfilments of the MBL study.

1.8 OUTLINE OF THE RESEARCH REPORT

The research report is structured in three sections. The first section (chapters 1 – 3) sets the tone for the study, using academic as well as statistical data to paint the picture. The second portion (chapters 4 and 5) contains the research methodology and findings, where the last section (chapter 6 and 7) contains the final product, along with the relevant conclusions and recommendations. Table 1.1 contains a brief synopsis and outline of the research report.

Table 1.1: Outline of the research report.

Chapter	Contents
Chapter 1: Setting the Landscape	This chapter starts off by painting a picture of the birth of the research problem and then provides the reader with a clear understanding of the importance, scope, objectives, definitions and framework of the research report.
Chapter 2: The Growing Need for Social Entrepreneurs	In this chapter we start to introduce the reader to the concept of social entrepreneurship by giving more details on their typical characteristics. The researcher then takes the reader on a journey through the problems faced and current solutions on offer. The chapter reveals the urgency for social entrepreneurs, especially within Southern Africa.
Chapter 3: Literature Review	This chapter lays the theoretical foundation for the research problem. It is based on the assumption that there is a correlation between social entrepreneurship and international business and that the same techniques would be applicable to both environments. The chapter contains information drawn from various international business models, as summarised by Coetzee's (2006a) Global Creation Model.
Chapter 4: Research Methodology	Here the reader will be shown how the international business theory is tailored for the social entrepreneurial environment. The research methodology is broken down into seven distinct phases, each with their own deliverables. The researcher provides the necessary detail to convince the reader of the validity of the processes, techniques and measurement instruments used to produce well-founded results.
Chapter 5: Research Results	This chapter contains the analysis of the case study and interview data, coded down to each vector within the Global Creation Model.
Chapter 6: Conclusions and Recommendations	This chapter contains the correlation of the research data with the original business theory as well as the formulation and description of the Global/Local Social Investment Model. It also concludes the research work done, the outcome of the results achieved as well as recommendations for future studies and applications of the social investment model.

THE GROWING NEED FOR
SOCIAL ENTREPRENEURS

Social Entrepreneur (n):

1. "*A person who uses creative business practice to start a social services organisation.*"[1]

2. "*Society's change agent; pioneer of innovation that benefits humanity*"[2]

According to Ashoka (2007), social entrepreneurs are nothing different from business entrepreneurs. Where business entrepreneurs create and transform whole industries, social entrepreneurs:

- Act as the change agents for society,
- Improve systems,
- Invent and disseminate new approaches and
- Advance sustainable solutions that create social value.

They go further by saying that the only difference for social entrepreneurs is that they primarily seek to generate "social value" rather than profits. They are also different from the majority of non-profit organisations, whose focus is to solve immediate and small-scale problems, by intentionally aiming for long-term and sustainable change.

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[1] Webster's New Millennium Dictionary of English, 2007

[2] Skoll Foundation Website, 2007

According to Oregon Public Broadcasting (2005), there has been a phenomenal growth in the arena of social development since the early 80's. The growth is mainly contributed to the same lesson learnt throughout the railroad, stock market, manufacturing and digital revolutions…

> *"Nothing is as powerful as a revolutionary idea as when it is led by a first-class entrepreneur"*

Classical examples of leading and historical social entrepreneurs include:[3]

- **Florence Nightingale (UK):** The mother and founder of modern nursing through her efforts to improve hospital conditions and establishment of the first school for nurses.
- **Jane Addams (USA):** She founded the Hull-House in 1889, a social settlement aimed to improve the living conditions in a poor immigrant neighbourhood in Chicago. Ultimately her efforts resulted in protective legislation for women and children.
- **Jean Monnet (France):** Was responsible for the reconstruction of the French economy following World War II, the establishment of the European Coal and Steel Community (ECSC), who pioneered the notion of the European Union.
- **Maria Montessori (Italy):** The first female physician in Italy; renowned for her revolutionary education method that allows each child to realise his or her full potential by fostering social skills, emotional growth and physical coordination, in addition to cognitive preparation.
- **Vinoba Bhave (India):** He is renowned for the redistribution of more than 7,000,000 acres of land to aid India's poorest.

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[3] Examples listed in Ashoka, 2005; Skoll, 2007 and Oregon Public Broadcasting, 2005

Modern Social Entrepreneurs Include:

- ***Muhammad Yunus (Bangladesh):*** Winner of the 2006 Nobel Peace Prize for his revolutionary work to uplift the poorest in Bangladesh, and 58 other countries around the world. His model revolutionised economics through founding the Grameen Bank, or "village bank," in 1976 whereby he used social micro-finance programs to uplift the poorest of poor.

- ***Lady Diana (Princess of Wales) and Mother Theresa:*** Both these fine woman were renowned for great hearts, public affection for the poor, level of influence across the world and noble efforts towards the needy.

- ***Bill Clinton:*** Bill founded the Bill Clinton Foundation after his term as US president expired. He is now using his charisma, influence and relationships built during his presidential years to combat poverty and HIV/AIDS in developing countries.

- ***Various Celebrities:*** Hollywood legends like Bono (U2), Oprah Winfrey, Angelina Jolie, Madonna, Will Smith, etc. are all openly proclaiming their stance against poverty. Not only are they deemed as activists by society, but they are also actively involved through personal effort and financial assistance to combat the terror of the 21st century.

As the efforts of these historical figures illustrate, the term "social entrepreneur" is a new definition for an ever-present phenomenon rooted in the DNA of mankind.

2.1   THE DNA OF A SOCIAL ENTREPRENEUR

> *"Social entrepreneurs are not content just to give a fish or teach how to fish.*
> *They will not rest until they have revolutionised the fishing industry."*
> Bill Drayton, CEO, chair and founder of Ashoka[4]

According to the Skoll Foundation (2007), successful social entrepreneurs are:

■ *Ambitious:* They have to tackle major issues (poverty, diseases, education, etc.) which might seem impossible to the average person.

■ *Mission Driven:* The satisfaction from responding to the need usually outweighs the rewards within the industry. Some of the aspects of social projects contain wealth creation, but it is always a means to an end. The mission and objective is always to promote organised social change.

■ *Strategic:* It is very easy to get lost in the jungle of desperateness out there. Like business entrepreneurs, social entrepreneurs see and act upon strategies which others might miss. Like the best business entrepreneurs, social entrepreneurs are intensely focused and relentless in their pursuit of the crafted social vision.

■ *Creatively Resourceful:* Because social entrepreneurs operate within a social context rather than the business world, they have limited access to capital and traditional market support systems. As a result, social entrepreneurs must be exceptionally skilled at assembling and mobilising human, financial and political resources.

■ *Results Oriented:* Ultimately, successful social entrepreneurs are driven to show short-tem and long-term measurable return on investment to their investors. These results include the transformation of historical barriers, paving new ways for the disadvantaged, unlocking the potential within the afflicted society to bring forth change, etc.

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[4] Ashoka, a leading global non-profit organisation devoted to developing the profession of social entrepreneurship.

Dees stated in 1998 that social entrepreneurs play the role of change agents in their industry by (Dees, 1998):

■ Adopting a mission to create and sustain social value (not just private value).

■ Recognising and relentlessly pursuing new opportunities to serve that mission

■ Engaging in a process of continuous innovation, adaptation, and learning.

■ Acting boldly without being limited by resources currently in hand, and

■ Exhibiting heightened accountability to the constituencies served and for the outcomes created.

There is a distinct trend throughout literature that successful social entrepreneurs share a committed passion towards pioneering ways that will reshape a society and eventually benefit humanity. As the Skoll Foundation (2007) puts it…

> *"Social entrepreneurs are solution-minded pragmatists who are not afraid to tackle some of the world's biggest problems."*

2.1.1 Ashoka's Selection Criteria for Successful Social Entrepreneurs

One of Ashoka's key success factors is their recruitment strategy. They realised that great problems are solved by great people who are anchored in the following five criteria (Ashoka, 2007):

(a) The Knockout Test: A New Idea

Dreams are passions born from within the heart and not bestowed upon the shoulders of a giant. The primary requirement for Ashoka is that the candidate must be overly excited and contaminated by their *new idea* on how to solve a particular social problem. The idea must be radical and good enough to effect permanent change in a particular environment. The idea is also benchmarked against historical success as well as current work done by existing members.

(b) Creativity

Ashoka believes that successful social entrepreneurs must be creative both as goal-setting visionaries and as problem solvers, capable of engineering their visions into reality. They also believe that creativity does not appear overnight, and the candidate would have to give detailed examples of how (s)he turned previous visions into reality. The new idea mentioned in the previous paragraph is also used as an indicator towards the candidate's ability to craft new strategies for age old problems.

(c) Entrepreneurial Quality

This criterion is the cornerstone of their success to date. They are interested in leaders who see opportunities for change and innovation and devote themselves entirely to making that change happen. These men and woman must be entirely committed to their dreams, and must be willing to invest at least *ten to fifteen years* in launching their ideas into reality.

(d) Social Impact of the Idea

Ashoka believes that the dream must be bigger than the person itself. With this criterion, the focus is not on the dreamer but rather the probable impact that the dream will eventually have on the macro-environment. In other words, they will not support the launch of a new school or clinic unless it forms part of a broader strategy to reform the education or health system at the national and international levels.

(e) Ethical Fibre

Social entrepreneurs have to be trusted with a society's future, people's lives and even budgets that are worth more than the GDP of the society they are impacting. If the entrepreneur is not trustworthy, the likelihood of success is significantly reduced. People's expectations and dreams are demolished and Ashoka will do anything to minimise that risk of setting someone up for failure.

Candidates are questioned, traced, investigated and referenced during the evaluation process. At times they even resort to their instincts and gut feelings when the rational analysis seems conflicting. No candidate will become a member when the slightest hint of doubt exists in the committee's minds.

2.1.2   Conclusion on Social Entrepreneurs

Now that we know what a social entrepreneur is made of, one has to dig a bit deeper in order to understand the hearts of these astounding men and woman who are willing to sacrifice themselves for the greater good of others. One has to take a deep look into the eyes of their "clients". One must listen to the children's hopeless crying and smell the rotten stench of death around them. One must look through the clouds of darkness and realise that their hope lies in the in the light that we bear and the willingness entrenched in our hearts…

2.2   THEIR DILEMMA

2.2.1   Poverty

> *"Poverty is pain; it feels like a disease. It attacks a person not only materially but also morally. It eats away one's dignity and drives one into total despair"*
>
> - A poor woman, Moldova[5] -
>
> *"If we knew that there would be an end to this crisis, we would endure it somehow. Be it for one year, or even for ten years. But now all we can do is sit and wait for the end to come."*
>
> - A woman from Entropole, Bulgaria[5] -

Extreme poverty is defined by the World Bank as living on less than $1 per person per day and moderate poverty as less than $2 per person per day[5].

According to the statistics released:

■ In 2001, it has been estimated that 1 billion people had consumption levels below $1 a day, and 2.7 billion lived on less than $2 a day[6].

■ 30% of all deaths are poverty related. That entails to 18 million people a year or 50,000 per day[7].

■ In 2005, about 10.1 million children died before they reached their fifth birthday. Almost all of these deaths occurred in developing countries, 75% of them in sub-Saharan Africa and South Asia, the two regions that also suffer from the highest rates of hunger and malnutrition[8].

■ 800 million people go to bed hungry every day[7].

■ About a billion people have no access to safe drinking water[9].

■ Nearly a billion people entered the 21st century unable to read a book or sign their names and more than 100 million children do not go to school[9].

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[5] World Bank Group, 2007

[6] UN Development Goals Report, 2006

[7] Poverty, Wikipedia 2007

[8] World Food Programme, 2007

[9] Department for International Development, 2007

Since 1990, the world has seen great results in the combat against poverty, but the progress has not been equally spread across the globe. The major trends in poverty reduction have been dominated by rapid growth in China, East Asia and Pacific region. Poverty also declined moderately in South Asia over the past 20 years. All these efforts resulted in 45 million people freed from the claws of poverty (UN Development Goals Report, 2006)

Figure 2.1: World income map, highlighting areas where people live on less than $2 a day
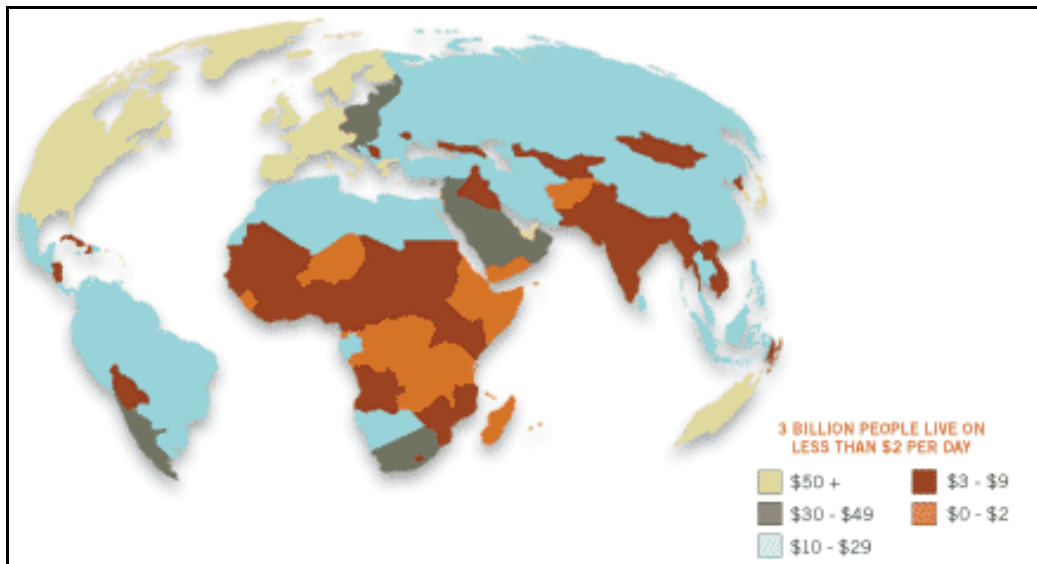
Source: Poverty – Wikipedia (2007)

Where other regions have seen little or no change, in Sub-Saharan Africa the picture turned daunting over the past two decades (World Development Indicators, 2004):

■ GDP per capita shrank 14%,

■ Poverty rose from 41% in 1981 to 46% in 2001, and

■ An additional 150 million people were living in extreme poverty.

To make matters worse, the gap between the rich and poor are ever increasing. Even within African countries, one can see a major difference in income levels, making the problem even more excruciating. Table 2.1 illustrates the growing epidemic of income inequality across the globe, especially Africa (9 out of the 20 countries on the list).

Table 2.1: Top twenty countries in the world with the greatest income inequality

	Countries with greatest inequality	Gini Index	Lowest 20%	Highest 20%
1	*Sierra Leone*	62.9	1.1%	63.4%
2	*Central African Republic*	61.3	2	65
3	*Swaziland*	60.9	2.7	64.4
4	Brazil	60.7	2.2	64.1
5	Nicaragua	60.3	2.3	63.6
6	*South Africa*	59.3	2.9	64.8
7	Paraguay	57.7	1.9	60.7
8	Colombia	57.1	3	60.9
9	Chile	56.7	3.3	61
10	Honduras	56.3	2.2	59.4
11	*Guinea-Bissau*	56.2	2.1	58.9
12	*Lesotho*	56	2.8	60.1
13	Guatemala	55.8	3.8	60.6
14	*Burkina Faso*	55.1	4.6	60.4
15	Mexico	53.1	3.5	57.4
16	*Zambia*	52.6	3.3	56.6
17	Hong Kong, China	52.2	4.4	57.1
18	El Salvador	52.2	3.3	56.4
19	Papua New Guinea	50.9	4.5	56.5
20	*Nigeria*	50.6	4.4	55.7

Source: Infoplease (2007)

To put table 2.1 in context, one must zoom into a specific example: The top 20% earners in South Africa earn 64.8% of the GNI compared to the 2.9% of the lowest income group. Comparing these results for South Africa, one realise that the richest people in the country earn 22.3 times more money than the poor in the same country! These differences are clearly creating boundaries between members of the population, putting more pressure on governments to alleviate the face of poverty.

2.2.2   HIV and AIDS[10]

Every month more people die of HIV/AIDS related diseases in the world than the sum of deaths (229,866) incurred during the historical 2004 Asian Tsunami.[11]

The World Health Organisation (WHO) and the Joint United Nations Programme on HIV/Aids (UNAIDS) released the following statistics (table 2.2) in their "2006 Report on the global AIDS Epidemic, December 2006 Update" (UNAIDS/WHO, 2006)

Table 2.2: UNAIDS/WHO global HIV/AIDS statistics for 2006.

Number of people living with HIV in 2006	
Total	**39.5 million (34.1–47.1 million)**
Adults	37.2 million (32.1–44.5 million)
Women	17.7 million (15.1–20.9 million)
Children under 15 years	2.3 million (1.7–3.5 million)
People newly infected with HIV in 2006	
Total	**4.3 million (3.6–6.6 million)**
Adults	3.8 million (3.2–5.7 million)
Children under 15 years	530 000 (410 000–660 000)
People newly infected with HIV in 2006	
Total	**2.9 million (2.5–3.5 million)**
Adults	2.6 million (2.2–3.0 million)
Children under 15 years	380 000 (290 000–500 000)

Source: UNAIDS/WHO (2006)

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[10] The statistics, facts and figures quoted in this section are directly taken from (UNAIDS/WHO, 2006) and (UNAIDS/WHO, 2006 update).

[11]Averaged assumption, based on the figures released in (UNAIDS /WHO, 2006 update) and (UN Tsunami, 2005)

To be honest, 39.5 mill people infected with HIV does not seem so overwhelming when glancing at the above mentioned figures. The statisticians will tell you that only 0.59% of the 6.6 billion people across the world (US Census, 2007) are infected with HIV and the value is small and insignificant.

It is only when one starts to look into the demographics of this "little" monster that one can fully grasp the magnitude of devastation being caused.

(a) A Closer Look …

Figure 2.2: HIV Global demographics and estimations for 2006
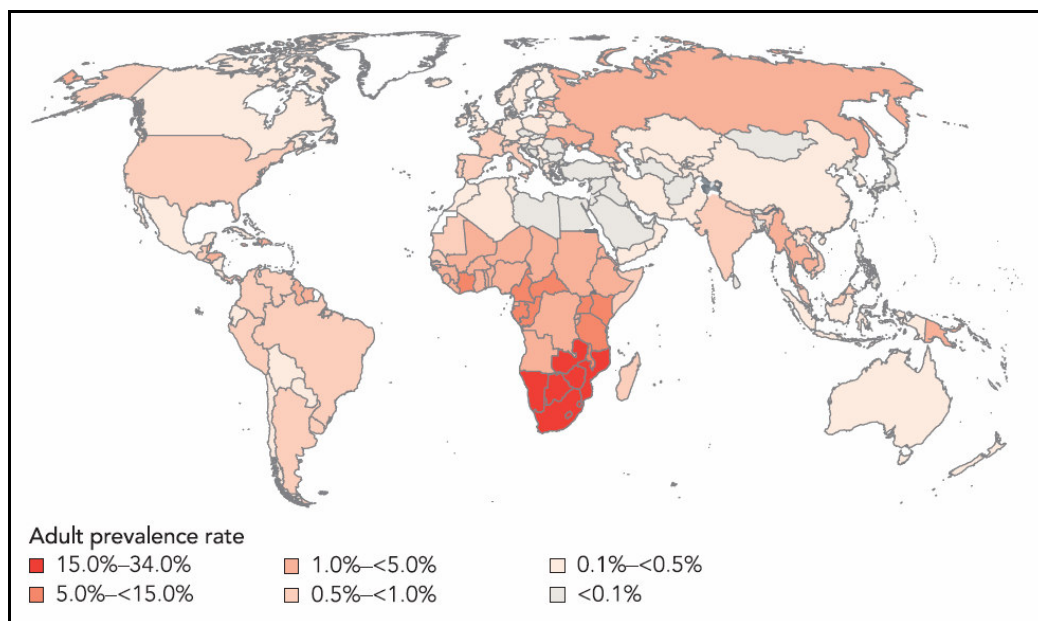
Source: UNAIDS /WHO (2006)

Figure 2.2 clearly shows that the epidemic is definitely not spread equally across the world and that Sub-Sahara Africa, especially Southern Africa is severely under attack. With this in mind, the next step would be to shift our focus into the affected areas within Sub-Sahara Africa.

Figure 2.3: HIV demographics and estimations within Sub-Sahara Africa, 2006
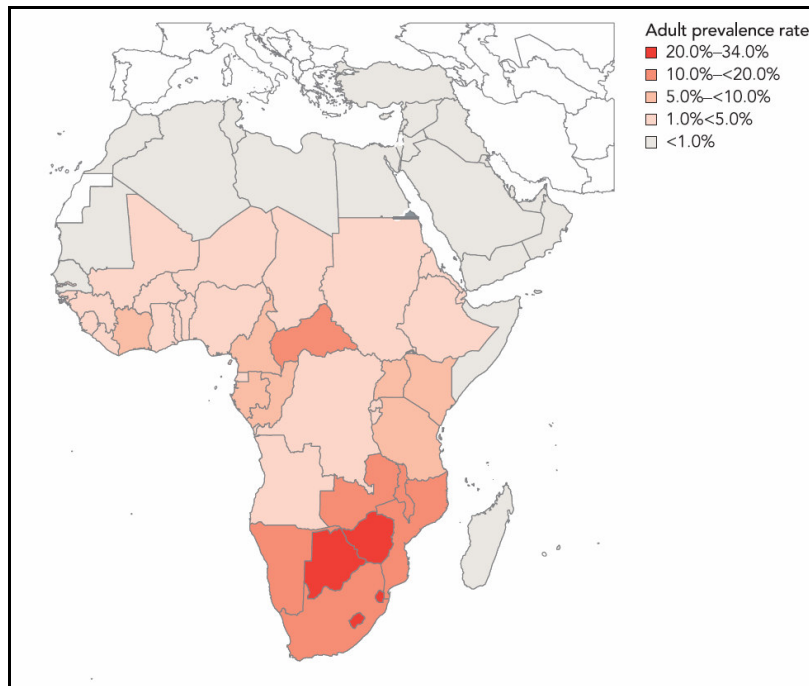
 Source: UNAIDS /WHO (2006)

The following facts from the UNAIDS/WHO survey definitely starts to put Africa's dilemma into perspective. In 2005…

■ More than 10% of the world's population lived in Sub-Sahara Africa, but almost 64%, or 24.5 million (21.6 - 27.4 mil) of the global HIV population were also identified within this region.

■ Two million (1.5 - 3.0 mil) of these people are children younger than 15 years of age. Again, almost 90% of children living with HIV are situated in sub-Saharan Africa.

■ An estimated 2.7 mil (2.3 - 3.1 mil) people in the region became newly infected, while 2.0 mil (1.7 - 2.3 mil) adults and children died of AIDS.

■ At the time of the study, there were some 12.0 mil (10.6 - 13.6 mil) orphans living in sub-Saharan Africa.

■ 75% of all women (15 years and older) living with HIV are in sub-Saharan Africa. They comprise an estimated or 59%, or 13.2 mil (11.4 - 15.1 mil), of adults living with HIV in Sub-Saharan Africa.

■ 33% of the global AIDS related deaths, 930 000 (790 000–1.1 mil) were recorded in Southern Africa.

The 2006 UNAIDS/WHO report concludes that *Southern Africa* still remains the global epicentre of the AIDS epidemic.

■ Almost one in three people infected with HIV globally live in this sub-region.

■ About 43%, or 860 000 (560 000 - 1.4 mil) of all children (under 15 years) living with HIV are in Southern Africa,

■ Approximately 52% or 6.8 mil (5.9 - 7.7 mil) of all women (15 years and older) infected with HIV live in this region.

To make matters worse, according to the UNAIDS/WHO 2006 report, South Africa's AIDS epidemic is one of the worst in the world and is not yet showing any signs of decline. At 2005, South Africa's statistics seemed very discouraging:

■ An estimated 5.5 mil (4.9 - 6.1 mil) people were living with HIV.

■ An estimated 18.8% (16.8% - 20.7%) of the adult population (15 - 49 years) were infected.

■ Almost one in three pregnant women attending public antenatal clinics were living with HIV in 2004 and

■ Trends over time show a gradual increase in HIV prevalence.

Suddenly, the major global problems are to be found on our doorstep; far more severe than the "romantic" documentaries portrayed on your favourite news network …

2.3   WHAT CAN BE DONE?

> *"It's not ok to have a child dying for the lack of a 20c immunisation.*
> *It's not ok to have a child dying for the lack of food in its belly in the 21st*
> *century.*
> *That's not ok anymore…"*
> - Bono, World Famous Pop Singer and Poverty Activist -

2.3.1   Millennium Development Goals[12]

In September 2000, 189 countries signed the Millennium Declaration, which led to the adoption of the Millennium Development Goals (MDGs). The MDGs are a set of eight goals for which 18 numerical targets have been set and over 40 quantifiable indicators have been identified.

The goals are:

■ Eradicate extreme poverty and hunger.

■ Achieve universal primary education.

■ Promote gender equality and empower women.

■ Reduce child mortality.

■ Improve maternal health.

■ Combat HIV/AIDS, malaria, and other diseases.

■ Ensure environmental sustainability.

■ Develop a global partnership for development.

While each goal is important in its own right, they should be viewed together as they are mutually reinforcing. This is seen a giant leap for mankind but many still doubt whether these goals would be achieved. Achieving them will require building capacity for effective, democratic, and accountable governance, protection of human rights, and respect for the rule of law.

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[12] Taken from the UN website, Millennium Development Goals and Background

2.3.2   AIDS Treatment

Figure 2.4: HIV prevalence rates across the globe compared to that of Sub-Saharan Africa
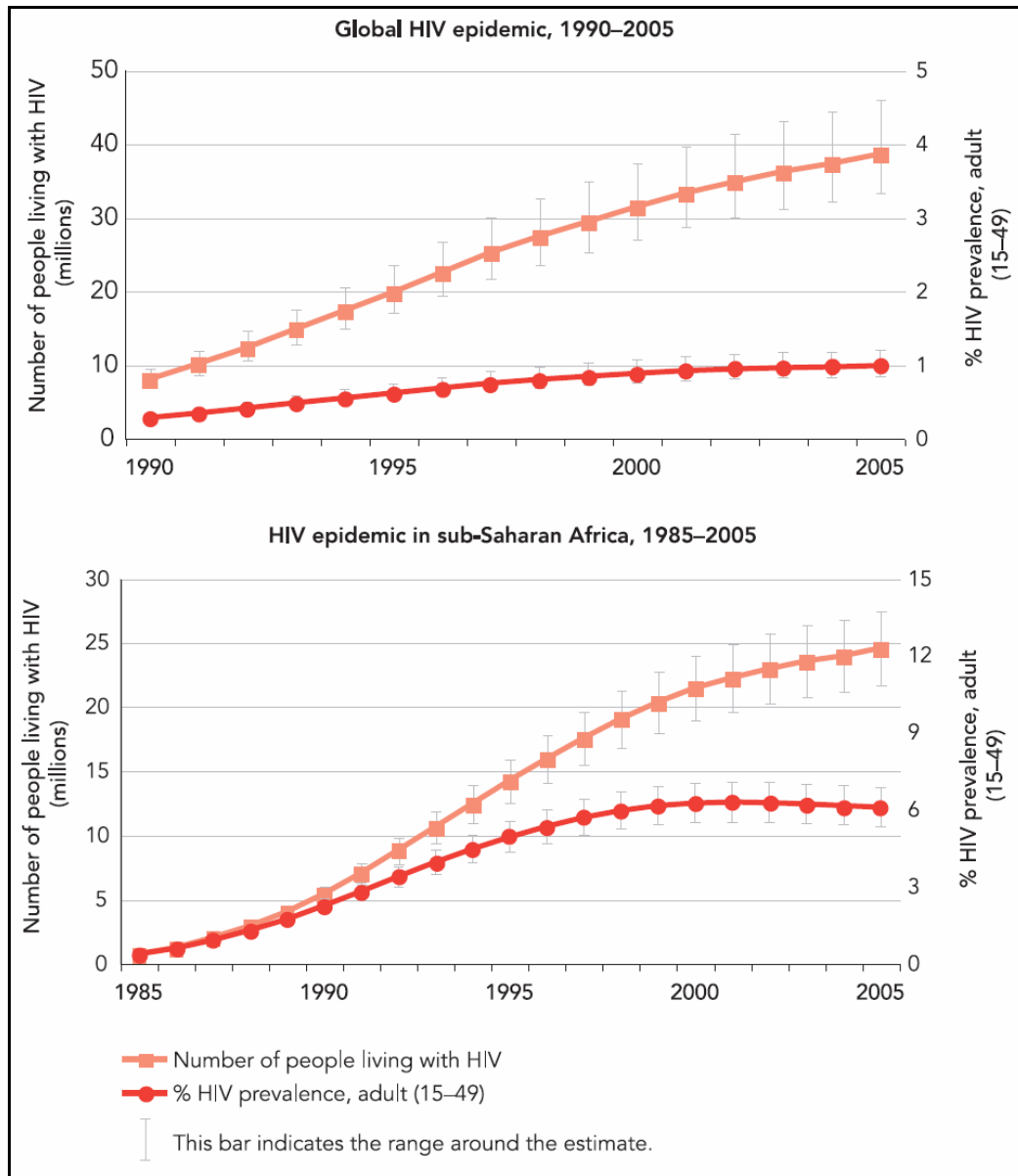
Source: UNAIDS/WHO (2006).

Globally, it seems as if the disease has stabilised at almost 1%, in terms of the percentage of the global population infected with HIV. This is only comforting until one realises that the global population is growing daily and that the disease is still in fact spreading among adults at a rapid rate.

In Sub-Saharan Africa, the percentage figures are showing a decline, and the spread rate took a turn for the better in 2000.

According to the UNAIDS/WHO 2006 report, Southern Africa remains in an uncontrolled state. The good news is that access to antiretroviral therapy in Southern Africa has increased more than eight-fold since the end of 2003, with about 810 000 people on treatment in December 2005. About one in six (17%) of the 4.7 million people in need of antiretroviral therapy in this region now receive it. The flip side is that coverage is reaching or exceeding 50% in only three countries (Botswana, Namibia and Uganda) but remaining below 20% in most others. South Africa accounts for one quarter of all people receiving antiretroviral therapy in sub-Saharan Africa, and still doesn't manage to get the spreading under control.

Chapter 8 of the UNAIDS/WHO 2006 report noted various social economic problems being faced by families affected by HIV/AIDS. Infected parents reach a stage where they are unable to continue their daily work and eventually the family looses a major source of income. Many a time the children loose both parents and they are stranded, forced to leave school in order to provide food for their families. The report note the possibility of governments and social organisations to provide subsidised *antiretroviral* medication to prolong the symptoms while using *micro-finance* options to help a family becoming self-sustaining again after the loss of a loved one.

This solution hits the heart of poverty – combating deadly diseases while preparing the family to become self-sufficient through micro-loans, education and any other creative means possible.

2.3.3   Bill and Melinda Gates Foundation

The Bill and Melinda Gates foundation provides aid to all states in the US and towards more than 100 countries across the globe. The organisational structure consists of a centrally operated head office, overseeing three major divisions (Bill and Melinda Gates Foundation, 2007):

- Global Development Program
- Global Health Program
- United States Program

According to their website (gatesfoundation.org, 2007),

- **The Global Development Program** will focus their support efforts to improve crop production and access to markets for smaller farmers because the poor mainly rely on *agriculture* for food and income. *Financial services* for the poor, like loans, insurance and savings will help people fend off financial setbacks and build up their assets. Information is a source of power against poverty, and thus the reason for their involvement in public access to computing in libraries world wide.
- The **Global Health Program** focus their resources in providing *access* to drugs, vaccines and other tools needed to fight diseases in developing countries as well as *research* towards developing effective, affordable and practical health solutions.
- The mission of the **United States Program** is to reduce inequities and improve access to opportunities by increasing the amount of students who graduate from high school, improve the quality of life for at-risk citizens of Washington state & Greater Portland and expand the access to information through technology in public libraries who serve low-income and disadvantaged communities.

Figure 2.5: Bill and Melinda Gates Foundation's organisational structure.
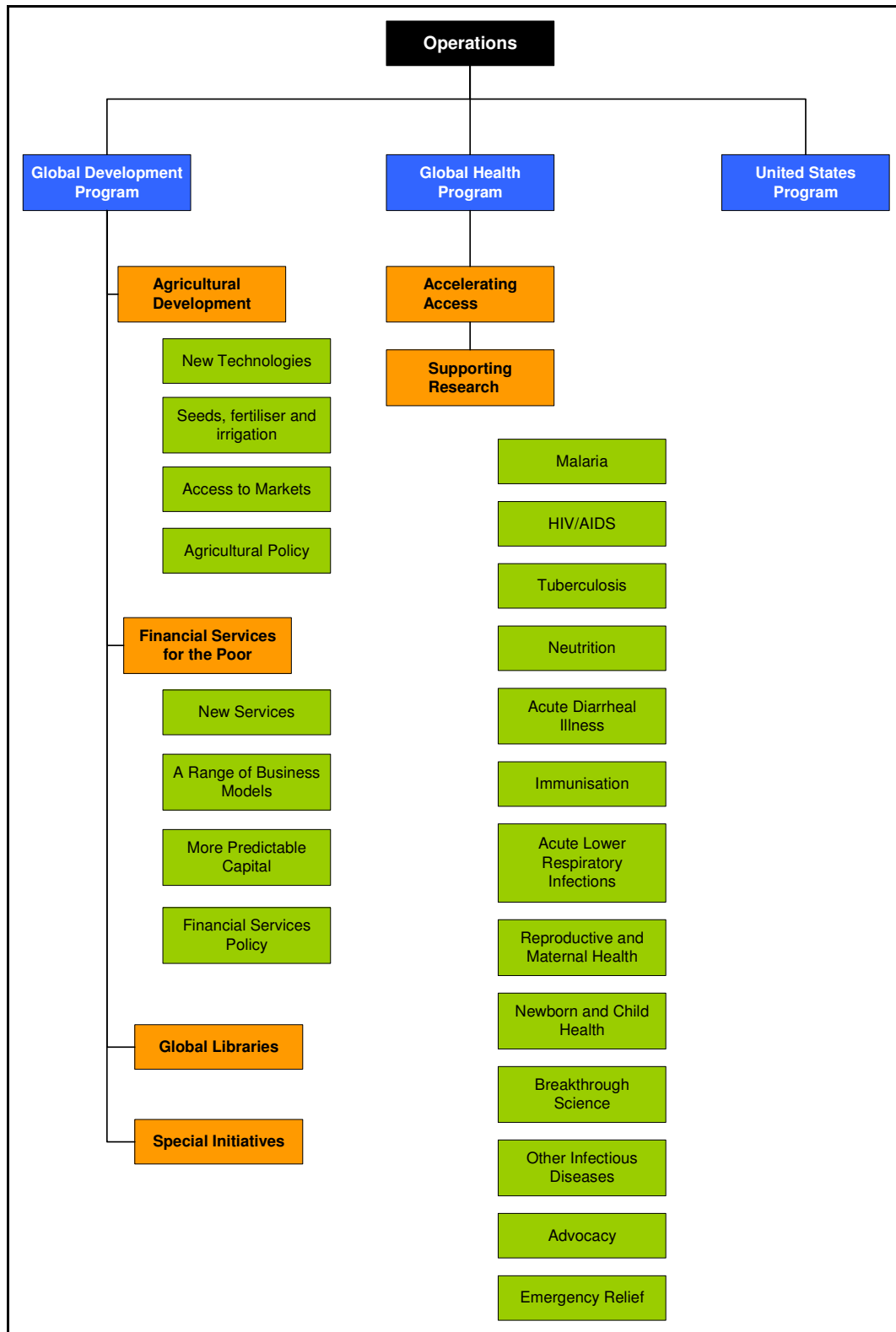
Adapted from: Bill and Melinda Gates Foundation (2007)

As a future social entrepreneur, their strategy seems sound and solid. The questions are rather whether:

- A "charity" organisation can operate on the same rules as a multi-billion dollar company?
- Bill Gates will be able to translate his experience and orchestrate a successful cross-over from business to social entrepreneur?

Time will tell whether Bill Gates managed to cross-over, but for the time being, we will start to translate existing international business theory into tools applicable for the evaluation of social investment programs.

LITERATURE REVIEW

Coetzee (2006a) developed unpublished works, named the "16 Vectors of Global Venture Creation", that primarily focuses on opportunity and entry mode selection of international business activities. He constructed the sixteen vector model, creatively combing all mainstream models within the current international business literature to form a simple and effective toolbox for companies who are seeking ways to evaluate their prospective offshore opportunities.

For the Opportunity Selection section, he used:

- Ghemawat's (2001) CAGE model
- Dagnino's (2003) Capability & Opportunity Space Model
- Coetzee's (2006b) Global Opportunity Selection 3D Model

And for the Entry Mode Selection section, he applied knowledge from

- Shi, Sui & Ho's (2001) Conceptual Framework of Entry Mode Choice
- Wild, Wild & Han's (2006) Evolution of the Entry Mode Decisions
- Pan & Tse's (2000) Hierarchical Model of Entry Modes

The 16-vector model was selected as the baseline for the research design because it can easily be tailored to suit a specific industry, company and even a single transaction, depending on the particular requirement.

3.1   GHEMAWAT'S CAGE MODEL

Ghemawat (2001) argued that the distance between two countries will manifest itself in the four basic dimensions of Cultural -, Administrative -, Geographical - and Economic Distance[13]. Although the world is 'shrinking' by the day due to exponential technological developments, one can never eliminate the total cost of distance.

3.1.1   Cultural Distance (V1)

The old saying: "*As far as the east is from the west*" really gets a new meaning when a citizen from the west travels to the east (and visa versa). The actual physical distance is nothing compared to the cultural distance between two individuals of these origins. Culture is a complex paradigm of interlinked variables such as values, norms, social structure, religion, language, education, etc, all working together to create a distance barrier between two countries.

> *National cultural distance can therefore be defined as the "extent to which the shared norms and values in one country differ from those in another"*
>
> - Chen & Hu, 2002; Hofstede, 2001; Kogut & Singh, 1988 -

A number of cultural frameworks exist to evaluate the dimensions of national culture, but Hofstede's (1980) and Swhwartz's (1992) dimensions of national culture are acknowledged as the main pillars on which current literature is based (Drogendijk & Slangen, 2006).

Hoffstede's framework consists of four dimensions assigned to each country, varied between 0 and 100. Hoffstede's four dimensions are described in Table 3.1, while Schwartz's dimensions are described in table 3.2 on the following page.

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[13] Refer to Appendix 1 for application details on Ghemawat's CAGE model.

Table 3.1: Hofstede's four dimensions of cultural distance.

Dimension	Description
Power	The extent to which people believe and accept that power and status are distributed unequally.
Uncertainty Avoidance	The extent to which people are threatened by uncertain, unknown or unstructured situations.
Individualism / Collectivism	Refers to the degree to which a society emphasises the role of the individual as opposed to the group.
Masculinity / Femininity	This dimension refers to the extent to which a society emphasises traditional masculine values (competitiveness, assertiveness, achievement, ambition) as apposed to feminine ones (nurturing, helping others, quality of life, relationships)

Adapted from: Hofstede (1980)

Table 3.2: Schwartz's four dimensions of cultural distance.

Dimension	Description
Conservatism	This represents a culture's emphasis on maintaining the status quo, propriety and restraining actions that may disrupt the traditional order of the group.
Intellectual & Affective Autonomy	It refers to the extent to which people are free to independently pursue their own ideas, intellectual directions and their emotional desires.
Hierarchy / Egalitarian Commitment	Hierarchy refers to the extent to which it is legitimate to distribute power, roles and resources as apposed to the extent to which people are inclined to voluntary put aside selfish interests to promote the welfare of others.
Mastery / Harmony	Mastery expresses the importance of getting ahead by being self-assertive as opposed to fitting harmoniously into the environment.

Adapted from: Schwartz (1999)

Cultural distance is an extremely complex, but very important parameter in international business and can't be investigated in isolation. Effects of tangible attributes like language is easily comprehended, but subtle variables like social norms complicate life even more when they impact other vectors in the model.

With this in mind, one should always remember that the vectors are interconnected and a variance in one can ripple right through the system.

3.1.2   Administrative or Political Distance (V2)

According to Ghemawat (2001, p142) *"Historical and political associations between two countries greatly affect trade between them."* He goes even further by giving the example that colony-coloniser links between two countries can boost trade by 900%. He also states that other factors such as preferential trading arrangements, common currency and political union can also increase trade by up to 300%.

Ghemawat continues by stating that political distance is created (and increased) by the governments of home or target countries via tariffs, trade quotas, restrictions on foreign direct investment, local supplier preference through subsidies, favouritism in regulation procurement, etc. These barriers are usually created to protect and stimulate the companies within the local industry if it:

- Is a large employer.
- Is seen as a national champion.
- Is vital to national security.
- Produces staples foods or products.
- Produces "entertainment" goods or service.
- Exploits national resources.
- Involves high sunk-cost commitments.

He ends off by saying that a country's lack of, or weak social infrastructure could also increase the trade barrier between countries due to the impact of crime, corruption, social conflict, weak legal systems on investor confidence.

3.1.3   Geographical Distance (V3)

> *It is very important to consider the accessibility and availability of communication and infrastructure networks when assessing the geographic influences on cross-border activity."*
> - Ghemawat (2001) -

Trade conditions are very susceptible to geographic distance, but according to Ghemawat (2001), one should also consider factors such as:

- Physical size of the home and host countries.
- Average within country distance towards borders and exporting facilities.
- Access to waterways and the ocean.
- Country topology.
- Access to the country's communication, transportation and electrical supply infrastructure.

He concludes that companies might consider foreign direct investment when the distance barrier reaches a certain limit, but this is not always the preferred option. According to him, most companies would rather elect to defer the trade option instead of submitting themselves to the capital risk.

3.1.4   Economic Distance (V4)

> *"The wealth or income of consumers is the most important economic attribute that crates distance between countries."*
> - Ghemawat (2001) -

In Ghemawat's article (2001), he notes that rich countries trade mostly with other rich countries, and that poor countries also trade more with the rich than with their counterparts. He also states that companies that rely on *economies of scale, experience and standardisation* should focus more on countries that have similar profiles because it is very easy to replicate their existing business profile within the host country; maximising their existing competitive advantage.

It is almost impossible for a person who receives $10,000 per month to relate to an individual who is sustaining his/her family on less than $10 a day. In order to overcome this enormous distance barrier other alternatives, such as mediatory companies, should be utilised when establishing trade between these countries. It is therefore imperative to understand the secondary implications of the economical distance between countries when evaluating factors such as country attractiveness, entry mode selection, risk, experience, etc.

3.2 DAGNINO'S CAPABILITY & OPPORTUNITY SPACE MODEL

Figure 3.1:Capability and Opportunity space model.
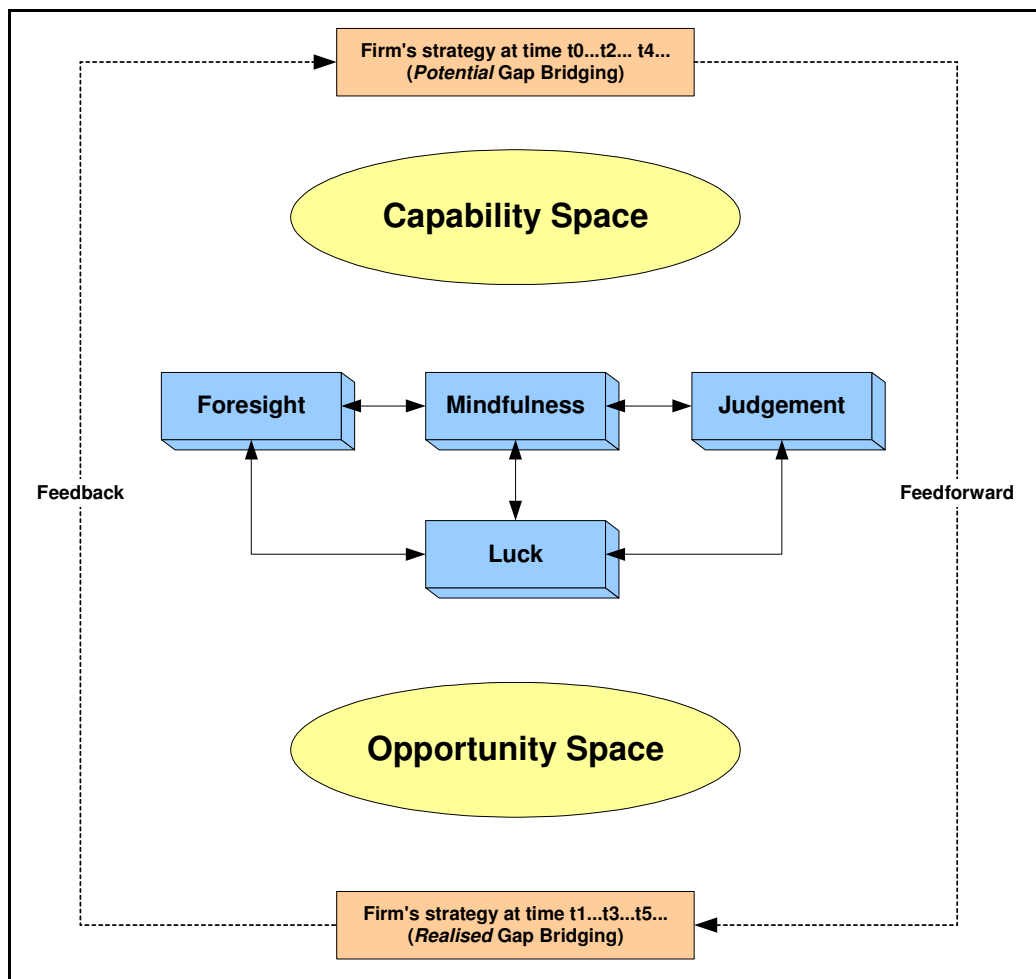
 Adapted from: Dagnino (2003)

In order to fully grasp the value of Dagnino's Opportunity and Space model (2003), one has to familiarise oneself with the definitions of the various building blocks:

- **Capability space** is "A complex multidimensional evolving space of the firm's strategic capabilities, accessible by the firm at any given point in time.

- **Opportunity space** is "A complex multidimensional, evolving space in which all the productive opportunities within the range of a firm's perception and action at one point in time and in a definite context are present."

- **Foresight** refers to the firm's strategic ability to anticipate the nature and the span of the strategy gap and respond to it.

- **Mindfulness** is the ability to match the capability and opportunity spaces by means of creative and insightful strategic decisions.

- **Entrepreneurial Judgement** is defined as the ability to
    - ➢ Discover new ways of dealing with known problems,
    - ➢ Creating and tackling new problems and
    - ➢ Knowledge to be able to perceive new opportunities outside the established routines.

- **Luck** is a firm's unexpected and unintentional success in matching the strategy gap better than expected (and than other players).

Without diving into the details, the objective of any company should be to use their existing resources to exploit the available opportunities. In reality, no company has the capabilities and strategies in place to exploit the all the available opportunities, since the opportunities available in the market are dynamic of nature. Instead, the company must craft their strategy in t_0, using a combination of foresight, mindfulness, judgement and luck to close the gap in order to realise the opportunities in t_1. They must then re-evaluate their position, change the strategy somewhat during t_2, in order to better align their resources with the opportunities in t_3. This closed loop control will continue to evolve and adapt as market conditions and available resources vary.

3.2.1   Crafting Your Own Luck (V5)

> *The more I practice, the luckier I get.*
> - Gary Player, professional golfer -

Luck can be created. One can use foresight, mindfulness and judgement to predict future (t_n) opportunities and align the current (t_1) resources to maximise returns at t_n.

A typical example used in the international business arena is to place agents in target countries, with the main objective of building relations with key players in the market. They will announce the company's presence, willingness to do business, and venture new prospects. These agents can also provide head quarters with the necessary information gathered during informal meetings, which will give them a head start in aligning their resources with future opportunities. This pre-empting of opportunities might lead to a first mover advantage, leading to a competitive and even distinct advantage in the local industry.

3.3 COETZEE'S GLOBAL OPPORTUNITY SELECTION MATRIX

In 2006, Coetzee presented an unpublished Global Opportunity Selection Matrix (2006b), to assist the international business industry in identifying and analysing the quality of their future cross-border prospects. The model encompasses existing theory into a practical three dimensional matrix, and is illustrated in figure 3.2.

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Figure 3.2: Coetzee's global opportunity selection matrix
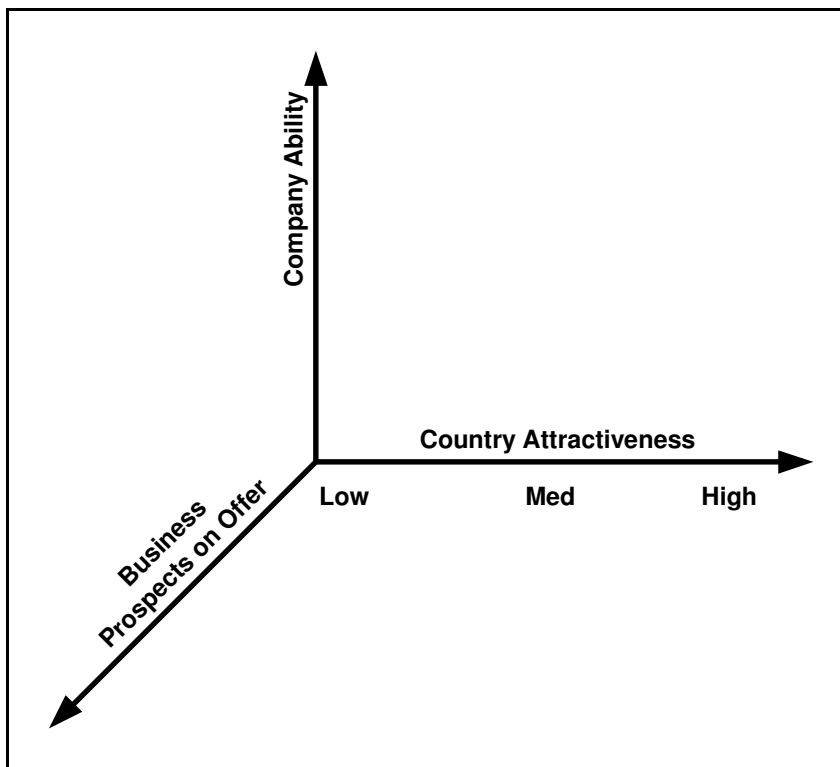
 Source: Coetzee (2006b)

The model consists of three evaluation criteria and can be used to:

■ Improve an international business plan by addressing weaknesses identified.

■ Find the optimal application of the three criteria or

■ Compare the attractiveness between two or more prospects during executive decision making.

3.3.1   Quality of Business Prospects on Offer (V6)

During this part of the evaluation process, one must consider the opportunities and challenges of each prospect, relating to:

■ Geographical distance

■ Market size, volatility, market share, etc.

■ Natural, human, logistics and other resources

■ Opportunities feared and snared upon by competitors.

In essence, one can use any one of the strategic tools available like SWOT, PORTER's Five Forces, GIS Marketing Analysis, Net Present Value comparisons and any other tool that might give insight to the quality of the business prospects on offer. The only requirement is that the tool selection should not be biased towards any offer and the results should be validated.

The value of the vector can also be exploited by means of reverse engineering where one define the quality that any prospect must adhere to before the company will even consider investment. In this mode of operation, one forces everyone in the company (engineers, scientists, marketing managers, strategists, etc.) to reach beyond the existing mediocre prospects and create new exciting proposals that will *maximise return on investment*.

3.3.2   Country Attractiveness (V7)

During this phase of the evaluation, one typically scrutinises the existing body of knowledge available for the particular country. Larger companies tend to call upon political scientist to evaluate the countries attractiveness for them.

Typical variables used to evaluate a country's attractiveness include (Coetzee, 2006c):

■ **Sovereign Risk:** A three layer analysis (Country, Province, Local Area) of the business risk in terms of Economic, Business and Legal Systems provided by the host country.

■ **People:** One would typically use the human development index[14], labour productivity/efficiency, cultural distance/compatibility between host and home country when evaluating the people within the country's attractiveness.

■ **Dynamics of the Country:** Rather consider the trend (up/down) of the country's stability during the evaluation, instead of making judgements on their current position.

■ **Determinants for National Competitive Advantage:** Here one evaluates a county's competitive advantage, using Porter's diamond –Determinants of National Competitive Advantage.

Figure 3.3: Porter's Diamond – Determinants of National Competitive Advantage
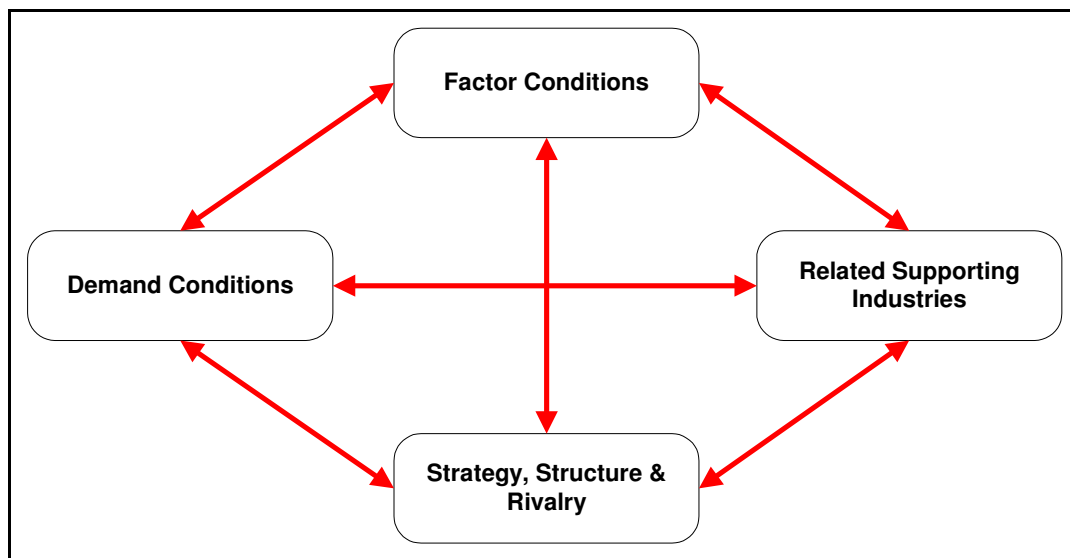
Adapted from: http://www.quickmba.com (2008)

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[14] Human development index is the sum of (Life expectance, literacy rates, standard of living i.t.o. food, shelter and health care)

3.3.3   Company's Ability to Implement or to Deliver (V8)

What could be worse…Losing a multi-billon dollar contract, or making a loss on that same contract due to the company's inability to deliver quality goods on time, within budget?

Fundamentally, it could be detrimental to the company's image and even future when they fail to deliver the promises made to their clients. According to Coetzee (2006c), one has to consider the company's hard and soft capabilities during the evaluation process.

Hard capabilities are easy to evaluate and could include finance, technology, infrastructure, support and strategic fit in relation to the timing & time span and competitive advantage. Soft capabilities on the other hand are more complex because it includes issues like risk tolerance, ethics & corporate governance acceptance levels, cultural tolerance, willingness change business processes, patience, entrepreneurial services available and many more.

With respect to the current topic of this thesis, Edith Penrose made very interesting comments on the *quality of entrepreneurial services of a firm* back in 1959. In her book she said that the quality of entrepreneurial services of a firm is encapsulated in (Penrose, 1959):

- **Entrepreneurial Versatility,** which is achieved through *imagination, creativity and vision* and not necessarily through managerial and technical versatility.
- **Fund-raising Ingenuity:** The ability to convince the market and/or investors to invest in your visions.

- **Entrepreneurial Ambition:** Is in actual fact about *building wealth and not only about making money*. The ambition must also exist to influence society and preserve nature in the process of making a profit.

- **Entrepreneurial Judgement:** This goes far beyond the charisma and personal traits of the CEO & board of directors. It is about the process of gathering information, dissecting it though consultation and eventually the process of decision making. It is about intrinsic values, perceptions, stakeholder management, utilising ever-changing windows of opportunity and the like.

3.4   MODELS ON MARKET ENTRY MODE DECISIONS

It is common knowledge in the international business arena that the entry mode strategy remains a complicated process because it is controlled by a multitude of variables like the unique features of investing firms, country specific variables, risk, experience, commitment, etc. In this section, the focus would be to discuss some of the various models being used in industry, and then identifying the various vectors sprouting from each model. Due to the nature of the topic, some of the variables are overlapping between models, and vector selection is limited to one model only.

3.4.1   Selecting an Entry Mode

According to Hill (2005, p496), the primary reason for international expansion is to earn greater returns from the company's *core competencies* in foreign markets, especially where the indigenous competitors lack those skills. He goes into extensive detail on the operations of six possible entry modes and compared the advantages of each entry mode (Table 3.3, page 42).

He also distinguishes entry mode selection between two primary types of core competencies:

■ **Technical Know-How:** On the one end, high-tech operations are typically protected through the usage of *wholly owned subsidiaries*, or in some cases specially structured joint ventures / licensing that would limit the risk of exposing the core competence.
  On the other end, when companies are competing in technologies with rapid development cycles, they prefer to *license* their technology to as many as possible partners in order to gain international acceptance and dominance.

■ **Management Know-How:** Many service firms' core competency lies within their management structures, control systems and brand name. As a result, they tend to make use of *franchises, subsidiaries* or a combination of both within a particular country or region. He also states that the subsidiaries are usually in the form of *joint ventures*, due to their international political acceptance.

Table 3.3: Advantages and disadvantages of market entry modes

Entry Mode	Advantages	Disadvantages
Exporting	Ability leverage economies of scale and learning curve effects on local production facilities.	■ High transport costs ■ Trade barriers ■ Problems with local marketing agents.
Turnkey Contracts	Ability to earn returns from process technology skills in countries where FDI is restricted	■ Creating efficient competitors. ■ Lack of long-term market presence.
Licensing	Low development costs and risks.	■ Lack of control over technology. ■ Inability to leverage economies of scale and learning curve effects. ■ Inability to engage in global strategic co-ordination.
Franchising	Low development costs and risks.	■ Lack of control over quality. ■ Inability to engage in global strategic co-ordination.
Joint Ventures	■ Access to local partner's knowledge. ■ Sharing development costs and risks. ■ Politically acceptable.	■ Lack of control over technology. ■ Inability to engage in global strategic co-ordination. ■ Inability to leverage economies of scale and learning curve effects.
Wholly owned subsidiaries	■ Protection of technology. ■ Ability to engage in global strategic co-ordination. ■ Ability to leverage economies of scale and learning curve effects.	■ High costs and risks

Source: (Hill 2005, p495)

Hill (2005) also states that companies tend to make use of international ventures when the pressures for cost reduction are very high. Companies then tend to segregate their supply chain, utilising *economies of scale and location specific* advantages to gain competitive advantage over their rivals.

Figure 3.4: Evolution of the entry mode decisions.
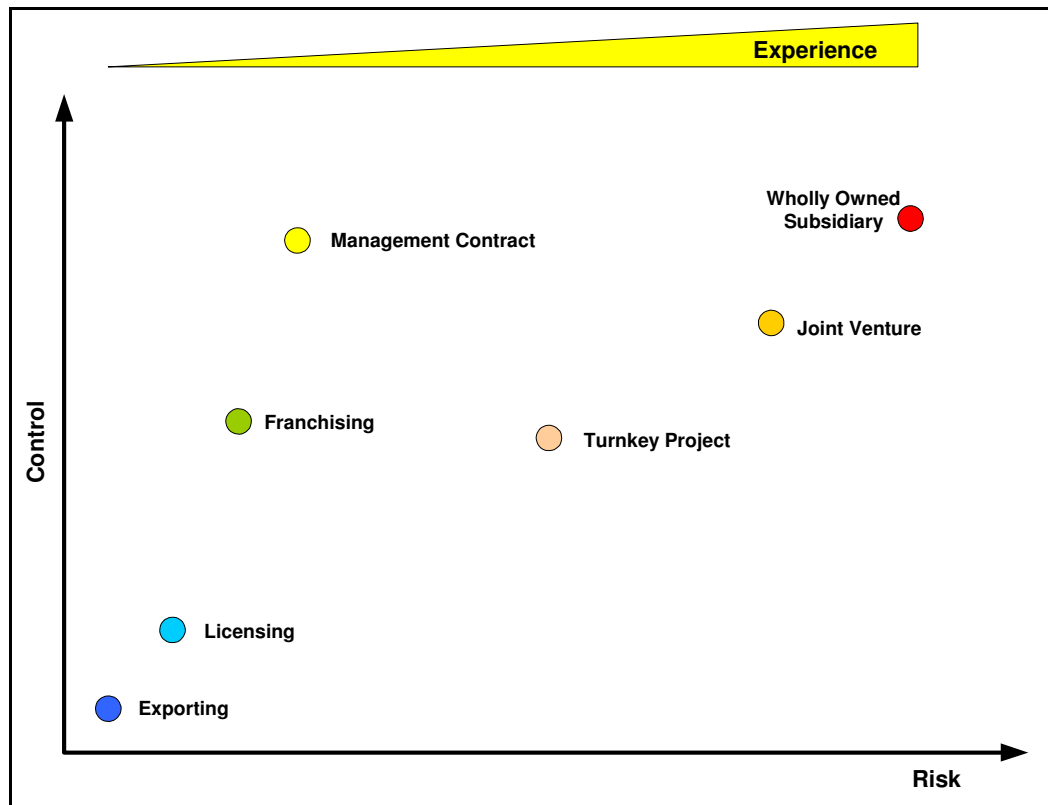
 Adapted from: Wild, Wild & Han (2006)

Wild, Wild & Han (2006) postulated that entry mode selection is a function of:

■ Risk

■ Control and

■ Experience

As illustrated in figure 3.4, companies might start off, for example, with a management contract until they've gained enough experience with the foreign market conditions to consider joint ventures or wholly owned subsidiary entry modes.

Figure 3.5: Conceptual framework of entry mode choice
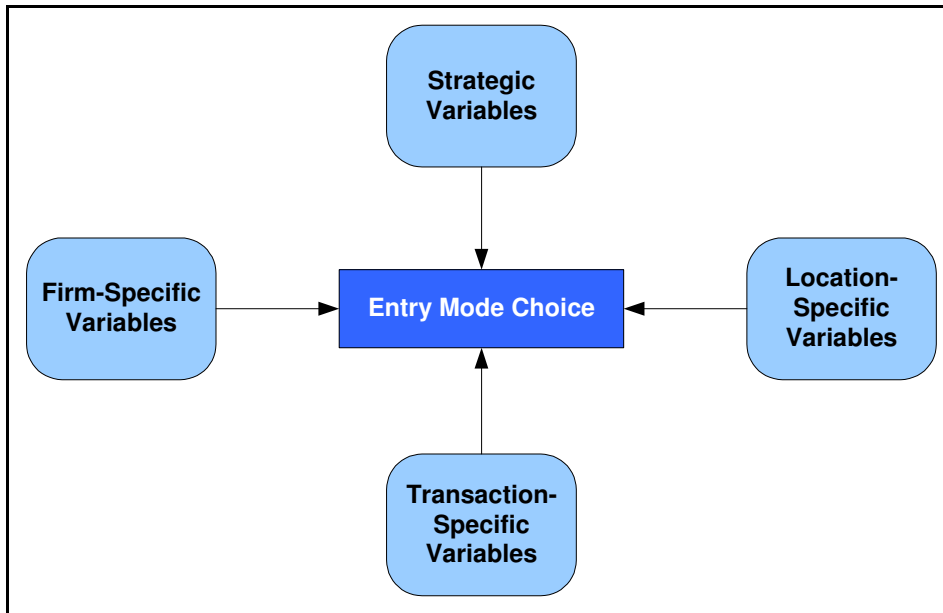
Adapted from: Shi, Sui & Ho (2001)

Si, Su & Ho's (2001) presented a conceptual model for entry mode choices when one has to decide between shared and full ownership. According to them, the entry mode choice is a function of:

- Location-Specific Variables
- Strategic Variables
- Transaction-Specific Variables
- Firm-Specific Variables

Figure 3.6: Hierarchical model of entry modes
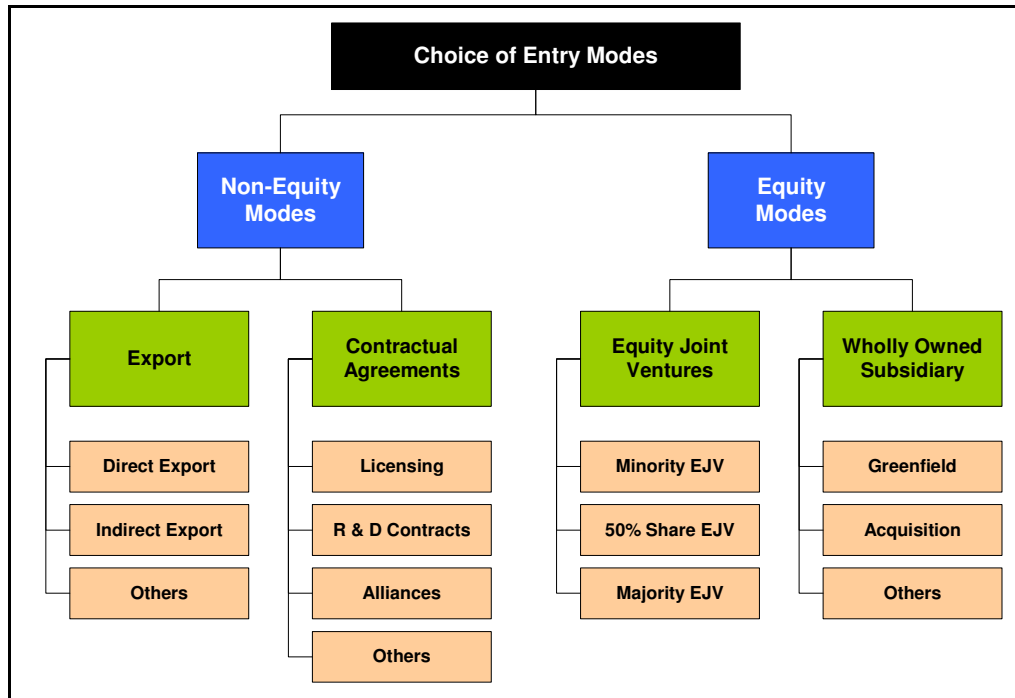
 Adapted from: Pan & Tse (2000)

Pan and Tse (2000) presented their hierarchical model for entry modes in 2000. Their model, figure 3.6, distinguishes between non-equity and equity modes whereby one makes the selection, based on one's *level of commitment.* In their model, the level of commitment required increases when moving from export to wholly owned subsidiary entry modes.

3.4.2   Vectors Arising from the Various Models

(a) Strategic Variables (V9)

According to Shi, Shu & Ho (2001), a firm who is opting for a *market seeking strategy*, implies that they are attempting to lower their production costs through supply chain segregation (i.e. by producing in areas where labour and land costs are less than in the home country) in order to be more competitive in the export market. In most of the applications, a *wholly owned subsidiary* would be the best solution for this strategy.

They also noted in their example that many smaller firms push for an *export orientated strategy*. This implies that they are aiming to exploit the market potential of host countries while benefiting from economies of scale and learning curves within their local facilities. In these cases, *joint ventures* are more appropriate to enter the international arena.

In general, one has to take the *long and short-term strategy of the firm* into account when selecting an entry mode. The end-results could be catastrophic if the international venture is not in line with the firm's strategy (and visa versa.)

(b) Location-Specific Variables (V10)

According to Shi, Shu & Ho (2001) location specific variables include:

- Local market potential
- Local production costs
- Local government policies
- Location of investment

Meyer (2001) also shows that the entry mode strategies of multinational enterprises into emerging market countries are influenced by the presence of effective host country institutions. Thus the more favourable these variables are, the less the investment risk and the more likely a firm would consider full ownership as entry mode.

(c) Transaction-Specific Variables (V11)

Numerous transaction-specific variables can influence the selection of market entry mode, but Shi, Shu & Ho (2001) have predominantly used "Perceived contractual risks" and "Specificity of assets" as variables in their conceptual framework (page 44).

Contractual risks are associated with:

- Perceived costs of making and enforcing contracts,
- Risk of knowledge leakage and
- Risk of product quality deterioration.

When these perceived risks are high, investing firms will tend to retain more managerial control on overseas ventures to reduce these risks (Shi, Shu & Ho, 2001).

Assets specificity refers to the uniqueness of the technology and knowledge used by the investing firm. Normally, the more highly specific the asset, the more likely investing firms would prefer to keep their proprietary technology internal by increasing their control over their subsidiaries (Shi, Shu & Ho, 2001).

(d) Firm-Specific Variables (V12)

Shi, Shu & Ho (2001) used firm specific variables as the forth input to their model. These inputs consist of:

- Firm size
- International Experience
- Host Country Experience
- Relationship with local organisations

With the first glance, it seems as if these issues listed above have been covered by other vectors, such as "Company's ability to implement and deliver (V8)" as well as "Experience (V13)". One should still evaluate other firm-specific variables that might give an indication whether any restrictions might prevent the firm from operating in a particular entry mode. It is therefore an excellent practice to evaluate vectors 8, 12 and 13 simultaneously in order to encapsulate all the company specific details in a single analysis.

(e) Experience (V13)

Based on the literature, it seems as if experience is the cornerstone of all international business activities. In addition, the literature has identified three different categories for measuring a firm's level of experience (Padmanabhan & Cho, 2005):

■ General international business experience

■ Host country-specific experience and,

■ Decision-specific experience (experience in the context of a particular strategic decision).

Padmanabhan and Cho (1999, pp. 37–38) have suggested that:

"*General international business experience and host country-specific experience are more important in the market entry mode decision, where a multinational firm faces a decision on whether to undertake foreign investments or not, and conditional on the decision to go abroad, selects the specific format of the entry mode (licensing, foreign production, etc.).*

Once the entry mode decision has been made, general and host country specific experience becomes less important, and decision specific experience becomes more important."

Various authors (Padmanabhan & Cho, 1996; Barkema & Vermeulen ,1998; Pak & Park, 2004) noted that general international business experience, gained through operations in diverse national markets over time, tends to enhance the firm's ability to deal with differences, uncertainties, and potential conflicts in diverse foreign markets, with respect to customers, suppliers, rivals and partners. *These firms are therefore more likely to be able to bear the risks and responsibilities associated with full ownership of foreign operations and are less likely to form joint venture agreements.*

Padmanabhan & Cho (2005) also noted that a higher level of international business experience defers potential risks of uncertainty and costs caused by high cultural distance barriers.

Wild, Wild & Han's entry mode model (page 43) along with the works of Gomes-Casseres (1989, 1990), Hennart (1991), and Padmanabhan & Cho (1996) on host country experience, state that *the probability for a firm to choose the full ownership mode increases as the familiarity with that host country increased.* According to Barkema & Vermeulen (1998), host country-specific experience gained by means of operations in a particular host country, helps the firm develop effective organisational systems, structures and capabilities that would assist them *in managing future opportunities and threats* relating to that host country.

The literature on decision-specific experience states that a firm with significant experience with a specific entry and ownership mode (whether full or shared) would more likely, ceteris paribus, *select a similar mode for its current ownership mode decision* (Padmanabhan & Cho, 1999; Lu, 2002) and the probability of occurrence will increase after each successful decision-specific experience. Basically, the historic experience enhances the firm's intrinsic value by saving on the financial, managerial and other costs of establishing a particular ownership mode in a foreign country, since they only add on to their experience of previously implemented structures/systems.

Padmanabhan and Cho (1999) have also shown that decision-specific experience *dominates the other forms of experience* during a foreign entry mode selection decision.

(f) Risk (V14)

Risk factors could include:
- **Investment Risk:** As result of high amounts of capital required for foreign direct investment projects.
- **Financial Risk:** Exposure to fluctuating exchange and interest rates, as well as failure to produce the predicted profit rates.
- **Contractual Risk:** Costs relating to contracts, agreements and bridging thereof.
- **Country Risk:** This includes all vectors mentioned earlier relating to country specific barriers like culture, distance, political stability, etc.

Using Wild, Wild & Han's (2006) *"Evolution of the entry mode decision"* model (page 43), Hill's (2005) entry mode comparisons (Table 3.3, page 42) and even a little bit of common sense, one can clearly see that an *export venture* might be exposed to lesser amounts of business risk than entering a country using a joint venture or wholly owned subsidiary entry.

Seen from the other way round, the greater the risk, the more control a company would like to retain. This way they are able to minimise the impact of the effects of their risk exposure, thus opting for equity modes instead of non-equity modes as entry mode.

(g) Control (V15)

Again, referring to Hill's (2005) entry mode comparisons (Table 3.3, page 42), one can clearly see how the level of control increases from export right up to wholly owned subsidiary entry modes. Control is interdependent on all the other vectors – too little control will not ensure that the efforts from the home country are synchronised with the host country. On the other hand, too much control will slow the expansion process down, which could be detrimental to high-tech projects/products with short product life cycles.

According to Padmanabhan & Cho (2005), firms would rather select a high control ownership mode, ceteris paribus, in culturally distant host countries that would permit the osmotic transferral of local strategies, systems and routines in order to limit the transaction costs associated with the cross border activities. Under normal conditions, the risks and costs associated with equity partners would be greater in culturally distant host countries than in culturally close ones. The only way to counter-act the high distance levels is to increase control by opting for wholly owned subsidiary instead of joint venture entry modes.

Padmanabhan & Cho (2005) also noted that experience and knowledge are counter measures to lower the distance barriers between countries, and thus deemed to be very effective when low control levels are critical for success. Experience and knowledge can be obtained through the gathering of cultural

intelligence, sending members from the home country in advance to be integrated into the host at a later stage or through the use of local agents (Brouthers & Brouthers, 2001; Erramilli & Rao, 1993; Gatignon & Anderson, 1988; Meyer, 2001; Pak & Park, 2004)

(h) Commitment (V16)

Generally, a wholly owned subsidiary requires far more commitment in terms of management efforts, human-, financial- and technical resources than that of an export strategy. It is also easier to stop exports to a particular country than to shut down / sell a wholly owned subsidiary when the venture was unsuccessful or at the end of its life cycle.

In today's networked global community, it is not longer that simple to close down a factory, employing more than a thousand workers, without the rest of the world knowing about it. These effects ripple from subsidiary level, right up to head office, since modern stakeholders demand long term commitment and sustainability when a company elected to use ownership entry modes.

It is therefore imperative to consider management and the company's level of commitment prior to finalising the entry mode. It is easier to grow systematically from export to contractual agreements, from agreements to joint ventures, from joint ventures to wholly owned subsidiaries than to revert afterwards to a lower level of commitment.

3.5   CONCLUSION

The sixteen vectors (table 3.4) identified can be divided into two categories namely opportunity selection and entry mode selection, but one should always approach all sixteen vectors from a holistic approach, ensuring that the business case is not lacking any bit of detail that will steer the proposal off-course.

Table 3.4: Summary of Coetzee's (2006a) "16 Vectors of Global Venture Creation" Model

	Opportunity Selection Vectors
1	Cultural Difference
2	Administrative or Political Distance
3	Geographic Distance
4	Economic Distance
5	Creating Your Own Luck
6	Business Prospects on Offer
7	Country Attractiveness
8	Company's Ability to Deliver
	Entry Mode Selection Vectors
9	Strategic Variables
10	Location Specific Variables
11	Transaction Specific Variables
12	Firm Specific Variables
13	Experience
14	Risk
15	Control
16	Commitment

The next step would be to analyse the applicability of the 16 vectors and to re-interpret their definitions to suit the social entrepreneurial environment.

RESEARCH METHODOLOGY

This research project is the one of many pioneering projects to align business and social investment. Very little information was found on this particular topic, and the researcher hopes that the success within the international business arena into could be leveraged onto the social milieu.

The research outcome would be to provide a framework to assist social entrepreneurs with international social investment opportunity and entry mode selection. The model can also be used as a "guidebook", containing generic key success factors for various difficulties faced within the national/international social investment milieu.

Owing to the "novelty" of this topic, a "Grounded Theory Study" template, underpinned by Coetzee's Global Venture Creation model, seemed to fit the profile for the research methodology. For the purpose of this study, Leedy & Ormond's (2005) grounded theory study template was used to design the seven phase framework, illustrated in figure 4.1 on page 54.

Figure 4.1: Project research process.

Re-Interpretation of IB Vectors	Desktop analysis of Coetzee's 16 Vectors and generic questionnaire design.
Data Collection	Collect Case Studies / Conduct Interviews
Process and Group Data	Identify Key success factors and group them according to 16 Global Venture Creation Vectors / Transcribe interviews and group data according to Venture Creation Vectors
Case Data Analysis (Open Coding)	Identify recurring themes within each vector
Interview Data Analysis (Saturation & Triangulation)	Use interview data to saturate/ triangulate case data themes and to identify new themes.
Link to Theory (Axial Coding)	Compare "Social Vectors" to original International Business models to identify gaps in the data and possible links between them.
Model Development	Develop and describe Social Investment Model

4.1   PHASE1 - LITERATURE REVIEW

The first phase started off with a comprehensive literature review of the various theories that underpin the Global Venture Creation Vector Model. The core definition for each vector was taken from the current body of knowledge and roughly translated into a definition applicable to the broader social investment environment.

The outcome of this phase was to provide a general framework for the qualitative based interviews in phase 2, and can be found in Appendix A. The framework is divided into the 16 original vectors, each containing:

■   The vector definition

■   Objectives to be achieved for each vector (during and after the interview)

■   Possible interview questions

4.2   PHASE 2 - DATA COLLECTION

This stage contained two concurrent modules, one being the sourcing of social intervention case studies on the internet and the other being open-ended interviews.

4.2.1   Case Study Data

The objective was to source social investment case studies relating to the treatment of poverty related diseases like HIV/AIDS Malaria as well as cases dedicated to poverty alleviation through micro-financing.

The data collection was mainly limited to studies done in African but case study data from Asia and South America also deemed useful where local studies seemed lacking.

(a) Limitations

Most of the cases used in this section were published by Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria (GBC) on their website www.gbcimpact.org. GBC is a coalition of more than 225 renowned international companies like Coca Cola, Nike, Anglo American, etc., all dedicated to jointly combat the AIDS pandemic though the business sector's unique skills and expertise.

The case studies were also not published in their original format but edited to support the purpose of the website. Key elements to the success of the projects might have been omitted in the process, or the editor might have been biased towards non-essential factors.

4.2.2   Interview Data

The use of interviews as another source of data was twofold:

- According to Leedy & Ormond (2005), the restriction on grounded theory studies is that the data collected should also contain the voices and perspectives of the people being studied.
- The objective was also to use the interview data to triangulate the case results and also to saturate the recurrent themes identified in the case data with more descriptive evidence[15].

To authenticate the triangulation process, the interviews coincided with the collection of the case studies, preventing the case data from biasing the interviewer and contaminating the interview.

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[15] Described in paragraph 4.5 on page 61.

The sampling strategy was directed at interviewees from 2 specific categories:

- **International social investment firms**: The strategy was to gain insight from the investor's perspective; thereby selecting one corporate company who frequently donates large amounts of funding as part of their corporate social responsibility program and another being a dedicated international social investment firm.

- **Ground working social entrepreneurs:** The ideal was to source an experienced entrepreneur from a well established NGO and compare the results to another entrepreneur from a small or newly established NGO.

Table 4.1 lists interviewee selection list, of which only Ashoka's members did not respond to the invitation.

Table 4.1: List of candidates selected for interviews

International Social Investment Organisations		
Anglo American Chairman's Fund		
Interviewee	Dr. Clem Sunter Chairman	
A former Chairman and CEO of the Gold and Uranium Division of the Anglo American Corporation of South Africa, Clem is currently the Chairman of Anglo American Chairman's Fund which, in a recent survey, was rated the premier corporate social responsibility fund in South Africa[16].		
Ashoka - Innovators For The Public		
Interviewee(s)	Ms. Leila Akahloun Director, Africa Programs	Ms. Vernie Chetty Regional Representative, Southern Africa
Bill Drayton to founded Ashoka in 1980 and that continues to guide Ashoka today. Beginning with the first Ashoka Fellows elected in India in 1981, they have grown to an association of over 2,000 Fellows in over 60 countries on the world's five main continents. They envision a world where everyone is a change maker: a world that responds quickly and effectively to social challenges, and where each individual has the freedom, confidence and societal support to address any social problem and drive change. [17]		

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[16] http://www.companydirectors.com.au/About/Speakers/S/Clem+Sunter.htm

[17] http://www.ashika.org

Table 4.1 (cont) : List of candidates selected for interviews

Social Entrepreneurs	
Dr. Sunette Pienaar	
Designation	Executive Chairman of Heartbeat Social Entrepreneur of the Year (2006)
Dr Sunette Pienaar founded the Heartbeat Centre for Community Development in 2000. She is currently the Executive Chairman of the board. In partnership with business, government and civil society, Heartbeat empowers orphaned and vulnerable children to reach their full potential through quality service provision, development and capacity building. The organisation currently reaches 11 000 orphaned and vulnerable children in South Africa, to be scaled up to 22 000 by the end of 2008, towards a target of 50 000 by 2010. Dr Pienaar is the Schwab Foundation Social Entrepreneur of 2006 and a Paul Harris Fellow. She is the incumbent of the Murray & Roberts Chair for Collaborative Governance and Accountability at the Unisa Centre for Corporate Citizenship, where she is responsible for research and training on the governance and accountability of infrastructure Public-Private Partnerships as fundamental driver for sustainable growth. She has published and presented papers to national and international audiences on HIV/Aids, women and the politics of care.[18]	
Jannie Pretorius	
Designation	Founder of Acts 2 Change Businessman, Pastor and Social Entrepreneur
Mr. Pretorius started his career as a pastor in Grahamstown in 1970, where he immediately became actively involved in uplifting the surrounding townships. In the 90's, he changed professions to become a lucrative businessman within the clothing industry. In the new millennium, he crossed paths with AFNET, a Christian based social investment firm, and served them as a social entrepreneur until he founded Acts 2 Change in 2008.	

(a) Data Collection Strategy

Based on the extent and nature of the data required from respondents, it was decided to collect data by means of *conversational interviews* (Lee, 1999) on a one-to-one basis.

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[18] http://www.unisa.ac.za/happening/docs/FocusApr08_final.pdf

Each interview was conducted in the following five stages in order to structure the interviews among the study's purposes:

1. Introduction and relationship building. In this stage the researcher set the scene for the research project as well as the purpose of the interview. It was also a good time to test the interviewee's passion and validate his/her experience in the field.

2. Tap into the "uncontaminated" social investment experience and wisdom of the interviewee in order to identify new vectors, practices and/or additional key success factors.

3. Introduce the vector model to the interviewee and the purpose thereof. Ask the interviewee to give his/her opinion on the validity of each vector definition and the applicability thereof within the social investment environment.

4. Use the questions/definitions designed in phase 1 as a *structured guideline* in order to identify common key success/failure factors for each vector.

5. Conclude the interview by asking the interviewee for additional vectors that he/she might deem necessary to ensure project success.

The researcher also made use of *unspecified probing questions* in cases where deemed necessary to identify additional information applicable to the study.

(b) Limitations

Due to logistical reasons and time constraints, interviewees were predominantly limited to people/offices residing within the Gauteng Province of South Africa.

4.3   PHASE 3 - DATA PROCESSING

4.3.1   Case Study Data

The researcher used desktop-analysis techniques to scrutinise the collection of case studies sourced in the previous phase. From the 25 cases, 164 key success factors were identified, extracted and placed in a spreadsheet wheatear each one was coded with generic keywords as per the example below.

Key success factor	Generic Keyword (s)
The community program is driven by Xstrata's strong commitment to innovation and the vision of supporting sustainable local social and economic development as the means of building community resilience to the vulnerabilities that perpetuate HIV/AIDS and TB.	Commitment Aligned with Strategy Vision Sustainable Economic development Social development

The researcher then used the generic vector definitions from phase 1 as guideline to allocate each keyword to a specific vector. Unallocated keywords were set-aside as to identify trends among them that might lead to the creation of a new vector. The outcome of this phase is listed in Appendix C.

(a) Limitations

Labelling allocations were done on the researcher's own discretion and might have biased or influenced the results.

4.3.2   Interview Data

All interviews were digitally recorded, with the consent of the interviewee. More than 9 hours of data were then transcribed by an external party where after the researcher grouped the various discussions in accordance to the generic vector definitions created in phase 1. All unallocated discussions were also set-aside as to identify trends among them that might lead to the creation of a new vector.

4.4   PHASE 4 - CASE DATA ANALYSIS

As per Leedy and Ormond (2005), *open coding* techniques were used to analyse the case data. Each vector was now handled as a separate segment of data, whereby only the keywords liked to it in phase 3 are scrutinised.

This implies that all key success factors pertaining to one vector were extracted as a group, duplicates removed and then sub-divided into small clusters that:

- Supported an existing theme within the original vector model or
- Postulated a new theme pertaining to international social investment.

The outcome of this phase is detailed in chapter 5.

4.5   PHASE 5 – INTERVIEW DATA ANALYSIS

Again as suggested per Leedy and Ormond (2005), the researcher used **constant comparative & triangulation** where the interview data was aimed at confirming and saturating the themes identified in phase 4, learning as much as possible and trying to find and disconfirming evidence that may suggest revisions in the themes identified and/or interrelations among the various vectors.

To then re-enforce what was stated earlier…"To authenticate the triangulation process, the interviews coincided with the collection of the case studies, preventing the case data from biasing the interviewer and contaminating the interview.

The outcome of this phase is detailed in chapter 5.

4.6 PHASE 6 - LINKING RESULTS WITH INTERNATIONAL BUSINESS THEORY

From here on the researcher compared the output provided by the research data analysis and compared it to the original Global Venture Creation vectors.

In cases where the supporting data (research and interview) were lacking, the researcher decided to apply the original international business vector parameters onto the social investment model until further research provides more insight.

The output of this phase, documented in chapter 6, was then used as the foundation needed to construct the Global/Local Social Investment model.

4.7 PHASE 7 - MODEL DEVELOPMENT

In this, the final phase, the researcher used a combination of:

- Lessons learnt through the research data,
- International business theory,
- Knowledge gained through the MBL process and
- Personal experience & creative ingenuity

to formulate the Global/Local Social Investment Model.

RESEARCH
RESULTS

In Chapter 2 the researcher succeeded in formulating the need for social entrepreneurs, using internationally published literature. In Chapter 3, he did a detailed study on the 16 International Investment Vectors and documented the root definition thereof. The next step in the strategy was to use case studies and open ended interviews to identify recurring themes, definitions and key success factors pertaining to social investment.

5.1   CULTURAL DISTANCE (V1)

5.1.1   Case Study Results

Five cultural distance related themes manifested continuously through the various case studies:

(a) Community Communication

- Continuous communication/education prior to and during intervention
- Test multiple communication methods to ensure relevance
- Use multiple/local languages

(b) Community Consultation

- Democracy and collective counselling brings unity between all parties
- Consult with each community regarding *their* needs and priorities

(c) Community Education

- Educate the community about the outcome during the different phases of the project and how it will influence their lives
- Transfer skills to the community to ensure sustainability
- Use local people where possible

(d) Intermediate Parties

- Approach influential people/leaders within the community
- Partner with local community based organisations with strong social links to set the foundation for a sustainable program
- Use existing community support structures where possible
- These kinds of partners brought deep understanding of cultural issues, and barriers of reaching people

(e) Localise the Effort

- A dedicated team for each zone
- Regionalised program to reflect priorities of local community

5.1.2   Interview Results

Both interviewees agreed that *cultural differences have the ability to hinder a project's efforts* if not addressed accordingly. For example, Dr Pienaar mentioned an example where they could not penetrate a certain area within a specific community due to cultural differences. The community was predominantly of Tswana ethnic orientation and thus the reason for appointing Tswana ground staff. When management queried the slow progress in a specific neighbourhood within the community, it became known that appointed Tswana staff was scared and reluctant to go into that specific region because it was predominantly inhabited by people from the Zulu culture.

Table 5.1: Comparison of cultural distances techniques used by interviewees.

	Heartbeat	**Acts2Change**
Community Communication	Continuous communication through program managers and ground staff in multiple languages.	• Founder has frequent meetings with community at their community forums. • He strongly believes that you have to make your intentions clear from the start so that they don't have to "wonder" what you are doing. • Consult with key members on local culture, norms and values before addressing the community in public. • Protocol in the African culture is essential and you always have to notify the "chief" within the community of your actions BEFORE you commence work.
Community Consultation	CEO feels that it is very important for community to voice their needs.	Founder believes that one has to listen to their needs, but try to find a golden medium through consultation when he wants to address needs not yet identified by the community.
Community Education	Upskill local employees	Invest time to upskill local school headmasters and church leaders.
Use Intermediate Parties to Reduce the Distance	Employ people from the community to work on ground level.	Use local churches and schools as entry points. Network with influential people within the community
Localise the effort	Localise effort within different communities	Localise effort within school and church districts

The same themes surfaced during the interviews as per the case study analysis, but the following additional key success factors/themes were also noted as means to overcome the cultural distance:

- **Trustworthy Relationships with influential people and organisations within the community** deemed as a key success factor to alleviate the forces created by cultural barriers. Once you've gained their trust, they will start to take ownership of the project and "manage" the cultural forces within the community on your behalf.

- **Your attitude and motives:** As white South Africans, both parties felt that they overcame the cultural barrier through a *servant leader attitude* towards the community. They were willing to learn from the community and empowered them to solve their own problems. They believe that one would increase the forces with any dictorial behaviour or actions that sprout from personal and selfish interest.

- **Stay true to your own culture:** Both parties were proud of the fact that they are white Africans with their own culture norms & values and that we as South Africans have a strategic role to play in local community development. They did not try to adopt or imitate the local culture in the townships, but they respected it, were willing to learn from it and their presence at local events were more than enough to convince the local people of their loyalty and commitment.

5.2   POLITICAL AND ADMINISTRATIVE DISTANCE (V2)

5.2.1   Case Study Results

> *"Working together with the government is the most sustainable way of*
> *achieving its development goals."*
> – Xstrata, Case 14 –

In many cases where the intervention was directed towards problems of a national magnitude, the social organisations approached the local authorities and/or national Government during the problem definition phase. This was done to:

- Attain Government's buy-in early on in the project,
- Build relationship with the key departments who have jurisdiction over the community or the type of intervention used,
- Align their strategies (V9) with existing Government efforts or to
- Provide Government with expert advice in defining a national policy.

> *"GAVI has learned that in many cases the ability of the country to reach more*
> *children is not related simply to its immunization program. Broader health-*
> *system failures are often to blame. So GAVI has now expanded its funding*
> *criteria and set aside about half of its resources to help meet broader health-*
> *system needs."*
> – Gates Foundation, Case 2 –

A number of organisations claimed that their projects started to show success, and even increased the scope of their intervention dramatically when they partnered with Government. This was as result of:

- Assisting Government to improve the accessibility infrastructure and quality of support systems,
- Leveraging funds that were made available through Government's social programs and
- Utilising public infrastructure (like clinics) to deliver their private intervention to the broader community.

5.2.1   Interview Results

(a) Historical and Political Association

When asked the question, both Dr Pienaar and Mr Pretorius agreed that the political difference between the previously disadvantaged groups and themselves tended not affect their operations negatively. The historic differences only manifested in cases where they did not respect the local culture and failed to follow the correct protocol with regards to community groups, authorities and/or influential members within the community.

Building on the momentum of the cultural diversity in South Africa, they rather argued *that being a "South African" leverages them* to be more astute to the norms and values other Africans and also to have *cognisance of the limitations of the local government, infrastructure as well as system delivery*.

(b) Government Involvement

Both Heartbeat and Acts2Change have strong relations with the community's local authorities (ANC Youth League). Both stated their preference of *including the ruling party's representatives during the problem definition phase of a project.*

When asked whether she needs Government' support, Dr. Pienaar responded convincingly *"None of my projects would be able to lift-off without their assistance. You are bound to run into a brick wall somewhere in the process if you do not liaise with them."*

Her company has also been accepted into Government's AIDS program and they are now at the point where Government officials are contracting Heartbeat to assist them with HIV/AIDS orphan intervention in certain communities. Heartbeat then preferred to utilise a semi "Turn Key" solution for the Government, where they:

- Provided the necessary infrastructure, paid for by donor funding,

- Upskilled the people in the community to run the community centres,

- Provided the necessary support and management skills up to the point where the centre is self-sustainable.

The projects are then handed over to Government, who must provide the necessary funding and support to keep the project sustained.

5.3   GEOGRAPHIC DISTANCE (V3)

5.3.1   Case Study Results

(a) Infrastructure and Services

- Many interventions started off without the necessary services and infrastructure available in the country/community.

- In a handful of cases the lack infrastructure and social systems within a particular area were seen as a barrier of entry, led to delayed results or even project failure.

- Two of the corporate organisations leveraged their own supply-chain network to distribute social supplies throughout the country.

- Some cases organisations had to strengthen the country's local transportation/infrastructure themselves to be able to deliver while

- Others went into a partnership with Government in a joint effort to improve the infrastructure. (See V2)

(b) Distance for the Investor

It is often the communities in the remote areas that are slow to reach or even *"not reachable" at all*. Some organisations were daring enough to reach out to these remote locations, but their *projects took longer to complete and required more resources* than the urban counter-parts.

A number of organisations managed to reduce the investor distance by:

- Using local community support groups and NGO's as intermediate partners.
- Maximising the use of local content (products and labour).

This strategy was supported by the provision of full-time *"champions" in regional sectors across geographical footprint*. The champion approach also posed the additional benefit of *localising the program* in accordance to regional needs.

The Geographical Distance vector was also neutralised during the start-up stages by experimenting with multiple ideas within the communities *closest to home base.*

(c) Distance for the Community to Travel

Organisations recorded improved results when they localised aid with permanent staff in areas that are *easily accessible to all members of the community.*

5.3.2   Interview Results

Both Dr. Pienaar and Mr. Pretorius noted the fact that Geographical Distance had the potential to be a hindrance to a project but it will never be deemed as a total disqualifier. Both of them also believe that remote areas tend to be in greater need for intervention as illustrated in Pretorius' appropriate remark…

"Yes, less people will be able to reach a remote community that is isolated by dilapidated infrastructure. But the truth is that the impact of your efforts within that community will be astounding if you do manage to reach them."

(a) Heartbeat Model

As result of the access to digital communication technology, Dr. Pienaar feels that the "distance" between her office and her international donors are in a sense less than the distance between her office and the ground workers. To overcome this distance, Heartbeat has erected *dedicated regional offices* across South Africa with full time program-managers assigned to each project.

They are *willing to enter remote locations* with a lower population density, if and only if the investors/donors agreed to the fact that the project will:

- Cost more to operate,
- Take longer to complete and
- Will impact fewer children than similar endeavours within urban areas.

(b) Acts2Change Model

Mr. Pretorius utilises a relational, hands-on management style and feels that *one must be close enough to the community* to build trust. For this reason, he is reluctant to operate in his personal capacity in ventures that are too remote, but would do his best to empower a "leader" or organisation within that remote area to take ownership of the problem.

5.4   ECONOMIC DISTANCE (V4)

5.4.1   Case Study Results

The following themes were identified after the "Economical Distance" key success factors were extracted from the 25 case studies:

(a) Consult with stakeholders

- Reduce distance by consulting stakeholders and *the poor themselves* during problem definition phase.

(b) Use of Intermediate Groups

- Make use of existing NGO's volunteers and/or community support groups
- Use local people as ground workers

(c) Reduce Economical burden on the poor

- Project strategies were aimed to reduce economical burden on the community caused by malaria, HIV/AIDS, etc.
- Provide critical resources needed to fill the gap in resource limited settings.
- Provide skills development opportunities that can lead to income generating activities.
- Maximise local content to uplift community.

(d) Solution Must Make Economical Sense

The community must contain the *necessary skills* to maintain and have means to *sustain the operational costs* of the implemented program.

5.4.2   Interview Results

Table 5.2: Comparison of economic distances techniques used by interviewees.

	Acts2Change	Heartbeat
Consult with stakeholders	He strongly feels that one has to address the real need, and not your interpretation of the need. He frequently consults with the school's governing body and headmaster with regards to the actual needs of the orphans.	Dr. Pienaar strongly believes that the community must be able to voice their needs. Community consultation therefore forms part of the project's feasibility study.
Use of Intermediate Groups	Mr Pretorius only distributes resources to the local church leaders and school headmasters. They are then responsible to identify the needs of individuals and distribute the resources accordingly. He is the intermediatory between international donors and the community, allocating all monies to a central fund with the capacity to prioritise resources in accordance to ground-level needs. He conducts "sensitivity" and "awareness" workshops to all international volunteers, enlightening them on the realities of the economical differences, before allowing them to enter the community.	Dr Pienaar does not allow any one of the donors to interact with the community, unless being escorted by one of the team members.
Reduce Economical burden on the poor	They maximise local content by supporting the local community organisations, by contracting the unemployed and developing skills to be applied within the project context. He believes that his efforts and empowerment programs give the local people respect and the social leaders eventually become recognised icons within the community.	Heartbeat's business model does not utilise community volunteering groups but allocates resources for the full-time employment and upskilling of local people as the ground staff.
Solution(s) Must Make Economical Sense	He prefers to upskill people within the community instead of just giving them money. They must be able to sustain the intervention in the long run.	Money does not go directly to the children, but it is used to provide food, clothing, education and counselling. It is very important that the children are kept in the same economical position as the rest of the community. They are stigmatised when they stand out – richer or poorer

During the interviews, another interesting economical distance surfaced…

(a) Economical Distance between Donors and Social Entrepreneurs

There also seemed to be a distance between the donors and the social entrepreneurial organisations themselves. Dr. Pienaar found that her head-office staff could not manage the international and affluent investors effectively. She realised that the *power distance was too big* and that she, as the CEO, is the only one who have enough authority to negotiate investment deals that are fair and just.

5.5 CREATE YOUR OWN LUCK (V5)

5.5.1 Case Study Results

(a) Build a Trustworthy Brand

Many organisations earned respect of community leaders, their own employees and even governmental leaders through their continuous success. The earned respect compounded into a trust relationship that "widened the doors" for their future projects.

(b) Create Key Relationships and Partnerships

Build relationship and trust with:

- Key opinion makers
- Key members within the community
- Key local and national Government leaders
- Organisations with strong social links within the community
- Key international organisations and trend setters.

5.5.2 Interview Results

(a) Timing is Everything

Mr. Pretorius also stated that one must be able to read the seasons within a community to be able to time your interventions. You have to pre-empt the future so that you can align yourself to be "part" of the community when they need you the most.

(b) Create Key Relationships and Partnerships

Both Dr. Pienaar and Mr. Pretorius cited that they would not have been where they are today, if it weren't for the relationships forged "yesterday".

Both of them passionately declared how they had to enter communities *(in which they had no current investment interest at the time)*, sourcing influential people, spending time with them, and building trust to a point where the community's doors opened for intervention.

The same strategy was also deployed to gain acceptance with influential government officials as well as affluent donor agencies.

(c) Build a Trustworthy Brand

Dr. Pienaar passionately exuberated that the Heartbeat brand is everything. "*People trust us - from the donors, Government divisions, right down to the communities on ground level. New communities welcome us with open arms because they know our name and they believe that we symbolise hope. Government is contacting us for assistance. We have shown them over the years that we are trustworthy and what our capabilities are…. I am very cautious when people want to use our logo on their campaigns. I have to know what they stand for before we are willing to be associated with them.*"

5.6   QUALITY OF BUSINESS PROSPECTS ON OFFER (V6)

5.6.1   Case Study Results

(a) Business Prospect Quality Indicators

The following were used as possible success indicators:

- Most of the time, *"Community based proposals"* turned into successful business prospects.

- A number of the entrepreneurs used *"sustainability"* as an indicative indicator for project success.

- The need for intervention is usually *higher in areas that are risky to enter,* difficult to reach, etc. because most organisations tend to tackle the easy ones first.

- Several organisations increased their scope of supply and effectiveness through partnerships in which they found ways to *leverage/support existing efforts in the field.*

- The opposite was also true. National intervention was more effective in cases where groups intentionally *prevented duplication of efforts* in the same area (V7, V10).

- Project success increased in cases where *Government's policies, leadership stance, openness for partnerships* (as per V2) were in favour of the intervention.

- It must be noted that a number of the *ventures are processes and not projects*, which implies that "time" is irrelevant and should not be used as a qualitative indicator to track project success.

(b) Conduct a Baseline Study

The majority of the corporate organisation conducted a *baseline study prior to their social intervention,* which were then used as basis for their progress tracking. Erroneous baseline studies have the capacity to derail the initial assumptions for the business case, and could also lead to the incorrect entry mode selection. For this reason, a number of organisations opted to outsource *the baseline study neutrally biased to third-party experts in the field.*

(c) Create a Business Case and Project Plan

From the data contained within the baseline study, organisations had "enough" information to construct a business case for the intervention. Key success factors from the case data include:

- Identify and prioritise specific sites where intervention is needed
- Set realistic targets and benchmark them against similar projects.
- Be flexible in your planning.

(d) Return on Investment

From a corporate perspective, social intervention is usually perceived as charity with no real return on investment. The opposite was proven in a number of the cases…*Corporate organisations had a clear business case for intervention and they managed to pose a direct or indirect financial return on their social investment project.* AngloGold Ashanti's Malaria treatment at Obuasi, Ghana (Case 5) is a classical example of how their intervention against Malaria in the surrounding communities resulted in a higher staff attendance rate which increased their production levels.

5.6.2   Interview Results

(a) Business Prospect Quality Indicators

Mr. Pretorius noted the following business prospect indicators:

- I always start with the project that would have the maximum impact for the least amount of time and effort. This way I earn the community's respect and we can then tackle the larger problems together.
- The children who are most in need usually gets the highest priority
- You do not always have to fulfil the need down to the brim to be effective, but you must at least show them that you are willing to make a difference.
- You must consider the community's needs as priority. You should always reach consensus before starting to implement your ideas – they do not like to be "told" what to do. I build trust by "waiting" for them to see the same problems I see and then we tackle it together as one team.

(b) Conduct a Baseline Study

None of the NGO's conducted a baseline study prior to intervention. Heartbeat conducts only a feasibility study which contains some elements of the current community status.

(c) Create a Business Case and Project Plan

Both NGO's have a portfolio of detailed business cases from which their investors can choose. Each business case contains the:

- Project scope and deliverables as well as
- Project cost and duration.

(d) Measuring Return on Investment

From an investor's perspective, Anglo American's Chairman's Fund only use the business cases provided by their grantees as an indicator of their own impact in the community, as seen in Dr. Clem Sunter's response to the question "How do you measure your return on the social investments?"

"We don't actually. We just see that the results are what were promised. Many achieve the results promised, and sometimes things go horribly wrong. We usually start to look at people and their performance if they come back for more money."

Dr. Pienaar's response to the same question was quite inspiring…

"The first thing that you must remember about an NGO is that we are not in business to make a financial profit but we are here to make a difference. Our people work for us because they believe in what we do. They can easily earn 5 times more in the private sector, but there is also the reward of the internal satisfaction when helping others who can't help themselves. So to answer your question on how we measure success…We measure success through stories told and letters written by the children to the donors on how our programs impacted their lives. "

5.7   COUNTRY ATTRACTIVENESS (V7)

5.7.1   Case Study Results

Two themes were strongly emphasised throughout the case data when people referred to the country's attractiveness:

(a) Dynamics of the Country

Countries were selected for intervention because politically:

- They had a stable democracy,
- The political leadership were in favour of the venture.
- Government were open to partnerships and had their own resources to commit to the projects.

(b) Local Skills and Supporting Industries

The larger organisations spoke in favour of countries where:

- Strong local NGO, active ground support groups and/or community networks were at their disposal.
- They could leverage and support any existing efforts.
- They were able to maximise the usage of the local content
- The various skills needed that were available within the country/community.

5.7.2   Interview Data

(a) Dynamics of the Country

According to Mr. Pretorius, he feels that *political instability* in a region is not a discriminator because violence levels are never constant as it tends to wave through the townships. *"As a white male, you have to be careful and always call your contacts before entering the community. But I personally believe that political violence is the community's waving flag which they use to shout for external assistance."*

As per the arguments brought forth in "V2 – Political and Administrative Distance", both NGO's prefer to forge relationships with the political forces within Government.

(b) Local Skills and Supporting Industries

Pretorius stated that *he will not discriminate against any community* when selecting an entry mode, but he did confess that his entrance into Soshanguve was partially based on his long standing relationship with an active pastor in the township.

He realises that the local skills are scarce and usually not available for NGO purposes. He does not look at age, gender or experience when he sources people from the community, but he is interested in people who have heart and who are willing to make a difference.

Pienaar on the other hand will not enter into a community if another NGO with the same mission is actively involved already. Heartbeat appoints people from the local community as ground workers, but the local skills have not been used as a discriminator against any project – it just takes longer to complete.

5.8   COMPANY'S ABILITY TO DELIVER (V8)

> *"Usually we get the desired results, but even the most promising projects went wrong because you've miss-red the person's abilities to deliver. "*
>
> – Dr. Clem Sunter –

5.8.1   Case Study Data

One would expect that a company would have all the resources in place before starting off with a new venture. It seems like a number of the corporate organisations were adventurous/desperate enough to *start with only an idea and then acquired the necessary skills and resources as the project progressed.*

The following four themes were identified as possible determinants that could influence the company's ability to deliver:

(a) Hard Resources

Most of the organisations were financially and strategically involved in the projects which required them to provide a *sustainable cash-flow as well as dedicated resources* in order to deliver acceptable results.

Companies also invested heavily in *systems that gave them the ability to control and track the progress* of their projects as per "Control (V15)" on page 100.

Successful projects had *full-time staff and dedicated teams* assigned to the project. The ideal was to set enough employees aside to provide *localised intervention, easily accessible by all community members.*

Corporate giants like Rio Tinto, Anglo American, Abbot, Standard Chartered, etc. *leveraged their internal talent* to assist with their social projects. Standard Chartered has even formalised an approach for *employee volunteering*; providing two days paid leave for employees to contribute to community projects.

> *"Bralirwa frequently partnered with other players to continually educate its doctors, nurses and human resource personnel on the latest ideas and practices in the workplace regarding HIV/AIDS programming."*
> - Cisneros Group, Case 18 -

Skills transfer and the training of staff seemed like the crucial link in developing the organisations capabilities to deliver. Successful ventures invested in *frequent training programs* – training both management and ground staff. A number of them utilised the *"champions"* approach, where agents inside the organisations were developed to take ownership for their projects/communities and to train others when needed. Corporate organisations went as far as to *"import" experts in the field* to provide guidance and to upskill their staff (as per the extract above).

(b) Create a Body that is Capable of Delivering

> *Creating an alliance of existing entities was a better strategy than building a new entity. But as the old African proverb says, "If you want to go fast, go alone. If you want to go far, go together." Each of GAVI's partners has a unique role, and brings essential relationships and insights to the table.*
> - Gates Foundation, Case 2 -

Social problems are usually bigger than the capacity of a single entity, and most organisations were involved in some form of alliance to combat the catastrophe. The typical strategy selected by many was to *obtain/partner/network* with any individual/organisation that has the ability to *compliment their own skills and efforts* or that could provide them with the necessary *experience and/or social links* needed to complete the project.

The efforts of these alliances were then unified during the problem definition phase through the establishment of project steering committees or focus groups.

> "*Combining two specialist projects created synergies resulting in impacts beyond those that have been achieved by either organisation independently.*"
>
> - SEF, Case 3 -

In order to cultivate successful partnerships, the organisations had to:

■ Identify their strengths and weaknesses as to

■ Find synergy between partner's strengths and then

■ Outsource non-core competencies to experts.

In a handful of cases, organisations from the corporate sector realised that they were out of their depth and decided to *contract a panel of experts to manage the social project on their behalf,* while only monitoring proceedings from a "distance".

5.8.2   Interview data

(a) Hard Resources

Mr Pretorius agreed that he hardly has the necessary resources intact when a particular need is made known to him. Acquiring the funds, materials, capacity and people are usually part of the project execution plan.

Dr. Pienaar on the other hand believes that they are now sustainable. Heartbeat has:

■ A good relationship with Government and communities,

■ International donor focal points are established whereby they have access to individual and corporate donors.

■ All structures are in place and

■ Frequent audits ensure sound governance.

Both NGO's agreed that it is sometimes easier to obtain the necessary funding than to source competent people on ground level.

Heartbeat does not make use of any community and volunteer networks but prefer to employ the ground workers themselves. A permanently employed human resource manager makes sure that the:

- Positions are advertised and
- Applicants are thoroughly screened for any irregularities and criminal records.
- Successful candidates are then trained to function efficiently as care-workers within their community.

(b) Leadership

Although not specifically mentioned, the researcher is of the opinion that both the social entrepreneurs interviewed were the cornerstone of their organisation's "ability to deliver". Both social entrepreneurs are (but not equally) mission driven, strategic, creatively resourceful and results orientated.

(c) From an Investor's Perspective

Dr Sunter was approached to provide clarity on the criteria that they as investors use to screen NGO's funding requests:

"Our criteria to provide support to a specific organisation/individual is quite simple: The one is that we only back winners… The recipients must show that they are already working on the problem and that they only need our support as leverage. Secondly, we are looking for a champion or leader in the group that can run with the project. A single point of contact is always most preferable."

5.9   STRATEGIC VARIABLES (V9)

5.9.1   Case Study Results

From the case study data, organisations had to consider their micro environment (corporate strategy) as well as the macro environment (national and international efforts) before they could decide on their entry mode.

(a) Company's Mission and Vision

- On the one end, a number of projects were conducted by corporate organisations that were looking for ways to express their *internal value for social responsibility.*

- A number of corporate organisations on the other hand had a *competitive financial business case* on the basis that they themselves could benefit financially (directly or indirectly) from their social investment. A typical example is a lower staff turn-over rate as result of HIV/AIDS prevention/education/treatment within the surrounding communities.

- Dedicated social entrepreneurial firms used their *specific long-term social development strategy* as a guideline to selected/rejected various social projects and to determine the entry mode for those projects.

(b) National and International Strategies

There were 3 major methodologies identified in the various case studies with regards to the alignment with national (and sometimes international) efforts:

- **Initial success became the national strategy:** The majority of the groups used their entrepreneurial spirits to navigate unfamiliar territory. They started their projects on a small scale in countries with no national efforts, policies or strategies. Results from successful pilot projects were then replicated across the country and eventually used as the foundation for that particular government's national strategy.

- **Partnering with Government to Define a National Strategy:** Groups that were entering a country with the intent to have a national impact, tended to include Government during the problem definition phase. The entry modes were then either to assist Government in combining all the existing efforts within the country into a single co-ordinated effort or to initiate a joint national campaign from scratch.
- **Aligning Efforts with National or International Standards/Trends:** As time progressed, a number of national/international strategies existed to combat global issues like HIV and Malaria. Successful companies then aligned their strategies to these national/international policies as to ensure the use of best practices and *coalition of national and global efforts.* Some of the leading social investment organisations went as far as to partner with international standard setters as to *pre-empt the bearing of international trends.*

5.9.2   Interview Results

(a) Company's Mission and Vision

Mr. Pretorius runs a smaller operation and thus the reason for selecting an array of projects that would compliment the bigger mission of impacting the lives of 15 - 17,000 orphans within the next 5 to 10 years.

Heartbeat on the other hand, is a focussed entity with a clear-cut business model. *"It is very important to stick to your core business so that you do not attempt projects that are outside your scope of expertise. In this industry, one can easily fall in the trap of trying to help too many people and thus becoming ineffective. I had to reject many offers from donors who've requested us to work on projects that are not in line with our core functions."*

Heartbeat has two strategic initiatives with different entry modes:
- The one is to establish specialised day-care centres across the country to assist HIV/AIDS orphans and
- To expand their reach by mentoring and accrediting other NGO's in accordance with the Heartbeat model.

Although different entry modes, both initiatives are still in line with their vision of alleviate the suffering of HIV/AIDS orphans.

(b) Aligned with National Efforts

Heartbeat is fully aligned with Government's AIDS plan which made it possible for them to run joint projects seamlessly with Government.

5.10 LOCATION SPECIFIC VARIABLES (V10)

5.10.1 Case Study Results

(a) Location of Investment

Two predominant reasons were identified as to why an organisation would enter an extremely remote location:

- **Driven by their ethical worldview perspectives**: The fervent social entrepreneurs specifically aimed to target these feeble and often remote locations, which altered the conventional entry modes.

- **Personal Interest:** A number of global companies' operations were physically affected by some of the indigent communities in which their workers reside. Poverty related diseases like malaria, HIV, hunger, etc. had a direct impact on their bottom-line and thus their reason for social intervention within that particular location.

(b) Existing Efforts

The majority of cases alluded to the fact that being knowledgeable on the existing efforts within a particular location enabled them to:

- Gain strategic knowledge of the role players operating in that area
- Identify gaps in that area and
- Prevent wasteful duplication of efforts.

Many of the social investment organisations tended to outsource the groundwork to existing NGO's or community networks. In far-off remote areas, these luxuries do not exist which meant that they had to *alter their entry mode as to first establish the ground working teams* through either

■   Getting personally involved,

■   Importing the necessary skills,

■   Empowering members within the community,

■   Or a combination of the above.

(c) Skills level of local people

In many cases the necessary skills need were not available in a particular location. In some cases the companies *altered their entry mode by establishing training centres as a support function.* These centres trained new workers & existing community workers, up-skilled health workers and educated the youth in that area as to sustain the future skills pool.

(d) Infrastructure & Social Systems within a Specific Area

"The model used in Botswana relied heavily on medical infrastructure and it would be difficult to implement in countries with fewer resources."
– Gates Foundation, Case 1 -

As seen in "Geographical Distance (V3)", there were cases where Government lacked the infrastructure, personnel and administrative systems, which were then provided by the social partner as to ensure project success. *The available infrastructure in the particular location therefore affected their entry mode selection and commitment level.*

5.10.2 Interview Data

Heartbeat's model is almost cast in concrete and location specific variables have little impact on their entry mode selection. Existing efforts in the same community will defer them from entering, but it will not alter their entry mode.

On the other hand, Mr. Pretorius feels that the skills level in the community will alter his entry mode and commitment level; he has to be more hands-on involved in areas where the skills levels are lacking.

5.11 TRANSACTION SPECIFIC VARIABLES (V11)

5.11.1 Case Study Results

(a) Project Scope and Design

Social projects tend to be outcomes based, rather than time bound. These projects are therefore more of continuous nature and the average life cycle ranges from 3 to 10 years (and even beyond).

Now with this in mind, the majority of cases stated that a long term *project mission and vision, along with effective management,* were essential to achieving their goals and staying on track.

Some organisations stated that *the project's strategy had to be clear and simple,* with clear boundaries as to prevent being side-tracked by the enormous need out there.

On the other hand, many social entrepreneurs felt that their project scope was too narrowly focussed (only delivering HIV/AIDS medication) and believed that more effective results could have been achieved if they *opted for a more holistic approach.* An example was where the Gates Foundation had to broaden their scope to include "Public Service Delivery Improvement" before their ARV project started to pose positive results in Botswana.

(b) Partnership Design

The scope, mission and vision of a project along with the company's ability to deliver (V8) influence the entry mode decision substantially. It was noted that partnerships (private or public) was used as an effective means to broaden the scope of the project.

"By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention."

– Dunavant, Case 17 –

"*By partnering with three additional local NGOs—Scout Associations, Save the Children and CISP—the scope of the intervention was broadened."*

– INTESA, Case 19 –

"Marathon formed an implementation team with partners, government and world-class experts in the field of malaria and social development."

– Marathon Oil Company, Case 8 –

From the case data, the pre-requisite for effective partnerships were:

- Government/existing role players must be open for partnerships
- Only select complementing partners that would create synergy
- Minimise bureaucracy through a small focussed steering group
- Define clear goals to ensure effective use of each partner's strengths
- Direct engagement of the leadership of each partner and frequent communication is essential to success.

(c) Sourcing the Project Funding

The primary condition for project funding is that *it should be sustainable*. Various different entry modes were selected in order to source sustainable funding:

- Some organisations preferred to *fund the entire venture*
- Others partnered with a *diverse collection of donors* to secure the necessary funds for a fixed period (3-5 years).
- There were also a number of cases where organisations applied for *Government funds* (that were typically allocated for specific causes like HIV/AIDS treatment), to ease their own financial burden and broaden the scope of the project.

(d) Transaction Cost

In the ideal world, one would expect that successful social organisations channel every cent down to ground level, but the case results seem quite contradictory (and supported by the Gates Foundation's comments)

"*The foundation was initially reluctant to allow GAVI to use a significant amount of our funding to support grantee operating expenses - as opposed to purchasing vaccines. But we've learned that funding operating expenses is vital for getting new entities up and running, for attracting donors that have greater funding restraints and for giving grantees the ability to innovate.*"

5.11.2 Interview Results

Acts2Change's operational costs are less than 12% of their funding budget while Heartbeat's operational costs are between 15% and 25%. Mr. Pretorius still "hopes" to be in a position where all donor funds are being channelled into the projects themselves while overhead costs minimised through volunteering and internal cash generating efforts.

Dr. Pienaar on the other hand believes that operational costs are costs that are paid for activities that enhance the children's lives. Every activity is costed against its own project, and she provides detailed statements to the donors on a frequent basis. She feels that high quality workmanship is a key success factor for sustainable funding and will not alter their entry mode to lower the transaction costs.

5.12 FIRM SPECIFIC VARIABLES (V12)

5.12.1 Case Study Results

(a) Firm's Size and Access to Resources

It was also noted that social investment projects costs are proportional to the intervention scope. *A sustainable supply of cash and resources were needed* by the social entrepreneurs in order to deliver on their commitments and to ensure optimal performance*. Smaller organisations were therefore obliged to form partnerships* with other organisations in order to be able to supply the sustainable funding and resources.

(b) Experience[19]

From the case study data it seems as that corporate firms steered away from running social projects on their own, or seldom took the leading partnership role when the project's social requirements was not in line with their core-business functions.

(c) Key Relationships

Another organisational specific determinant for entry mode selection was the organisation's existing relationships with:

- Experts in the field,
- Community leaders,
- Other social organisations,
- Relevant Government departments and
- International agencies.

These strong relationships often resulted in collateral agreements or full fledge partnerships.

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[19] Only firm specific related. Refer to Vector 13 on page 94 for a complete description on the effect that experience has on the entry mode.

5.12.2 Interview Results

(a) Firm's Size and Access to Resources

Acts2Change's community-partnership entry model resides on the fact that they are not a large organisation. In their upliftment projects they provide the infrastructure, resources and necessary training while the partner inside the community takes ownership of the day-to-day operational requirements.

Heartbeat is a well established, well funded, medium to large organisation, which translates to the benefit of:

- Appointing their own ground staff on a permanent basis,
- Supplying all the resources needed to establish the much needed infrastructure in the communities,
- Negate the option of partnering with smaller NGO's operating in the field.

Seemingly enough, they do prefer to *partner upwards* with well established international organisations as well as the various Government divisions.

(b) Key Relationships

Table 5.3: Comparison of key relationships utilised by interviewees.

	Acts2Change	Heartbeat
Community leaders	Partner with community church leaders, care workers and district leaders.	Incorporate District leaders in problem definition phase
Other social organisations	Alliance with other churches who supply funding.	Mentor other NGO's to use the Heartbeat model.
Relevant Government departments	Relationship with Department of Health.	Relationship with Department of Health. Active partner of Government's AIDS program
International Agencies	None	Partnered with PEPFAR, UNAIDS, Starfish

5.13 EXPERIENCE (V13)

5.13.1 Case Study Results

From the case data it seems that the organisations with:

- **Low experience levels** opted to SUPPORT other existing efforts in the field.
- **Moderate experience levels** opted to start their own ventures on a small scale, utilising a core group of permanent staff and leveraging existing social ground networks.
- **Medium to High experience levels** tend to tackle problems on a national and international level. They prefer to partner with various stakeholders on a strategic management level and then outsourced as much as possible of the ground work to experts, strong NGO's and local community workers.

In the case data, it seems as if organisations gained their experience over time, acquired additional experience through partnerships or shared their knowledge with others in the field.

(a) Gain Experience

The majority of the groups within the case study data started off on a clean slate. The first obvious step therefore was to conduct *a small pilot study* within a nearby community to validate and optimise their social strategies.

The mainstream strategy was also to gain experience systematically and incrementally, *continuing to improve their efforts* as they went along. Some grew exponentially in stature, posed astounding results and eventually assisted Government in formulating a national intervention policy.[20]

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[20] As detailed in "Strategic Variables (V9)" on page 85.

(b) Acquire Additional Experience

From the case data, it seems that the following options were very successful in "acquiring" experience:

- Consulting with influential members within the community, stakeholders and opinion makers and gain their views/perspectives on what the problems are and how they perceive it to be solved.
- Maximise experience level through partnering with a diverse portfolio of experts, industry leaders, NGO's, ground workers, etc.

(c) Share Experience with Others

Some of the highly successful organisations seemed to opt for exponential expansion. They *shifted their focus from an operational entity to a mentoring body* by taking the "not-so-successful" organisations under their wings and developing their skills/capacity to a world class standard.

5.13.2 Interview Results

(a) General Social Entrepreneurship Experience

Mr. Pretorius has been involved in social upliftment as the pastor of a church since 1970. He has been involved with AFNET (missions based social investment organisation) the last couple of years until he founded Acts2Change in 2008. It is almost safe to assume that the organisation's primary entry mode, partnering community churches, *is centred on Mr. Pretorius' personal experience base.*

Dr. Pienaar was intrigued by South Africa's social dilemma during the '94 transition period. More than 8 years ago she and a few friends decided to enter a township in Carltonville with no experience but with a willingness to learn from the people within the community. Gradually they grew in stature, fashioned relationships with the community, government and donors up to the point where she won the Schwab Foundation's "South African Social Entrepreneur of the Year Award" in 2006. Today Heartbeat is truly a renowned brand within South African social entrepreneurial circles.

(b) Decision-specific experience

Acts2Change is a newly founded organisation, but the founder already prefers to use the same entry mode (partnering with local churches and schools) for all his projects.

Heartbeat is well established and experienced with its business model and prefers to use the same template for their strategy when entering a new community.

(c) Community-specific experience

Both NGO's:

■ Are familiar with the South African population and the typical community structures being employed.

■ Liaison with the district authorities to gain insight and access to the community.

■ Use people from the community as employees/ground workers.

Heartbeat also sustains their community experience gained by:

■ Allowing grass-roots community workers to be promoted up through the ranks into management positions,

■ Giving the orphans (who have benefited from their programs) the opportunity to apply for positions within Heartbeat after they have matriculated.

5.14 RISK (V14)

5.14.1 Case Study Results

The following success factors, grouped into the four primary international business risk categories, were identified in the case data:

(a) Investment Risk

■ **Sometimes you have to be the first one in:** Based on the risk analysis done during the problem definition phase, a number of investments were bound to fail. Unfortunately (and fortunately) the need for intervention within those areas was so overwhelming that the social entrepreneurs decided to continue against all odds. At the end, with perseverance and determination, these projects posted astounding results and paved the way for others to follow.

■ **Be willing to invest in powerful ideas:** Social entrepreneurship is still in its infancy and everybody has yet a lot to learn. Just as in the industrial pioneering days, the organisations that were willing to invest in risky powerful ideas were not disappointed.

(b) Financial Risk

■ **Multi-sector donor selection:** For a single project was opted by most organisations within the case study sample to provide a sustainable fund base and to negate other financial risks. Funding commitments varied between 3, 5 and 10 year intervals, in single payments or annual delivery.

■ **Approval Process:** Like in the corporate environment, the donor organisations preferred to make use of a formal approval process where small donations are delegated to line managers. Donations or business cases that exceeded a certain expenditure threshold were escalated to board level for consent and final approval.

■ **Meet you in the middle:** Many PPP were based on the principle where the social donors gave a dollar for every dollar raised by the local Government. This principle reduced the investment risk, cultivated long-term sustainability as well as Government's immediate buy-in. In many cases the donor funding tapered off as the infrastructure and operational systems were established.

(c) Contractual Risks – Reduce Risk of Failure

- **Planning and Control:** A number of companies felt that their risk of failure was minimised through effective planning and control (as detailed in Vector 15, page 100)

- **Diverse Portfolio of Partners:** Many of the financial donors opted to surround themselves with a diverse portfolio of world-class experts, opinion makers and other stakeholders in order to assist them in strategy formulation, decision making and operational issues. Small focus groups deemed to be the most effective panel format and mostly used.

- **Democracy and Collaboration:** It was found that democracy & collaboration within the community setting, involving the various stakeholders during the problem definition phase, brought unity in the community and thus reduced the risk of resistance.

(d) Country Risk

As stated in the literature study, Country Risks encompass all the vectors pertaining to country specific barriers of entry like Culture, Political Distance, Political stability, etc. and were not repeated again within this section.

5.14.2 Interview Results

(a) Investment Risk

It seems like NGO's do not carry the full investment risk but rather abdicate a great portion of the investment decision to the donors/investors themselves. Both NGO's give their investors the freedom to page through their portfolio of projects, visit the possible sites and discuss the various risks contained within each project before they have to "sign" any commitments.

The investors also try to minimise their risk by tracing the NGO's:

- Track records of previous projects
- Financial statements as well as
- Referrals from previous donors/investors.

Dr Pienaar also noted that she had to *consider the long-term implications of associating with certain donors.* She mentioned examples where companies

in the banking sector refused to partner with her when they found out that she had relational links with donors from the beer brewing industry.

From an investor's perspective, Dr Sunter had the following to say…

"We do not do this to be in the lime-light. Some organisations believe in one BIG project, with the media and large cheques being signed. No, we believe in thousands of small projects (R10, 000 – 20,000 grants).

For larger projects, we use more complex systems than just giving money and reading the report at the end. We evaluate their business cases and make sure the project will be feasible in the long run. We create steering committees with enough expertise and professional skills onboard to influence decisions, give expert guidance, make sure sub-contractors are charging reasonable prices, benchmark the quotes and even provide means of saving money."

(b) Financial Risk

Heartbeat minimises their financial risk by:

- Allocating multiple donors on a single project in as to secure a sustainable funding basis.
- Giving large donors special priority and personalised feedback.
- Quote their international investors in their local currency "Rands", as to defer their exposure to currency fluctuations.

For large Government projects, the Anglo American Chairman's Fund prefers to donate a rand for every rand sourced by the Department of Education. *"This way there is a natural partnership and we automatically validate their commitment."*

(c) Contractual Risks – Reduce Risk of Failure

Apart from planning and control, it seems like both NGO's prefer to use effective screening techniques to prevent unnecessary failures:

- Mr. Pretorius prefers to spend time with his clients (donors or community leaders) prior to any formal agreements. During this period he will try to establish a trust relationship and will abort immediately if he believes that they would expect him to achieve the impossible.

- Heartbeat uses a screening process during their staff enrolment process to validate their staff's credibility.

Both NGO's also make use of performance contracts between themselves and their employees, beneficiaries and suppliers to ensure optimal output and to reduce their own risk in the event of failure.

(d) Country Risk

None of the NGO's had an exit strategy and hope not to be ever confronted with a situation where they have to withdraw from a project due to safety reasons. They have placed projects on hold when violence erupted in the surrounding areas and then re-entered again once everything settled down again.

5.15 CONTROL (V15)

Forward control is enforced from the strategic level down to the operational level, utilising a feedback mechanism to monitor operational progress/results from the strategic level.

5.15.1 Case Study Results

(a) Strategic Level

- **Control Strategy:** Many organisations preferred to use a *simple control strategy,* driven by *clear and definite targets*. A number of the green field projects' strategies were slightly off-target during start-up and success could only be attributed to their management's *flexibility and willingness to learn* as the project unfolded.

- **Centralised vs. Decentralised:** International organisations used a *tailored mixture of local global control where they centralised the critical strategic functions and decentralised the operational control.* This implied that the critical functions revolved around a central theme, but local teams were allowed to customise their operational control system according to local conditions.
- **Approval Process:** Board of directors have to approve large projects (Same as per Financial Risk in the previous vector)

(b) Operational Level

- **You have to be cruel to be kind:** One of the most difficult aspects to control in a poverty stricken country is to ensure that aid *only* reaches those originally destined for help. Many a time ground workers come across someone who is also in need of help, but that person does not qualify for help and was thus not included in the original project's scope. (E.g. Research has shown that pregnant woman and children below the age of 5 are most vulnerable for Malaria and the business case only had enough money to distribute mosquito nets to this target population. Unfortunately by doing a "good" deed, one would inhibit the project's success, causing young children to die from malaria if ground workers suddenly start to distribute the limited supply of mosquito nets to men in the community as well.)
- **Managing Multiple Partners:** In most of the larger social investment projects, there are a number of organisations working together/simultaneously on a single project or within a single community. It is often difficult to achieve success through these composite partnerships and *close collaboration of all efforts* is essential to ensure delivery. In some cases, the investment organisation then opted *to appoint full-time program co-ordinators* to oversee project progress and to co-ordinate all parties' efforts to ensure synergy.

(c) Feedback Mechanism

Some of the investment firms opted to make use of *frequent site visits* as an instant feedback mechanism, while the majority of the organisations utilised a *simple, robust & rigorous monitoring/evaluation system* to provide "remote" feedback. These systems were mainly designed to collect operational data onto *an electronic database* and then feeding relevant information back to the following stakeholders on *a monthly and/or annual basis*:

- Project management team,
- Executive committee,
- Company shareholders and
- Other stakeholders.

Multi-partner projects had the additional complexity of providing a *harmonised monitoring and evaluation system* that enables management to keep track of their own achievements as well as the outputs of their partners.

5.15.2   Interview Results

(a) Strategic Level

Being a smaller organisation, Acts2Change prefer to have centralised control over their donors but decentralises all field work as much as possible.

Heartbeat on the other hand is a larger, more experienced organisation with strong controls in place. They centralise the donor management, resource management as well as strategic decision making. The operational control is delegated to the various branch offices, with a strong feedback loop to head-office.

(b) Operational Level

When asked about ground level control mechanisms, Mr. Pretorius smiled and said: *"I am not a control freak and do not believe in micro-management. The trust relationship between us is more than enough to ensure success."*

As stated earlier, Heartbeat also prefers to appoint their own ground workers because it enables them to have *better control over their product delivery*.

Heartbeat operates in some of the poorest communities with much poverty related issues. Unfortunately they were forced to take a hard stance on needy people and only provide assistance to their core group - AIDS orphans. In order to prevent social uproar, they had to re-enforce their core values and mission statement repeatedly to community leaders and ground workers.

At this point Dr. Pienaar interrupted herself and said: *"We are very strict with our controls and I am afraid that we might even be getting to a point where we are too strict. Some of my staff said they liked it better in the early years when we were small and not so structured. The matter of the fact is that we are working with vulnerable children and I promise you that we will not be able to get any future funding if we do not deliver on our promises."*

(c) Ground Level Feedback Mechanism

Mr. Pretorius measures ground level progress and success through:

- Frequent site visits
- Discussions with the teachers regarding the children's improvement in general.
- Quarterly documented reports generated by the care-workers, stating the progress of each child.

Program managers within Heartbeat are responsible for the continuous quality assurance programs on ground level. The children attend day-care centres after school, and care workers note each child's attendance at remedial sessions as well as any abnormal behaviour. The data is then captured on an electronic database, accessible by head-office.

Other qualitative indicators to top management include:

- Stories written by the children, care workers and teachers.
- Public speeches by their youth ambassadors

(d) Feedback to Investors

Both NGO's had to provide their investors with "detailed" reports on their project's progress as well as the reasons for non-conformance. Other feedback mechanisms include newsletters and letters written specially for the donors by the children.

From the investor's perspective, Anglo American's Chairman's fund had the following philosophy on progress reporting: "*Do not clutter their lives with paperwork and burocracy. These people usually don't have the means or understanding to fill in complex reports. We expect a simple progress report once per annum.*"

5.16 COMMITMENT (V16)

5.16.1 Case Study Results

On average, the case data have shown that the social entrepreneurial projects can have a project implementation lifespan of 3-5 years for community related projects and a 5-10 year lifespan for large national campaigns. Although these projects have a relative long lifecycle, the end-product itself must be sustainable for 50 years and longer. For example, the Abbot foundation provided the Tanzanian Government the necessary infrastructure that enabled them to meet the lifelong treatment needs of people with HIV.

With such long project and product lifecycles one must keep in mind that the selected entry mode, and thus project success, is highly dependant on the long-term commitment levels of all stakeholders in the process.

(a) Visionary Commitment

> *"Star School was established by Dan Olofsson, a Swedish businessman who recently decided to invest in Thanda Game Reserve. His commitment to addressing HIV/AIDS in this vulnerable community and his continued leadership has helped secure consistent support and roll-out of the programs."*
>
> <div align="right">- Thanda Private Game Reserve, Case 22 -</div>

Many a time it is the visionary that provides the enthusiasm and drive to turn the dream into reality, especially during the inception, problem definition and start-up phases. Sustainable commitment frorm the founder/visionary during these stages (and beyond) were found to be contributing to project success.

(b) Donor Commitment

Most cases supported the notion that *long-term committed funding allow for better planning on sustainable programs which are aimed at improving livelihoods in the long-run.* It seems as if the industry standard is a minimum commitment of 3 to 5 years, but the Gates foundation found that 10 years were a more realistic figure when attempting to instigate programs on a national level.

(c) Social Organisational Commitment

With such long time horizons, successful organisations managed to stay focussed by means of formalised commitments on strategic level. This implies an element of *senior management commitment and support* to the cause, which manifested through the provision of the necessary support structures, resources, permanent staff, commitment to continuous improvement, etc.

Inspiring mission statements with specific target levels like "Reach 1 million people in three years" were successfully utilised to keep all parties committed, focussed and motivated. The advantage of a target specific mission statement was that all parties were committed to the definition of success and they used it to benchmark their current progress.

(d) Partner Commitment

Partner commitment ranged from:

- Verbal agreements,
- Memorandum of understandings,
- Contractual agreements right up to
- Equally sized financial contributions.

(e) Commitment from the "Client"

There is a certain level of commitment required from the recipients/community in order to ensure project sustainability. Tactics utilised within the cases include:

- Grantee must match commitment
- Get commitment of opinion makers in the community
- Community members had to form small support groups, which could provide moral and financial support during the intervention, before being eligible for assistance.

5.16.2 Interview Results

(a) Visionary Commitment

Mr. Pretorius stated that he personally commitment himself for the next 5-10 years to Soshanguve. He later interrupted himself and said: *"Actually it is a lifelong commitment, and I need to start thinking of preparing someone to follow in my footsteps"*

(b) Donor Commitment

Acts2Change only requires their donors to deliver on their promises and do not have any other "demands" on them. *"If they want to employ some of the children once they've completed grade 12, that's fine, if not, it's also OK. They just better stick to their commitment once they've made a promise to the kids."*

Heartbeat is much more formal in their approach. They require a minimum commitment of 3 years from the donors along with a financial declaration of R600, 000 before they consider going into partnership.

From a donor's perspective, Dr. Sunter made the following comment on their commitment level: "*Once we start on the ground, **we never abort**. It only takes a few meetings to test their commitment to the project. And remember, we only back winners. So we will pull the plug during the early stages when we see that they lack commitment, otherwise we follow through.*"

(c) Social Organisational Commitment

Neither Heartbeat nor Acts2Change ever even considered exiting prematurely from any project.

> "*We will look for any means possible to continue, even if it means that we have to put the project on halt for a while… Sometimes we had to go back to the donors to negotiate additional funding but we never considered abandonment.*"
>
> – Dr. Sunette Pienaar –

Both of them have learned through experience that by *"under-promising and over-delivering",* one can manage the expectations of the community…

> "*I am very slow to make promises to the community because if you promised something you better deliver. So the best way is not promise anything unless you are 100% sure that you can deliver.*"
>
> – Dr. Sunette Pienaar –
>
> "*I never make promises to the people, but I do tell them that I can only do my best to solve the problem.*"
>
> – Jannie Pretorius –

(d) Partner Commitment

Dr. Pienaar prefer not to partner with any other NGO unless really necessary while Mr. Pretorius on the other hand seek partners that are filled with *passion* and driven by *vision*.

(e) Commitment from the "Client"

Acts2Change have formal service level agreements with the church leaders in the community. They will supply the necessary infrastructure while the church should take responsibility of the operational requirements of the day care centre. The contract states that Acts2Change holds the right to transfer the operational rights to another church in the community if they do not conform to the requirements stipulated in the contract.

Dr. Sunter also explained how Anglo American's Chairman's fund preferred to use PPP's when worked with South Africa's Department of Education. In these partnerships they tended to provide the necessary skills needed to erect for instance a new school, along with 50% of the funding. Government had to provide the other half, along with some sort of commitment that they were willing to sustain the future operational requirements of the school.

5.17 INTERVIEWEE'S ADDITIONS TO THE EXISTING MODEL

Both Mr. Pretorius and Dr. Pienaar strongly felt that "Trust" should be added as another vector. For instance, halfway through the vector model questionnaire Dr. Pienaar made the following remark:

"You have a wonderful model, and you ask me all this questions on partnerships, risks and experience. I believe that trust should be in there as well. I would not have been able to look my investors in the eye if there were no trustworthy relationship between us. Many a time I had to humble myself and apologise for the mistakes made. If it weren't for their trust in me, they wouldn't have extended our contracts.

…

Trust operates in all four directions:

- *You need to trust your people on ground level;*
- *You need to trust your peers, partners and suppliers,*
- *You need to trust Government and the local authorities and*
- *You need to trust your investors.*

In the modern-day business environment, a contract is as good as the paper it is written on. You use it when things go bad, but it does not deliver products on the table. For that – you need trust."

Mr. Pretorius stated that he strongly believes that trustworthy relationships should be seen as the key ingredient to any social development project.

"A trustworthy relationship between the community and the contact person is extremely important if one wants to expand the bigger vision and empower the people. The project is never about getting the job perfectly done, but it is about the passion that you cultivate. The new building can be a bit crooked as long as you've empowered someone and you've cultivated a long lasting relationship."

CONLUSIONS AND RECCOMENDATIONS

This chapter concludes the research report, linking the international business literature discussed in Chapter 3 with the social investment research data captured in Chapter 5.

These correlations then unite the efforts to date, re-defining the vectors for the social investment environment and discussing of the building blocks of the Social Investment Model.

The chapter also contains:
- Application notes for the social investment model
- Conclusions on the research as well as
- Recommendations for future research.

6.1 LINKING RESULTS WITH OPPORTUNITY SELECTION MODELS

6.1.1 Ghemawat's CAGE Model (V1 – 4)

The research data has shown that Cultural, Political, Geographic and Economic distances have the capacity to hamper project success if not managed intelligently. Specific comments on each vector's applicability within the social entrepreneurial realm include:

- **Cultural Distance:** It is real and has a definite effect on social projects. It seems like the social entrepreneurs uses their inherent experience to navigate through the difficulties caused by cultural distances rather than official measurement tools.

- **Political & Administrative Distance:** There was a definite positive drive towards partnering with Government when implementing social programs on a national level. Social entrepreneurs were aware of the fact that this route might seem slower but deemed necessary to increase the scope of the intervention and to ensure future sustainability. Although a number of cases involved cross-border intervention, none specifically mentioned the effects of tariffs, trade quotas, restrictions, etc.

- **Geographic Distance:** Contradictory to the theory, geographic distance were never deemed as a social project selection disqualifier – the interviewed social entrepreneurs just seemed determined to assist the needy in remote areas while being aware of the fact that remote projects require more resources and take longer to complete. The lack of established information and communication technologies in the rural areas seemed to increase the effects of geographic distance.

- **Economic Distance:** As per cultural distance, the impression is that the entrepreneurs manage economic distance through knowledge and experience, without utilising any formal measurement tools.

Essentially the conclusion is that CAGE distances exist within the social investment realm. They exist between:

- Donors and the contact persons within the social entrepreneurial organisations,
- Various internal members and divisions working on the same project,
- The social investment firm and other partners working on the project,
- Social investment firm's ground staff and the community.

These distances should first be measured, quantified and then appropriately managed in order to prevent them form hampering the project's success.

(a) Measuring CAGE Distances

Taking the teachings from the international business body of knowledge into account, the recommendation is to use the following tools to[21]:

- Measure the existence of the distances and to
- Quantify the intensity of these forces relating to the investment project.

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[21] These recommendations are based on the author's experience. Any other tool may be used that are more applicable to a specific situation/organisation.

Table 6.1: Recommended tools to measure the CAGE distances between host and home country.

Distance	Measurement / Tool
Cultural Distance	Hofstede's or Schwartz's four dimensions of cultural distance.
Political & Administrative Distance	■ Historical and Political associations ■ Regulations and policies ■ Tariffs and taxes ■ Trade quotas ■ Restrictions on foreign direct investment ■ Local supplier preference ■ Availability of subsidies ■ Favouritism ■ Quality of social systems and infrastructure
Geographical Distance	■ Physical size of the home and host countries. ■ Average within country distance towards borders and exporting facilities. ■ Access to waterways and the ocean. ■ Country topology. ■ Access to the country's communication, transportation and electrical supply infrastructure.
Economic Distance	■ Compare average income (GDP, GNP, actual incomes, etc.) ■ Compare income difference (GINI index)

(b) Managing CAGE Forces

There was a substantial amount of overlapping found during the allocation of the various key success factors to overcome the distances within Ghemawat's CAGE Model. It made more sense to colligate all the key success factors into a single group, illustrating their relationship with the various vectors in table format (table 6.2)

Table 6.2: Colligated Key Success Factor map for Ghemawat's CAGE Model[22].

Key Success Factors	Cultural Distance	Political and Administrative Distance	Geographic Distance	Economic Distance
Use Intermediate Parties where needed	•	•	•	•
Localise the Effort	•	•	•	•
Trustworthy Relationships	•	•	•	
Continuous Communication	•	•	•	
Consultation and Involvement	•	•		•
Education and Skills Development	•	•		•
Infrastructure, Services and Critical Resources		•	•	•
Historical and Political Associations		•		
Serving Attitude	•	•		•
Solutions must make sense	•	•	•	•

6.1.2   Create Your Own Luck (V5)

Comparing the research results to Dagnino's Opportunity and Space model, it seems like social entrepreneurs also use a unique mixture of foresight, mindfulness and entrepreneurial judgement to orchestrate a measurable degree of luck. There are numerous strategies for creating luck, but the following three variables were identified as possible means to create future luck:

(a) Sourcing Key Relationships

Both social entrepreneurs openly declared that they would not have achieved the level of success today, if it were not for the relationships forged yesterday.

As per international business tactics, social entrepreneurs have the tendency to scout for key members within communities long before they have any investment interest in the area.

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[22] Detailed application notes for each success factor can be found in Appendix D, page 220.

The entrepreneurs will then build relationship with these key members with the hope that these relationships will bear fruit at the time when investment opportunities arise in that area.

Generally speaking, the sourcing and building of key relationships takes time and energy before it contributes to current success. It is therefore recommended to source and forge relationships with the following people as early as possible in order to increase the possibility of future success:

- Key opinion makers
- Key members within a community
- Key local and national Government leaders
- Organisations with strong social links within the community
- Key international organisations and trend setters
- National and international donor agencies and individuals.

(b) Be On-Site to Gain Insight

A secondary spin-off of having an "agent" in a community is the ability to engage with local leadership and "read the seasons" within the community so that you can pre-empt possible needs that may arise in the future. If you time your intervention right, you will be able to be "part" of the community at the moment when they are in most need for intervention.

(c) Success Breeds Success

It was found that communities, influential leaders, donors, international institutions, etc. were more open to liaison with social investment firms who has a successful brand and reputation.

So, from a social entrepreneur's perspective, one must first earn peoples' respect through achieving success in smaller projects, establishing a trustworthy brand over time. One must also be careful in selecting projects that are destined to fail from the outset as result of unreasonable expectations set forth by either the donors, partners or the community themselves.

6.1.3   Quality of Business Prospects on Offer (V6)

The variables for measuring the "quality of prospects" seem to be all in the eye of the beholder. They vary from project-to-project, genre-to-genre and even country-to-country. Case data has shown that one must consider the challenges and opportunities relating to:

■ Long-term sustainability,

■ Intervention size, percentage of population in need of help, geographic coverage and intervention population density,

■ The contribution needed to alleviate the problem,

■ Existing efforts in the area and possible partnerships,

■ Interventions feared or sneered upon by other social investors, etc.

One can easily be trapped by the subtle seduction of selecting a business prospect on merit instead of evaluating it within context. Glorious opportunities that brought success in one country might be doomed in another, or the not so attractive proposal might be the only solution for a particular case. It is therefore recommended to keep ones options open until the entire project has been evaluated and optimised before selecting / rejecting a proposal.

Social entrepreneurs have used the following tools to estimate and extract the inherent quality within a business proposal:

(a) Create a Business Case and High Level Project Plan

The case data revealed that most successful organisations conduct a *baseline study* prior to intervention, as to create a reference point for progress measurement and to determine the actual level of need within the community.

The data is then used to define a sound *business case* with realistic targets (cost & duration) and measurable outcomes (scope and deliverables).

Key success factors for successful project plans include:

- Identify and prioritise specific sites where intervention is needed,
- Give highest priority to the people that are most in need of help,
- Start with small projects that would have the maximum impact for the least amount of time, effort and resources if you still need to earn the respect of the community.
- Benchmark the targets and outcomes against similar projects within the industry.
- Be flexible in your planning.

One must be open-minded during this phase of the project, not only focussing on the primary objectives of the investment, but also investigating the necessity to improve the secondary services needed to sustain the intervention.

(b) Return on investment

Essentially the aim of any social project should be to achieve *positive sustainable* change in clients' lives. Generally, non-profit aid organisations (and their respective donors) invest in social projects for the greater good of humanity and do not care as much about return on investment as they do about ensuring sound governance on monies spent.

Opposed to this culture, a number of corporate organisations who manages their sustainability through the triple bottom-line approach[23], have published cases where mutual benefits were realised for society and themselves; posing direct financial return on their social investment.

It is therefore recommended to marry these two cultures, brining forth tools to measure social profit which will assist management in investing their time, money and energy into the most "profitable" social projects.

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[23] Economic gains, Environmental Stewardship, Social Improvements

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6.1.4   Country Attractiveness (V7)

The assumption is that "Country" and "Community" attractiveness should be synonymous within the social entrepreneurial realm and seen as if the community is a small country on its own.

The following can be concluded when comparing the theoretical model with the research data:

- **Sovereign Risk:** Until further research proves otherwise, one must make the assumption that sovereign risk in its totality is also applicable to social entrepreneurial organisations. This implies that one should consider the business risks in terms of the Economic, Business and Legal systems provided by the host country when evaluating the country's attractiveness.

- **People:** The research results have shown that social entrepreneurs did not only consider local skills when rating a community's attractiveness, but also it's supporting industries like community networks and NGO's. For the purpose of social investment projects, one would therefore re-define this entity to "Local skills and Supporting Industries" to encompass all the requirements for analysing a country's attractiveness.

- **Dynamics of the Country:** The research data only included elements like "political stability" and "government leadership support" when considering the country's attractiveness. One can also include the up/downward trends of the need for intervention (like increase in HIV prevalence rate) when prioritising one country/community above the other.

- **National Competitiveness:** This dimension is not applicable to social entrepreneurship within its original context. One can either delete it from the attractiveness model, or consider using measurements like the Poverty and GINI indexes to attain the overall social forces and possible needs within a particular country/community.

6.1.5   Company's Ability to Deliver (V8)

(a) Leadership

The researcher is of the opinion that leadership qualities, especially that of the social entrepreneur, are the cornerstone for project success. The interview and case data did not provide much detail on key leadership attributes required for successful social entrepreneurs but both of the interviewed entrepreneurs passed the requirements set forth by the Skoll Foundation in section 2.1 on page 11.

The recommendation is to use a creative blend of Edith Penrose's comments on the quality of entrepreneurial services of the firm[24] and the Skoll Foundation's social entrepreneurial characteristics to construct a template for leadership qualities required by Social Entrepreneurial firms:

The quality of the services delivered by a social entrepreneurial firm is encapsulated in their leadership's entrepreneurial versatility, ambition and judgement. The nature of the environment requires them to be creatively resourceful and excel in fund-raising ingenuity. To achieve success, they do not only require a passion for cause and the people but they also need to be strategic, mission driven and results orientated.

(b) Required Resources

The research has shown most of companies that entered the social investment realm did not have the initial hard and soft resources in place during the problem definition phase of the project. They either opted for organic growth or created a body that is capable of delivering through strategic outsourcing or full fledged partnerships.

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[24] Listed in section 0 on page 38

The following items have also been identified as key/critical resources needed to sustain social investment projects:

- Full-time staff and dedicated resources,
- Expert skills and products,
- Knowledge and experience,
- Sustainable funding,
- Progress monitoring, control, auditing and other internal systems
- Governance structures and policies,
- Reputation and brand,
- Key relationships with community leaders, Government officials, donors, international aid agencies and other social investment firms.

(c) Creating a Body that is Capable of Delivering

Many corporate and social investment firms did not have the necessary internal skills, resources and experience needed to alleviate their problem at hand.

> Their strategy was simply to *obtain/partner/network* with any *individual/organisation* that has the ability to *compliment their own skills and efforts* or that could provide them with the necessary *experience and/or social links* needed to *complete or expand* the scope of the project.

This idea of "creating a body that is capable of delivering" can be seen as the golden thread between the opportunity selection and the entry mode selection models.

6.2 LINKING RESULTS WITH ENTRY MODE SELECTION MODELS

Just by browsing through the case and interview data, one immediately starts to correlate the practical entry mode selection criteria with Hill's theories noted in section 3.4.1 on page 41.

For example: Heartbeat's core competence is their *technical know-how* on establishing HIV/AIDS orphan care centres in rural areas. As predicted by Hill's theory, they prefer to make use of wholly owned subsidiary as their entry mode, and in some cases, specially structured joint ventures/licensing agreements to limit their risk of failure.

Corporate organisations who were involved in social investment as part of their corporate social responsibility programs seemed to leverage their *management know-how* to ensure success. As per Hill's theory, these organisations selected structured joint-ventures with experts in the field as the preferable entry mode.

6.2.1 Wild, Wild & Han's evolution of entry mode decisions

Dr. Pienaar's narrative of Heartbeat's evolution of entry mode selection revealed a most surprising correlation with Wild, Wild and Han's model.

One can clearly see Heartbeat's business model evolved from being a *supportive partner* to the needy people in Carltonville during the initial stages. As they grew in stature over the years, they gained more experience, implemented better control systems and were willing to take on more risky ventures. Today Heartbeat is a highly successful non-profit organisation, subsidised by private donor funding and government grants, operating mostly as the *leading partner* in either a wholly owned equity mode or PPP.

Dr. Pienaar also explained that a number of her ventures were structured as a *semi-turnkey projects*, where Heartbeat was responsible for establishing a new community centre from scratch with private donor funding.

They were entirely responsible for all aspects of the project, ensuring that the centre is fully operational and sustainable before "donating" it to Government for their use.

Heartbeat also has another pillar in their business model. They equip hand-picked NGO's with the necessary skills needed to be honoured as Heartbeat certified partners. Using typical *franchise* techniques, they:
- Expose the leadership to rigorous training interventions and
- Applying strict quality control over their processes and products.

Once these NGO's have proven themselves to be self-sufficient and worthy of the cause, Heartbeat will lessen their control over them and issue them with a *licence* to operate as "Heartbeat Partners".

Figure 6.1: Evolution of the social investment entry mode decisions
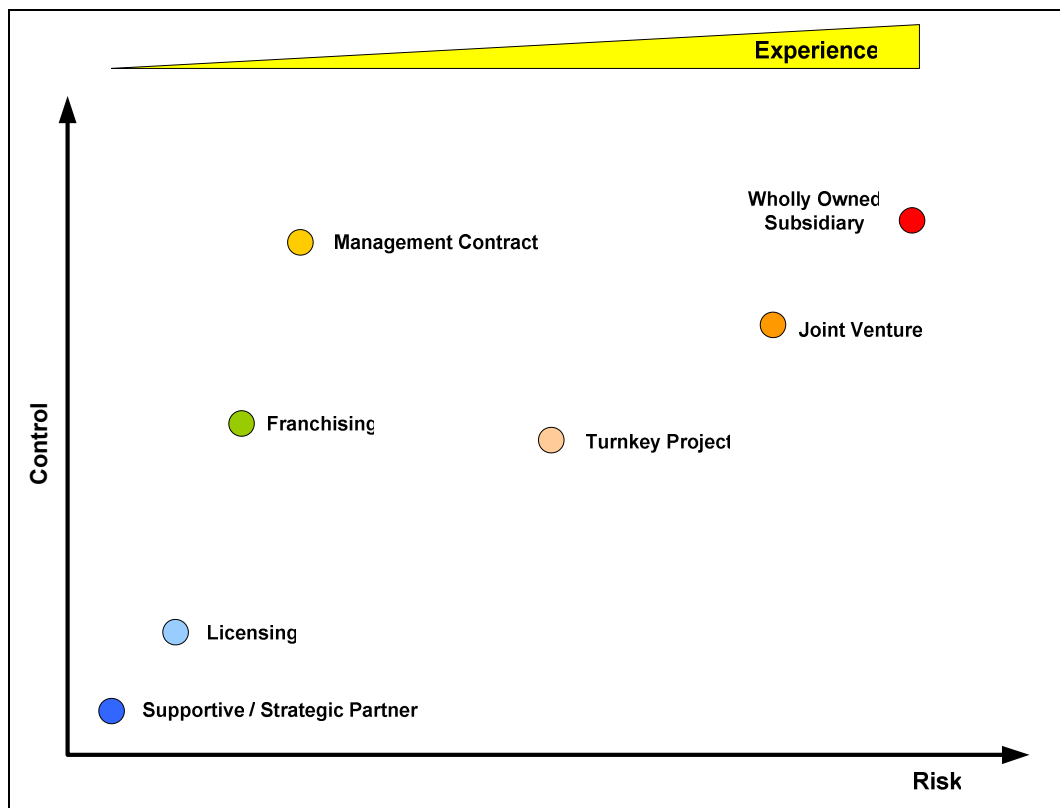
Adapted from: Wild, Wild & Han (2006)

Using the case data, one can re-interpret Wild, Wild and Han's model to be applicable to the social investment environment:

- **Supportive and Strategic Guidance Role:** Smaller / less socially experienced organisations tended to enter in a supportive role, acting secondary partner to an existing NGO, only providing the necessary resources and strategic guidance.

- **Management Contract:** Many corporate organisations preferred stay involved on a strategic level, but the existence of well established community care networks and strong NGO's operating within a particular location assisted in the decision to outsource various tasks within the operational level.

- **Joint Partnership:** Another option was through joint partnerships or strategic collaborations with other social organisations operating in that area as to attain maximum impact through co-ordinated efforts.

- **Private Public Partnership:** Government's involvement within a particular area, or willingness to participate in partnerships within that area, paved the way for using PPP as the desired entry mode. A number of projects claimed that their partnership with Government substantially increased their intervention scope and future sustainability.

- **Wholly owned subsidiary:** A number of corporate organisations went full-out with their social interventions, paying for everything, using their own resources and only sub-contracting experts where needed.

6.2.2   Conceptual framework of entry mode choice

The model developed by Shi, Sui & Ho (2001) was designed to give direction on whether the organisation should opt for shared or full ownership. The model itself was not validated in this study, but the individual vectors posed promising results on being applicable to the social investment realm. These observations are documented on vector level in section 6.3.

6.2.3   Hierarchical model of Entry Modes (Pan & Tse)

The research data have not conclusively proven or disproven Pan & Tse's (2000) Hierarchical model of entry modes and more research is needed to define social investment specific entry modes. The assumption therefore remains that their model can be used as an indicative tool to match the international social investment firm's required commitment level to the selected entry mode.

6.3   EXPANDING ON ENTRY MODE SELECTION VECTORS

6.3.1   Strategic Variables (V9)

Shi, Sui & Ho's (2001) theory states that one must take the firm's long and short-term strategy into account when selecting an entry mode. This phenomenon manifested in a number of cases whereby organisations used their *long-term strategy* as basis for selecting/rejecting social opportunities and possible entry modes.

The research data has also highlighted the strategic importance of aligning ones efforts with *national and international social development standards/policies* as to:

- Compliment the coalition of efforts across the globe,
- Expand their project scope to a national/international level,
- Strategically position themselves to qualify for governmental and international aid funding/support.

6.3.2   Location Specific Variables (V10)

The research data highlighted four variables that have an impact on the entry mode selection:

Table 6.3: Location specific variables, applicable to the social investment realm.

Variable	Effect on Entry Mode
Location of Investment	Generally, the social investment organisations found that the people who are most in need of help live in highly endemic regions and are very difficult to reach. These widespread areas are usually more poverty stricken; people are less educated and they have weaker social community networks compared to similar communities in urban areas. *Contradictory to international business theory, social investors did not steer away from these ventures but opted to increase their commitment and entry mode level in order to achieve success.* Corporate organisations on the other hand preferred to enter locations in which their operations, their staff, or surrounding communities were personally affected by a pandemic.
Existing efforts in the location	**Wholly owned subsidiaries** (Heartbeat) rather preferred to steer away from areas where there would be a duplication of efforts. **Managerial based organisations** (i.e. Gates Foundation and corporate social responsible firms) preferred to use joint ventures in areas where there was a strong local NGO presence. In cases where no efforts existed in the area, managerial based organisations were forced to alter their entry mode; they had to establish the ground working teams themselves through either ■　Getting personally involved ■　Importing the necessary skills ■　Empowering members within the community ■　Or a combination of the above.
Skills level of the local people	Companies that use local people as part of their entry mode must adopt their strategy when local skills are scarce or not up to standard. In many cases they either had to be more personally involved or partner with experts to facilitate the community upliftment and knowledge transfer process.
Infrastructure and Social Systems within a specific area	Lack of infrastructure and social systems (V2) forced organisations to either partner with Government or with experts to bring about the necessary infrastructure and systems to support the venture.

6.3.3   Transaction Specific Variables (V11)

As predicted by their theory, the social investment firms retained more managerial control over their remote ventures when the *perceived contractual risks* were high, especially when there was a risk of deterioration in the quality of the product/service delivery.

On the other hand, *assets specificity* seemed to be more applicable to cases where *corporate organisations* leveraged their core competencies for the greater good of society.   Organisations like pharmaceutical and logic companies enforced tight control over their area of expertise, but were more than willing to outsource other aspects of the social investment project.

Above and beyond these factors, the research data has identified the impact of the following variables on social investment projects and entry mode selection:

Table 6.4: The impact of transaction specific variables within the social investment realm.

Variable	Effect on entry mode
Project Scope	Social investment firms sourced complementing partners, especially preferring a PPP when it was time to increase their project intervention scope. In reasonably large projects, organisations included a diverse portfolio of partners to secure a sustainable funding base and to gain access to the wide range of skills/resources needed to solve the problem.
Transaction Cost	The research has shown that overhead costs are real and absolutely necessary to support the venture, especially during inception phases. Care should be taken during the entry mode selection process as to select the most cost effective partnership model needed to attain success.

6.3.4   Firm Specific Variables (V12)

The categorisation of the key success factors form the research data have illustrated the moderate correlation between the firm specific variables specified by Shi, Sui & Ho (Firm size, International experience, Host Country Experience, Relationship with local organisations) and those firm-specific variables impacting entry mode selection within the social investment environment. Future research is needed to pinpoint the exact variables, but the following baseline translation is recommended for the time-being:

- **Firm's size and access to resources:** Social investment firms should partner with donors or other strategic/operational partners if the project scope exceeds the capacity and capabilities of the organisation.
- **Experience:** This variable is extensively covered in Vector 13.
- **Key Relationships:** Key relationships within the social investment environment include experts in the field, community leaders, other social development/investment organisations, relevant Governmental departments and international governing bodies/agencies. The probability of entering in some sort of partnership with any of these entities increases with the quality of the relationship and thus affects the entry mode selection.

6.3.5   Experience (V13)

As per international business theory, it seems as if experience is also the cornerstone for all international social investment activities. Not only does the interview data correlate with Wild, Wild and Han's (2006) theories, but Padmanabhan & Cho's international business theories (p47) perfectly predicts the entry mode decisions taken by the interviewees:

- Both social entrepreneurs preferred to use the same entry mode with which they are currently experienced with.
- Initially, Heartbeat partnered with others in the community but they gradually migrated to full-ownership entry modes as their internal control systems and general community experience levels improved.

- Heartbeat's community-related experience allowed them to craft a business model that minimises the cultural barrier risks when starting a venture in a new community.

- Heartbeat's social entrepreneurial- and decision based experience allowed them to reap the benefits and bear the risks associated with full ownership in their community based operations.

These correlations therefore prompt one to translate Padmanabhan & Cho's (2005) three categories for measuring a firm's level of experience into the following international social investment dimensions:

- General social entrepreneurial experience
- Decision specific experience
- Community-specific experience

Within each of these three dimensions, social entrepreneurs can (and have) either decided to:

- **Gain experience** through the use of small pilot studies,
- **Acquire experience** through consultation and/or partnering,
- **Share experience** with others through the open forums (Export strategy), accredited training and certification programs (Licensing agreements) or mentoring programs with limited control measures (Franchise).

The research has shown that managerial based organisations with:

- **Low experience levels** prefer to *support* other existing efforts in the field.
- **Moderate experience levels** tend to start their own ventures on a small scale, utilising a core group of permanent staff and leveraging existing social ground networks.
- **Medium to High experience levels** tackle problems on a national and international level. They *partner* with various stakeholders on a *strategic management level* and then outsource the majority of the ground work.

6.3.6   Risk (V14)

From a social investment perspective, the international business risk factors could be translated to:

- I**nvestment Risk:** Perceived risks associated with investing in a particular social project along the risks contained in the partnership creation process.
- **Financial Risk:** Exposure to fraud**,** large sums of monies to be sourced for social investment projects, fluctuating exchange & interest rates as well as donors not being able to live up to their commitments.
- **Contractual Risks and Cost of Failure:** Cost relating to contracts, agreements and the bridging thereof as well as the secondary effects and costs of failure.
- **Country Risk:** Risks contained in the project environment analysis.

Table 6.5: Key success factors for identifying and mitigating social investment risks.

Variable	Mitigation Factors
Investment Risk	- Sometimes you have to be the first mover in, no matter how great the perceived risk. - Be willing to invest in powerful ideas. - Conduct a partnership assessment[25] of prospective partners before signing any agreements. - Consider the long-term implications of associating with specific partners/donors. - Dilute the organisation's risk through investing in a multitude of smaller projects instead of one big idea.

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[25] Example listed in section **Error! Reference source not found.**, page **Error! Bookmark not defined.**

Table 6.5 (Cont): Key success factors for identifying and mitigating social investment risks.

Variable	Mitigation Factors
Financial Risk	■ Multi-sector donor selection minimises financial risk. ■ Quote international investors in your local currency to mitigate risks associated in currency fluctuations. ■ Make use of a formalised approval process, escalating larger projects/funding requirements through the appropriate ranks of the organisation. ■ Meet your PPP clients in the middle, allowing them to contribute financially from the outset of the project. This reduces the financial burden on the project and facilitates buy-in from early on.
Contractual Risks and Cost of Failure	■ Effective planning and control systems minimises the risk of failure. ■ A diverse portfolio of partners, confined to a small focus group, can bring more realistic insights to in identifying and solving the problem at hand thereby minimising the risk of failure. ■ Negotiate performance contracts with suppliers, donors, communities, workers, etc. to ensure optimal output and to mitigate risk of failure. ■ Spend enough time with prospective partners prior to contract signing as to build trust and to identify any obscurities that might signal abandonment. ■ Democracy and collaboration with all stakeholders during the project definition phase will increase buy-in and reduce risk of resistance.
Country Risk	■ Use Vectors 1-4 and 7 to attain the country and project environment risks. ■ Craft an emergency exit strategy that could be used to put the project on hold if the country risk suddenly becomes too high.

6.3.7   Control (V15)

There is an intrinsic balance between risk, control and entry mode selection:

> *"The greater the risk, the more control a company would like to retain; thereby opting for equity modes instead of non-equity modes."*
> - Padmanabhan & Cho (2005) -

The research has shown that effective social investment organisations implemented control measures on strategic as well as operational levels in accordance to their entry mode selection. These two layers are then interlinked by an effective feedback mechanism as to:

- Provide all relevant stakeholders with timely feedback on the project's progress.
- Validate that the operational activities and outputs are in line with the investment strategy.
- Allow management to track the results of their investment strategy over time which will empower them to make the necessary alterations if and when needed.

(a) Strategic level

The ideal is to craft a control strategy that is fit for the selected entry mode; honouring the basic art of balancing control with expansion. The literature research has shown that too little control might cause synchronisation mismatch between host and home country while too much control will slow the expansion process down.

> *Experience and knowledge are counter measures to lower the distance barriers between countries, and thus deemed to be very effective when low control levels are critical for success.*
> - Padmanabhan & Cho (2005)-

Successful organisations have also proven that:

- No matter how big or small the venture, the minimum strategic requirement is a simple control strategy, driven by clear and definite targets.
- There should be a formalised approval process as to ensure sound governance.
- Based on the investment strategy and environmental conditions, one need to craft a unique project structure that balances the pros and cons of centralised vs. de-centralised management options.

Table 6.6: Comparing the pros and cons of centralised and de-centralised management.

Management Option	Advantages	Disadvantages
Centralised Management (i.e., management of partnership or project taken on by one partner organisation on behalf of the partnership)	- Maximum efficiency - Unambiguous decision making procedures and day-to-day management systems - Familiar / conventional management approach 'One-stop shop' for external agencies / individuals - Quicker response time	- Too distant from experience /potential contribution of other partners - Too much influence / control perceived to be in the hands of one partner - Too conventional for flexible needs of the partnership - May take decisions inappropriately quickly
De-Centralised Management (i.e., different aspects of management shared between the partner organisations)	- Maximum diversity at operational levels - More opportunities for individual leadership - Shared sense of 'ownership' - Moving away from conventional 'power bases' - Greater freedom of operation	- Greater potential for conflicts of interest - Partners / individuals feeling isolated - Cumbersome decision-making processes - Lack of coherence

Adapted from: Tennyson (2003:p 21)

(b) Operational level

The research has highlighted the fact that operational teams are being confronted by the actual problem at hand and they need the *freedom to localise the effort* in order to be effective.

Unfortunately the problems within the poverty-stricken communities are greater than being catered for within the project scope. Operational teams often become emotionally overwhelmed by this great cry for help; becoming very ineffective when they try to save everybody at once. For this reason, successful investment organisations provided their operational teams with a *clear vision, mission and strict boundaries* in order to sustain their focus on solving the specific problem at hand.

When using multiple partners in a venture, the research data eluded that successful social investment organisations increased their control by appointing full-time program co-ordinators; ensuring close collaboration of all efforts.

(c) Feedback Mechanism

For relatively small companies working on a handful of projects, a simple site-visit seemed sufficient to track the project's progress. Larger and multi-national organisations gained success by investing in a simple, robust and rigorous monitoring/feedback mechanism. For a multi-partner project, partners synchronised their internal feedback systems, thereby harmonising feedback from the various sources which enabled the executive team to monitor the overall project progress.

Feedback sampling rates can range anything from weekly, monthly to annual intervals. These intervals should be dynamic of nature and should be linked to the progress and criticality of the operations within the project.

Experts have warned against the possibility of over-burdening ground-working teams with laborious and complex feedback mechanisms, preventing them from focussing on the actual problem at hand.

Many of the ground-working employees are local community members and might not have the necessary skills of generating complex reports. The general rule is to keep it simple, requesting only the data that is relevant, really necessary and in a format that is familiar to them.

6.3.8   Commitment (V16)

One vital aspect highlighted by the research is the fact that the outcome of a social investment project is linked to the commitment levels of the following key stakeholders throughout the project lifecycle:

Stakeholder	Commitment Contribution
Visionary	The visionary provides the enthusiasm and drive to turn the dream into reality, especially during initial and start-up phases.
Social Entrepreneurial Firm	The firm should see the project through from cradle to grave. With such long time horizons, successful organisations managed to stay focussed by means of formalised commitments on strategic level. This implies an element of senior management commitment and support to the cause, which manifested through the provision of the necessary support structures, resources, permanent staff, commitment to continuous improvement, etc.
Donors	Their funding is essential for project execution and long-term commitments from them will provide the opportunity for more efficient project planning.
Strategic and Operational Partners	Partner commitments range from verbal agreements, memorandum of understandings, contractual agreements right up to equally sized financial contributions.
Client	The project will fail if there is no buy-in from the end-user or client. In many cases, grantees had to prove their commitment levels through either performance contracts, financial contributions, joining support groups, etc. before being eligible for assistance.

It is therefore imperative to obtain and stipulate the commitment levels of all these stakeholders before finalising the entry mode. The venture is almost certain to fail if one selects an entry mode which requires a higher commitment level than what the stakeholders are willing to offer.

6.4 TRUST - THE ADDITIONAL SOCIAL INVESTMENT VECTOR

Just glancing at the illustration of the dimensions, consequences and antecedents of trust, one can clearly see why the interviewed social entrepreneurs value trust so much in their industry.

Figure 6.2: Dimensions of trust as seen by various authors (organised by authors of the paper)
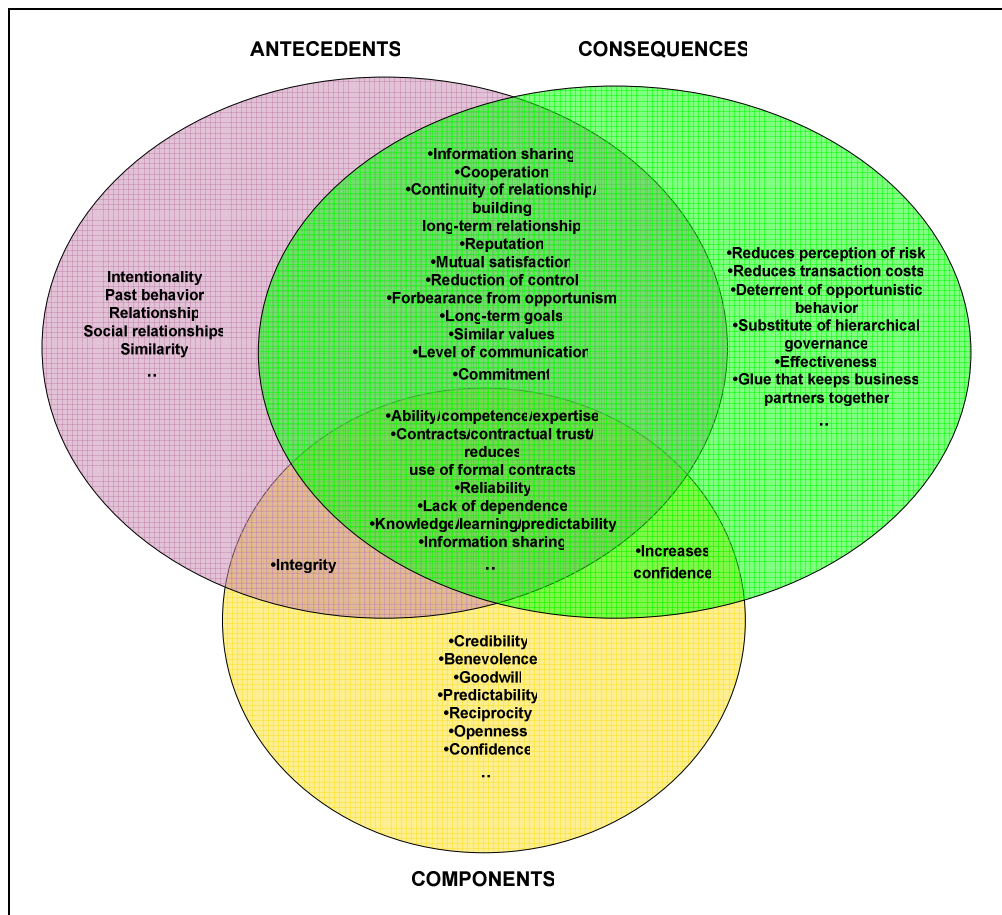
Adapted from: Seppänen et al. (2005)

So, based on their recommendations, it was decided to add "Trust" as an additional vector. The next step was to identify a suitable position for this new vector within the Social Investment Model…

First of all, social entrepreneurs create their own luck (V5) by sourcing key relationships. Eventually the quality of any relationship is determined by the level of mutual trust between the parties at the time of doing business.

Secondly, the research has shown that the social entrepreneurs use trustworthy relationships to reduce the effects of cultural (V1), political (V2) and geographic (V3) distances.

Thirdly, trust is also engraved into the entire entry mode selection process. Parties will not go into agreement unless there is a certain degree of trust; a sort of virtual glue that will keep them together through the tough times.

With these arguments in mind, the ideal was not allocate trust to either of the two processes, but rather to define "Trust" as the encompassing link between the opportunity and entry mode selection processes.

Dr. Pienaar's comments on trust (page 109) hinted to the fact that there are four separate directions of trust within the social investment environment. According to her, there is a trust relationship (with its own unique characteristics, challenges and opportunities) between the social entrepreneurial firm and:

- Donors and aid agencies
- Peers, partners and suppliers
- Government and local authorities
- Ground working teams

For the purpose of evaluating a social investment proposal, the ideal would be to quantify the level of trust in each of these directions at the time of going into agreement. It is recommended to use Dietz and Den Hartog's (2006) *"Continuum of Degrees of Intra-Organisational Trust"* to quantify the trust levels because it encapsulates the rich variety of competing conceptualisations and definitions found in the management and organisational literatures.

Figure 6.3: The continuum of degrees of intra-organisational trust
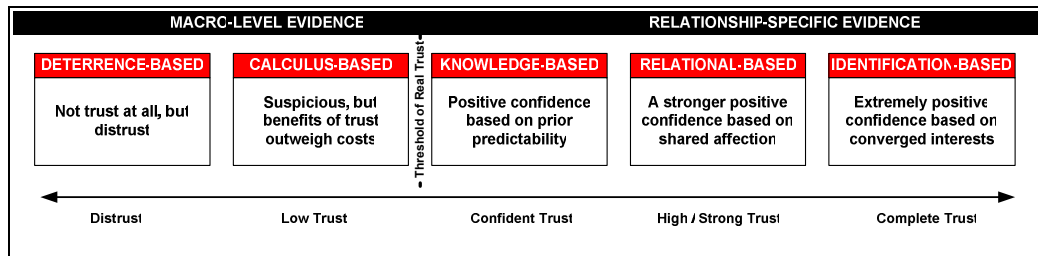
Adapted from: Dietz, Den Hartog (2006)

The main objective is therefore to:

- Specify the level of trust *needed* in each direction,

- Quantify the *current* level of trust in each direction

- Where possible, improve weaknesses identified within the current relationships or else

- Consider the option to forge new trustworthy relationships.

Figure 6.4: Directions of Trust within the Social Investment Realm
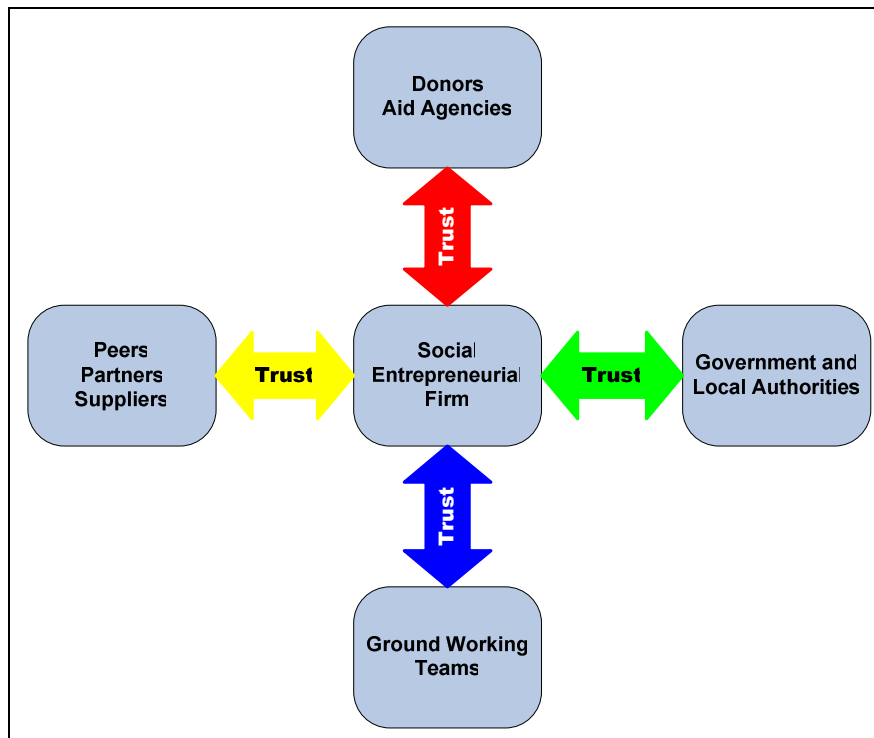
This concludes the vector translation process. The next step is to encapsulate all the learning into a single social investment model.

6.5   CONCLUDING THE SOCIAL INVESTMENT MODEL

6.5.1   Crafting the Model

> *"Micro finance institutions need to make a strategic choice to integrate additional services, form partnerships with other organisations or remain focused on financial services alone. This choice will be determined by the* **capacity of the organisation,** *the* **environment in which it operates**, *and the* **degree to which its ability to achieve positive change in clients' lives** *is constrained by other structural factors".*
>
> - Institute of Development Studies, Case 3 -

The Institute of Development Studies' comments in case 3 encapsulated the heart of the Social Investment Model. For this reason, the author decided to use the same three layers within his graphical representation of the model (figure 6.5, page 139).

(a) Project Environment

This layer is founded on the notion that external forces within the environment can have a significant impact on the project and should be considered during the project selection process. Ideally, one would start the analysis with conditions surrounding the global environment and then home into the country's attractiveness up to the point where one quantifies the CAGE forces between host and home country.

(b) Achieve Positive Change in the Client's Lives

In this realm, there are a number of opportunities that exist. Most of these opportunities are not visible to the "naked eye", but rather sprouting forth from existing relationships with the community, Government departments, peers, donors or international agencies. The quality of the business prospects is determined by a combination of trust between stakeholders, the organisation's ability to deliver and elements of luck.

Figure 6.5: Social Investment Model
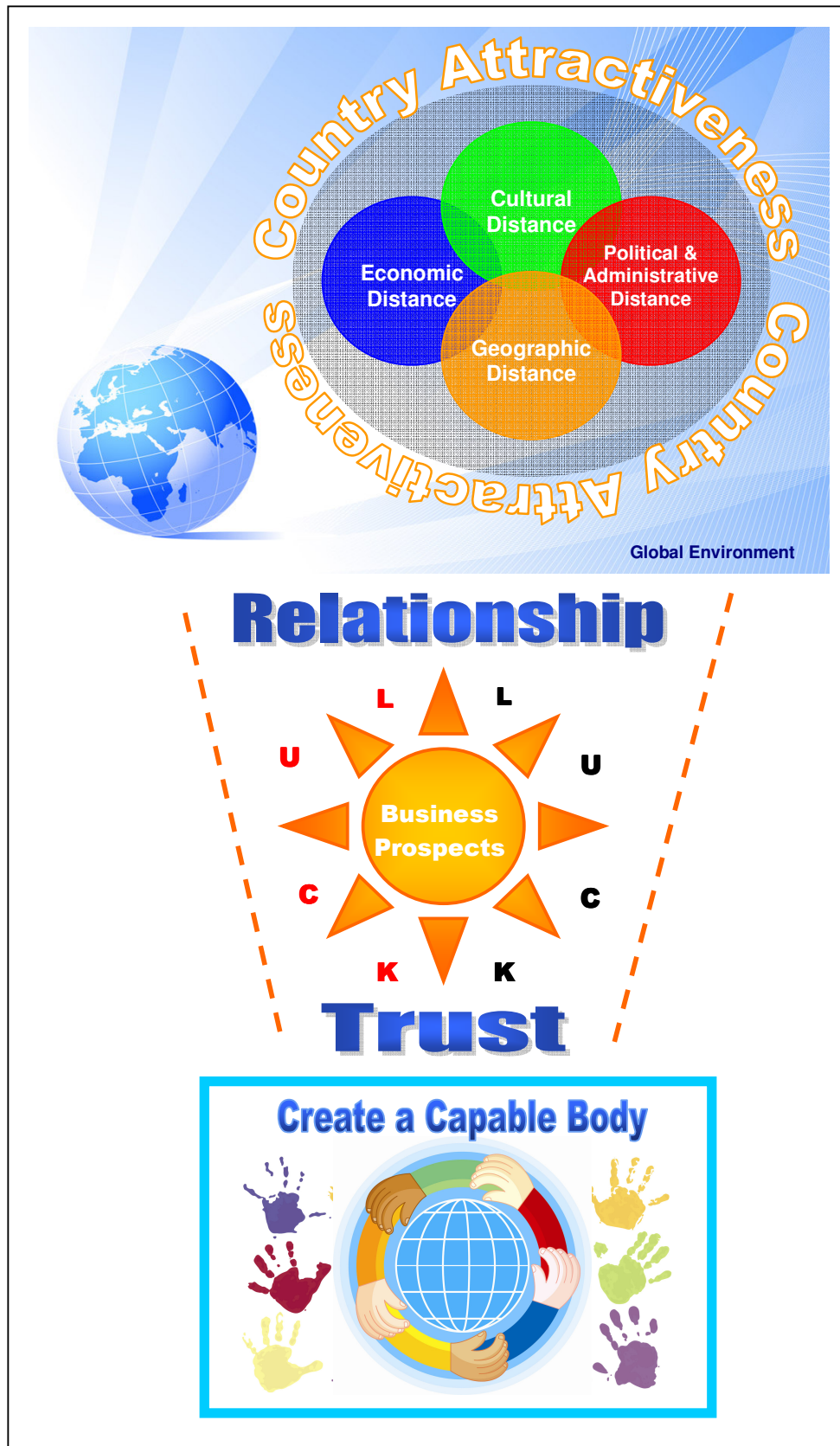
(c) Group's Ability to Deliver

The enormity of many social investment projects forces the social entrepreneur to forge relationships, alliances and partnerships with other stakeholders in the field.

A core team will usually take ownership of the venture while various elements within the project will be outsourced to experts, peers, community members, volunteers, etc; each with its own characteristics, strengths and specialities.

This segregated organisational structure implies that one should not only consider the social investment firm's ability to deliver, but rather optimise and evaluate the entire body's ability within context. The partnership forming process inherently encompasses the selection of an appropriate entry mode into the community/country.

6.5.2   Model Application

Without repeating the knowledge gained thus far, one could summarise the application of the Social Investment Model into the following three processes:

(a) Selecting an Opportunity

The objective of this process is to allow top management to compare the attractiveness between two or more prospects during executive decision making. For this, they would primarily use vectors 1-8, but also 9-17 to:

- Evaluate the quality of the current and future social investment projects within the opportunity space.
- Use the definitions, measurement tools and key success factors from the listed vectors to evaluate the environmental conditions in which these opportunities exeunt.
- Evaluate the group's ability to deliver a successful sustainable solution to the problem at hand.
- In terms of the partnership forming process, specify the minimum requirements for vectors 9-17 that would ensure the group would achieve project success.

Table 6.7: The opportunity selection process

Opportunity Space	
V5	Creating your own luck
V6	Quality of Business prospects on offer
V17	Trust levels between the external environment and the organisation
Project's Environment	
V7	Country Attractiveness
V1	Cultural Difference
V2	Administrative or Political Distance
V3	Geographic Distance
V4	Economic Distance
Group's Ability to Deliver	
V8	Company's ability to deliver – Hard & Soft Resources
V9	Strategic variables needed to ensure success
V10	Location specific variables needed to ensure success
V11	Transaction specific variables needed to ensure success
V12	Firm specific variables needed to ensure success
V13	Experience needed to ensure success
V14	Identify possible risks within the venture
V15	Define controls needed to mitigate there risks
V16	Define commitment needed to ensure success
V17	Quantify inter-group levels of trust needed to ensure success

(b) Identifying and Optimising the Required Entry Mode

The requirements set forth for V9-16 in the opportunity selection process provided management with a structure that defines the capabilities needed from the group to attain success.

The purpose of the entry mode selection process is to match these ideal conditions to a theoretical entry mode and then optimise this theoretical entry mode according to transaction specific conditions.

Step 1: Select an appropriate theoretical entry mode

The requirements specified for V9-V16 during the opportunity selection process should be used as inputs when selecting the theoretical entry mode.

a) Use the requirements specified for *control, experience and risk* as inputs for Wild, Wild & Han's (2006) "Evolution of the entry mode decisions".[26]

b) Use the requirements specified for the *strategic- , location specific- , transaction specific -, firm specific variables* to validate the equity mode as per Shi, Sui & Ho's (2001) "Conceptual framework of entry mode choice".[27]

c) Use the requirements specified for the *commitment levels* against Pan & Tse's (2000) "Hierarchical model of entry modes requirements".[28]

d) Ensure that the required levels of trust for the entry mode are either existing or realistically obtainable.

Step 2: Optimise the entry mode

Use the best practices for entry mode selection[29] to scrutinise each vector on its own for clues that might highlight a need to customise the entry mode.

Finally, ensure that you are comfortable with the advantages and disadvantages of the selected entry mode, as stipulated in table 3.3, page 42.

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[26] Figure 6.1, page 121

[27] Figure 3.5, page 44

[28] Figure 3.6, page 45

[29] Section 6.3, page124

It is also recommended to close the loop by glancing over vectors 1-8 again as to identify any significant fact that would require one to alter the selected entry mode, or that would highlight any opportunities that might arise as result of the selected entry mode.

(c) Identify Weaknesses within the Proposal

One must keep in mind that the aim of any social investment project is to orchestrate a sustainable change in the clients' lives.

Theoretically speaking one can therefore say that sustainability should encompass all investment decisions, irrespective whether it is opportunity or entry mode selection related. With this in mind, one can improve one's social investment plan by identifying and addressing any sustainability related (and other) weaknesses within the proposal, using all 17 vectors as reference.

Practically speaking, this process entails:

- **Benchmarking** one's proposal against the key success factors identified for each vector in Chapter 5,
- Using the vector themes as a guideline for an **open-ended questions and answers** session, with the objective of identifying any additional weaknesses within the investment strategy.

6.5.3   Conclusion

This concludes the development of the Social Investment Model. This model is by no means perfect or complete, and many reasearchers will add or alter the structure through the years to come. For the time being, the model contains enough paradigm shifts to alleviate the majority of risks and pitfalls associated with current cross-border investment programs.

6.6   RECOMMENDATIONS

Now with the foundation being laid, correlations drawn between successful social investment firms and international business best practices, one could almost start to believe that the sky might be the limit.

This paradigm shift might allow social investment firms to use existing international business theories to leapfrog their capital based counterparts; embracing the new business realm of social profitable organisations.

6.6.1   Future Research

The fact that this research project was a foundational study, establishing a new paradigm shift, allows for a wide variety of researchers to latch onto the findings and produce more detailed and optimised results.

The researcher then would like to invite researchers from all spheres to focus on topics like:

- Create a model that would allow management to track the success of a social investment project by converting the qualitative success measures (like the letters from the orphans) into predictive quantitative measures.
- Create a social investment project management system.
- Define a model would measure the investment projects sustainability levels.
- Create partnership structures and entry modes that are tailored for the social investment realm.
- Define corporate governance policies and control structures for international social investment firms.

6.6.2   Social Entrepreneurship Mindset

The researcher would like to challenge non-profit organisations to alter their naming convention. A "non-profit" mindset might lead one to believe that you are successful if you are not in business to make a profit, spending the monies promised, showing the investors/donors the necessary governance and auditing reports as proof that there was no fraudulent activities involved.

Being a non-profit organisation makes it difficult to answer the following questions:

- What is the return on your investment?
- Was the business plan optimised?
- Could you have made a greater impact?
- How are you doing compared to others in the industry?

In fact, most NGO's are not just in business to be non-profitable, but rather to make a difference in society. If this is the case, why not considering to quantify your contribution in terms of social profit? This will allow you to calculate your return on investment for each project and benchmark it against industry norms. This way you will be able to grow and become the best you can be – investing in projects that will have the maximum impact.

6.6.3   Social Project Management Dimensions

The classic project management dimensions are cost, quality and time as key indicators for project success. The problem is that a number of social investment projects aim to change human behaviour instead of delivering the perfect product on time. In essence, time seems relative…

> "The project manager tells you that if you meet this person on Monday, we can deliver on Wednesday. In real life, that person might not be available on Monday. An even worse, during your meeting you might realise that this person is not the influential community member you were looking for."
>
> - Dr Sunette Pienaar -

The recommendation therefore is to trade "time" for a more important variable; "sustainability". There is no use in compromising quality, cost, or sustainability to get the project completed in time.

First-world countries took more than 100 years to evolve into their current state, but suddenly we are expecting developing countries to adapt to these new technologies/trends within a 3-5 year period. Rather spend your time to do things right the first time instead of doing them over and over again.

6.7   FINAL WORD

There's a fine line between fishing and just standing on the shore like an idiot.
- Steven Wright-

As social investors and entrepreneurs, we should continuously ask ourselves the question: Are you giving a man a fish or are you actually teaching them to fish? One should not help when no help is needed and should always strive to help those who can't help themselves.

May we then continue our fight against evil, and may we be vigilant enough to reject prospective and lucrative offers that are not going to be for the greater good of the community.

I heard a president of one of the African nations plead, "Do not send aid to Africa when we don't have an emergency. You are breaking our economies. Our people won't work."
- Loren Davis, The race for Africa -

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SUMMARY OF
CASE STUDIES

Case 1	**Bill & Melinda Gates Foundation** **Working with Botswana to Confront Its Devastating AIDS Crisis**
Executive Summary	Through an innovative partnership between the government of Botswana, Merck, and the Bill & Melinda Gates Foundation, demonstrate for the first time in Africa a successful national effort to treat those living with HIV, slow the transmission of the virus, and minimise the impact of the epidemic.
Identified Key Success Factors	1. However, the model we have helped to build in Botswana requires significant medical infrastructure, which could make it difficult to adopt in countries with fewer resources. 2. Botswana also had a stable democracy and significant resources of its own to commit. 3. Bold political leadership is essential: The person most responsible for leading Botswana's response to AIDS is President Festus Mogae. 4. By July 2000, Merck and the Gates Foundation created the African Comprehensive HIV/AIDS Partnerships and formally joined forces with President Mogae to support the country's already ambitious efforts to combat the epidemic. 5. The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics. 6. Create a national HIV/AIDS strategy—that is, to turn a serious but fragmented response into a comprehensive and coordinated national campaign. 7. But many challenges remain. For example, roughly 50,000 people who could benefit from ARVs—especially those in remote districts—still have not been reached. 8. Be Realistic: But the fact that the spending has been slower than we anticipated is an indicator that we underestimated just how hard it is to build up the systems necessary to confront HIV/AIDS across an entire country. 9. Community must be able to sustain intervention: We believe Botswana will, over time, be able to sustain the costs of its treatment program.
Reference	www.gatesfoundation.org/whatwerelearning
Publication Date	June 2006

Case 2	**Bill & Melinda Gates Foundation** **Ensuring the World's Poorest Children Benefit from Lifesaving Vaccines**
Executive Summary	Prevent needless deaths in the world's poorest countries by increasing access to basic vaccines and speeding the introduction of new vaccines.
Identified Key Success Factors	1. The blueprint for GAVI called not for a large new international bureaucracy but rather for a lean secretariat housed within UNICEF's offices in Geneva, administered by widely respected Norwegian immunologist Tore Godal, and governed by a 12-member board. 2. These 12 members represented all the major partners in the alliance, including developing-world governments, the World Health Organisation, UNICEF, the World Bank, pharmaceutical companies, NGOs, research institutes, and the Bill & Melinda Gates Foundation. 3. GAVI invites the 75 poorest countries in the world to develop plans and submit proposals for increasing vaccine coverage and use of newer vaccines. 4. An independent committee made up largely of developing-country public health experts then reviews and makes recommendations on the proposals. GAVI's board then meets to review the recommendations. Once the board approves a proposal, it requests that the GAVI Fund release payment. 5. GAVI looks across all the approved plans to forecast how many doses of each vaccine will be required overall. This demand-forecasting helps guarantee an adequate supply of vaccines. We hope that over the long term it will also reduce unit prices. **Key Lessons:** 1. **Sometimes you have to be the first dollar in.** GAVI Fund in 1999, we were its only funder, and we did not require that the grantee match our commitment (as we often do today). It was a risky bet. 2. **"Five years only" does not work.** GAVI is now requiring countries to "co-pay" from the start—that is, to assume a small percentage of the cost of the program right away, with the percentage increasing every year.(Only back winners not beggars, and co-ownership of the problems) 3. **GAVI did not pay enough attention to developing-country priorities.** Driven in large part by the foundation's eagerness (even impatience) for results, GAVI often moved at a pace that made it impossible to get full buy-in from developing countries. 4. **Funding operating expenses is essential**. The foundation was initially reluctant to allow GAVI to use a significant amount of our funding to support grantee operating expenses - as opposed to purchasing vaccines. But we've learned that funding operating expenses is vital for getting new entities up and running, for attracting donors that have greater funding restraints, and for giving grantees the ability to innovate. 5. **GAVI was too narrowly focused.** From the start, GAVI has recognised that funding vaccine purchases alone would not allow the 75 poorest countries in the world to overcome their infrastructure challenges, so it has provided "immunisation system support" to help countries improve their ability to deliver vaccines to a large portion of their children. GAVI has learned that in many cases the ability of the country to reach more children is not related simply to its immunisation program. Broader health-system failures are often to blame. So GAVI has now expanded its funding criteria and set aside about half of its resources to help meet broader health-system needs. 6. **Creating an alliance of existing entities was a better strategy than building a new entity** But as the old African proverb says, "If you want to go fast, go alone. If you want to go far, go together." Each of GAVI's partners has a unique role, and brings essential relationships and insights to the table..
Reference	www.gatesfoundation.org/whatwerelearning
Publication Date	June 2006

Case 3	Institute of Development Studies Using microfinance to fight poverty, empower women and address gender-based violence and HIV
Executive Summary	SEF provides credit and facilitates savings through solidarity groups for poor and vulnerable women in rural South Africa. By December 2007, 250 staff were serving more than 45,000 women, with an operational self-sufficiency of 113 per cent. SEF targets the poorest women – two-thirds of its clients live on less than US$1 a day, and 70 per cent of clients interviewed had had to beg for food during the previous year.
Identified Key Success Factors	1. SEF integrates simple social performance indicators into its management systems. 2. Lancet study shows that integrated microfinance programs can change family dynamics in fundamental ways, and along dimensions associated with HIV transmission.' 3. The IMAGE project (Intervention with Microfinance for AIDS & Gender Equity) is a partnership between SEF and the Rural AIDS and Development Action Research (RADAR) Programme. IMAGE combines poverty-focused, group-based microfinance with structured training and discussion about social norms, gender-based violence and HIV/AIDS. Combining two specialist projects created synergies resulting in impacts beyond those that have been achieved by either organisation independently. 4. The training provided the awareness, self-confidence and support necessary to challenge violent behaviour within the household: 5. The training element of the IMAGE project enabled women to strengthen existing social networks and form new ones – an important source of support in times of crisis – thereby reducing their vulnerability 6. A recurring theme throughout the study was the fundamental role of solidarity and trust in shaping the project's success 7. MFIs need to make a strategic choice to integrate additional services, form partnerships with other organisations or remain focused on financial services alone. This choice will be determined by the capacity of the organisation, the environment in which it operates, and the degree to which its ability to achieve positive change in clients' lives is constrained by other structural factors.
Reference	www.ids.ac.uk/go/microfinance
Publication Date	May 2008

Case 4	Micro Enterprise Alliance, South Africa Rural Finance Expansion: Experience in Commercialization
Executive Summary	This paper uses experiences of what went wrong in two micro finance institutions in South Africa, the practices of one development organization and the current unique Micro Enterprise Alliance HIV/AIDS workplace tool kit, to contribute to the theme of Commercialization: Profitability versus quality.
Identified Key Success Factors	1. Identify the target group and use poverty identification model to focus on the poor of the poorest 2. Promote, teach and facilitate Household Food Security so that the money from other enterprise undertakings is not used for consumption 3. Stimulating economic activities and establishing profitable businesses. 4. Promoting the establishment of Entrepreneurial Groups, Business Cooperatives and Financial Services Co-operatives (village banks).
Reference	http://www.basis.wisc.edu/live/rfc/
Publication Date	Unknown

Case 5	AngloGold Ashanti Malaria treatment at Obuasi, Ghana and surrounding districts
Executive Summary	The global health emergencies of HIV/AIDS, Tuberculosis and Malaria represent significant health risks to certain AngloGold Ashanti operations, and in order to mitigate the impact of these diseases on the business, they are managed within the broader context of AngloGold Ashanti's Wellness in its Workplace strategy. Three million cases of malaria were reported in Ghana during 2005 - associated with increased susceptibility of younger children and pregnant women. Malaria is also the leading cause of disease in Obuasi. During January 2006 some 11,800 cases were reported in the Obuasi district. Total malaria cases in the community however are not accurately measured due to under-reporting in the Public Health Service but are considered to be extremely high. For the AngloGold Ashanti (AGA) Obuasi Mine in 2005, between 6,000 and 7,000 cases were diagnosed monthly among employees, contractors and employee dependants - with a monthly case incidence rate of 24% for employees and contractors. Transmission has historically been continuous throughout the year, and during 2005 seven employees died as a result of malaria. The overall reported case fatality rate at Obuasi was 0.2%. Treatment costs for malaria at the AGA Edwin Cade Hospital were some US$ 55,000 per month. The impact on productivity at the Obuasi Mine was significant with an average of 7,400 shifts per month in 2005 being lost due to malaria. Prior to the full implementation of the Obuasi Malaria Control Program, AGA commissioned the Noguchi Research Institute based at the University of Ghana to conduct a baseline community parasite prevalence study. This survey confirmed high prevalence rates ranging between 45% and 90% in 10 randomly selected samples of primary schoolchildren. Beyond a clearly evident business case, and based on AGA's values and business principles, AGA decided to implement a broad-based Malaria Control Program which would incorporate the whole Obuasi community and outlying villages. It was recognised that the town and district infrastructure, as well as the insecticide resistance patterns would significantly influence the complexity of the program, and that no single magic bullet was available - thus requiring an integrated approach.
Identified Key Success Factors	1. Baseline Studies were conducted prior to intervention by experts 2. Community education and communication prior to intervention 3. Defined a clear strategy/policy to solve the problem. 4. Program was aligned with Government and International policies/efforts 5. Ongoing surveillance, monitoring and progress reporting during the project 6. Appointed a FULL TIME control manager, with support staff 7. Similar process to be rolled out by Ashanti in other countries. (Gained experience) 8. Beyond a clearly evident business case, and based on AGA's values and business principles
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=41
Publication Date	February 23, 2007

Case 6	**General Motors** **Global AIDS Education and Intervention**
Executive Summary	General Motors was inspired to establish its global HIV/AIDS community programs by three interrelated perceptions and realities: first, the enormously destructive power of the epidemic itself, and its threat not only to the health and security of its own workforce, but to the communities, regions, and nations in which GM employees live and work; second, the company's historic commitment to health, dignity, and human rights both in GM communities and the world at large; and third, a belief, inspired and sustained by the remarkable film, A Closer Walk, that broader awareness and better education are essential priorities if the battle against HIV/AIDS is to be won. General Motors has operations in 33 countries and over 12,000 communities. Many of its global locations are in high risk communities: South Africa, Kenya, Nigeria, Thailand, India, Indonesia, and China, to name a few. Many of these communities represent the very epicenters of the AIDS epidemic, past, present, and future. Given the challenge represented by the sheer magnitude of these global constituencies, a GM-driven program on awareness and education held most promise of meaningful impact for two reasons: it represented an opportunity to target those who are vulnerable to the disease by providing such individuals with basic information and knowledge that could, in fact, save their lives; and, on a broader scale, greater and more meaningful awareness could mobilise a general public that has historically been ill-informed about AIDS and its underlying causes, and therefore incapable of influencing policymakers and effecting meaningful change at national levels. There are two basic approaches to GM's awareness and education policies and programs: first, on the health and safety front, its programs are directed at the workforce, their families and communities; and, second, on the global outreach front, through GM's Public Policy Center (PPC), GM's programs are designed to mobilise the general public, drive action, and create partnerships with industry, governments and NGOs.
Identified Key Success Factors	1. Stay focused - have a clearly defined strategy and stay the course. 2. Social Responsibility is not a competition - aligning with and complementing community outreach efforts where they exist already 3. Align all efforts INTERNALLY (Corporate Responsibility, Communication, Marketing, and Healthcare Initiatives). 4. Leverage GM's talent and resources to solve the problem 5. Partner with 3rd party organisations: NGOs, governments, business partners and HIV/AIDS coalitions. 6. Many of its global locations are in high risk communities 7. Efforts are in line to the company's historic commitment to health, dignity, and human rights both in GM communities and the world at large
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=30
Publication Date	February 23, 2007

Case 7	**Interpipe Group** **Community HIV/AIDS Awareness in Ukraine, Europe**
Executive Summary	In 2005, Interpipe Corporation implemented a HIV@Workplace Program at two pilot enterprises: ICTV (Kiev TV channel) with a core competencies program and VtorMet (metal scrap producer in Dnipropetrovsk) with a community program. In the beginning, the VtorMet program was very challenging as the local situation was defined by four factors: the highest prevalence rates in Ukraine, low awareness on HIV/AIDS, low education and wages, and being remote to the city. Thus, the community was very exposed to HIV and reluctant to endorse any HIV policy. The Dnipropetrovsk region has the highest HIV prevalence rate in Ukraine (356, 5 for 100 thousand people) and the highest number of newly registered HIV-infection cases. Moreover, the epidemic in the region is fuelled by one of the highest drug abuse rates in Ukraine. With an estimated adult HIV prevalence rate of 1.46% (WHO/UNAIDS estimates 2006), Ukraine remains the worst-affected country in Europe. The epidemic is rapidly spreading among the general population. 60% of infected people don't know that they have HIV. 50% of all new HIV cases are amongst the youth aging from 20 to 29 years old. The epidemic is fueled by unsafe intravenous drug use and unprotected sex (number of people infected through IDU is 45%, through unprotected sex increased up to 35% in 2006). During trainings for enterprise employees, Interpipe received direct request to conduct such trainings for their children and for children living in the community in general. "Children are our future, we must teach them how to protect themselves", - one of the workers wrote in the questionnaire. Thus, it was decided to extend Interpipe's HIV@workplace program to the community, by embracing two community secondary schools and educating the youth.
Identified Key Success Factors	1. Request for intervention came from community 2. School principle was sceptic but they took the RISK and taking the first step. 3. Program was financed by Interpipe 4. Small beginnings: Success in one community caused management to roll the SAME program out to other communities.
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=31
Publication Date	February 23, 2007

Case 8	**Marathon Oil Company** **Combating Malaria in Equatorial Guinea**
Executive Summary	When Marathon acquired production interests on Bioko Island, Equatorial Guinea (EG) in 2002, and through engagement with the Equatorial Guinea Government and the EG Ministry of Health and Social Well-being (MoH), the company quickly identified malaria (Plasmodium falciparum) as the key health issue facing employees and local communities. It became clear that elimination or at least a drastic reduction of malaria on Bioko Island would not only reduce the health care and economic burden of this devastating disease on the local population where it accounts for almost half of child mortality, but that this would also help protect the local workforce. To meet this critical challenge head-on, Marathon and its business partners teamed with the Equatorial Guinean Government and leading health specialists to design a comprehensive malaria eradication program -- the Bioko Island Malaria Control Program (BIMCP). The partnership has worked collaboratively to roll out a three-pronged malaria control program at an exceptionally rapid pace. The program, which was initiated in 2003, consists of three principal interventions: 1) Vector Control: Primary intervention is accomplished through indoor residual spraying (IRS), which breaks the cycle of infected mosquitoes transmitting the parasite to new victims; 2) Case Management: This required medical staffs to be trained to diagnose and treat malaria cases using new protocols that rely on combination drug therapies to overcome resistance to long-standing treatments based on use of a single drug; and 3) Monitoring and Surveillance: Designed to monitor the effectiveness of the program (reduction in mosquito numbers and their level of infectivity), this component checks ongoing project results and facilitates necessary operational adjustments. After only two years of indoor residual spraying, results show a 95% reduction in malaria transmitting mosquitoes (based on average number of infected mosquitoes caught in the home per 100 nights from pre-spray baseline research) and a 44% reduction in the presence of malaria parasites in children (based on blood smear testing). Furthermore, the program has achieved tremendous economic benefits to the community.
Identified Key Success Factors	1. Effort was to reduce the health care and economic burden of malaria on the local population and also help protect the local workforce. 2. Engaged with the Equatorial Guinea Government and the EG Ministry of Health and Social Well-being during the problem definition phase. 3. Formed Implementation team with partners, government and world class experts in the field malaria and social development. 4. Team was led by medical experts, not Marathon itself. 5. Formulated clear and simple control strategy 6. Community information, education and communication program (communication materials were developed to explain why this was necessary, and to provide general information about the project and the prevention and treatment of malaria) 7. These communications materials used multiple languages and multiple methods and pre-tested by focus groups to ensure relevance. 8. Up-skilling/training of community workers at health centers to deal with the problems of Malaria. 9. All new visitors to the project site on Bioko are provided an in-country orientation that focuses on malaria prevention and treatment. 10. Conduct baseline surveys prior to intervention 11. Continuous (monthly and annual) surveillance, evaluation and progress monitoring 12. Marathon and partners committed to provide finances for pre-defined services/medication. 13. Intervention protocol became national policy for malaria treatment 14. Use of drama as an accepted cultural medium to improve awareness 15. Ensure sustainability by continuing and improving existing efforts
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=32
Publication Date	February 23, 2007

Case 9	**Modicare** **Community HIV/AIDS Awareness in New Delhi, India**
Executive Summary	Modicare has devised various strategies to reach out to its diverse target groups: ▪ NGOs ▪ Adolescents ▪ Community Men and Women ▪ Workplace Employees ▪ HIV infected and affected individual Modicare foundation has been involved in both direct and indirect community intervention programs for different target groups. The foundation is supporting local NGOs in organising mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents. Keeping in mind the needs and concerns of the adolescents Modicare has come up with a module called "Demystifying Adolescence - Bujho, Jaano, Samjho" Regular session on growing up and related issues are discussed with adolescents (in and out of school) in government and private school to equip them with the skills to deal effectively with day to day situations. Through its testing center, the foundation has catered to more than 4,500 people who have come for testing and counseling services on HIV/AIDS. The center is considered as one of the best VCTCs in town and is one of the most successful examples of Public Private Partnership. Modicare also implements Workplace Intervention programs by advocating, customising, implementing HIV/AIDS programs and providing technical assistance. Modicare is also working with the OKHLA INDUSTRIAL AREA workers. The Foundation also networks with corporate houses and other NGOs for care and support services. The Foundation is presently supporting the ARVs and nutritional requirements of 10 people living with HIV/AIDS.
Identified Key Success Factors	1. The foundation is supporting local NGOs in organising mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents 2. The Foundation also networks with corporate houses and other NGOs for care and support services. 3. Clear STRATEGY to SUPPORT community needs: Modicare has been working with a single minded mission of giving back to the society that has made it capable of giving, whatever it needs for its sustenance and development.
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=33
Publication Date	February 23, 2007

Case 10	**Palabora Mining Company** **Community HIV/AIDS management in the Limpopo Province of South Africa**
Executive Summary	South Africa has the highest number of people living with HIV/AIDS in the world with as many as 6.5 million South Africans estimated to be HIV positive. The Limpopo Province's HIV/AIDS infection rate is estimated at 14%. Limpopo Province is one of the three poorest provinces in South Africa and is largely rural. Palabora Mining Company has a comprehensive site based on HIV/AIDS Program for company employees and contractors that include education and awareness training, VCT and affordable access to ARVs for employees and their spouse. However, the families of employees do not have access to all of these programs. Senior management of Palabora felt that there was a lack of health care facilities and capacity within the government health care structures to address this pandemic in the community. Palabora Mining Company therefore initiated the HIV/AIDs program as one of its three pillars to support sustainable development, the other two being skills and local economic development, and solicited other partners to assist. The purpose of the program is to use an effective HIV/AIDS management system to minimise the impact of HIV/AIDS in the community by "Educating communities to change social behavior and to monitor incidences and trends in order to measure the effectiveness and impact of the program."
Identified Key Success Factors	1. Worked in collaboration with local government and other NGO's 2. Conducted a baseline study prior to involvement 3. Treatment is now more accessible to local communities and better managed through the support structures set up by the Phelang Community Center. (HIV positive patients had to travel 100 km to local hospital in the past) 4. Used existing community support structures along with volunteers from NGO's 5. Used community peer group educators in high transmission areas 6. Leveraged governmental funds to pay for home based workers 7. Run pilot projects 8. Monthly progress reviews
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=36
Publication Date	February 23, 2007

Case 11	Rio Tinto Community HIV/AIDS management inMadagascar
Executive Summary	HIV/AIDS was identified in the Social and Environmental Impact Assessment as a significant issue for the local community in view of the potential for migration, the arrival of foreign workers and increase in disposable income in male workers isolated from their families, all potentially contributing to the spread of the disease in a vulnerable population. QMM conducts mining operations in countries where HIV/AIDS has reached epidemic proportions. So in line with their commitment to sustainable development, they are proactive and responsible in supporting its employees in both the prevention and treatment of HIV/AIDS.
Identified Key Success Factors	1. Strategic commitment to sustainable development 2. Created regional sectors and prioritised according to the needs of each sector. 3. Created a dedicated task force for each zone. 4. Crafted, along with local committees of each zone, strategies unique to each zone 5. Received technical assistance from international leaders in the industry 6. Outsourced certain programs to specialist NGO's 7. Training of staff and health officials 8. Maximise local content 9. Continuous dialogue with community 10. Rio Tinto invests heavily in education and training of youth and local health care workers to ensure the skills needed to maintain the program remain in the local community 11. Multi-sector partnerships with the government, NGOs and the private sector ensure a broad and sustainable funding base. 12. Fifty-four volunteers run support groups across the 16 municipal wards in the region including 20 local farms, ensuring convenient access for all members of the community
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=37 and, Business Action, GBC awards for business excellence issue, Summer 2008, p41 Downloaded from http://www.gbcimpact.org
Publication Date	February 23, 2007

Case 12	Scope International Pvt. Ltd. Creating HIV/AIDS champions in the community, Asia
Executive Summary	HIV/AIDS is a global issue. Efforts are being made by different groups to tackle this epidemic. As a social responsibility towards prevention of its further spread, Standard Chartered Bank (SCB) launched its global initiative, `Living with HIV' in 2002. HIV/AIDs is a subject of critical concern in India (India accounted for the second largest HIV/AIDS cases). SCB's wholly owned subsidary based out of Chennai, Scope International Pvt. Ltd developed a peer education program in 2003 to raise awareness on HIV/AIDS amongst employees in the workplace (1,800) and their families. Staff volunteers underwent a training to become `Champions' so as to roll out the awareness program within the organisation. Fortunately, Scope International's initiative did not stop there as it realised that an important and worthy potential spin-off from workplace programs would be to percolate those into the communities. The learning from the internal program, desire to learn, share knowledge and take it forward as `Champions' were so overwhelming that Scope decided to broad-base its initiative by reaching out to vulnerable communities - the illiterate and the ignorant residing in rural and peri-urban areas, students and teachers and even the educated and high profile white-collared executives working in the corporate sector. Ever since, combating the pandemic has become an integral part of Scope International's core values. The efforts to create more `Champions' continue as the company is steadfast in looking beyond business to make a difference in society.
Identified Key Success Factors	1. Conducted baseline survey prior to intervention. 2. Identified SPECIFIC sites where training was needed. 3. Tied up with local NGOs having strong community linkages and experience in community development activities especially in areas of HIV/AIDS and education 4. Create HIV/AIDS "Champions", using the train-the-trainer principle 5. Forged understanding with educational institutions including schools and private blue-chip companies to take the `Champion' model forward as best practice in generating awareness on HIV/AIDS. 6. Community theatres were set up at locations convenient to groups to disseminate anti-HIV/AIDS messages via audio-visual media. 7. opinion makers like key family members, teachers, panchayat members and health workers were involved in the workshops which were followed by discussions. 8. Periodic evaluations and feedback tools have proved that the awareness levels of the targeted groups have gone up post intervention. 9. They view the process as a continuous one
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=39
Publication Date	February 23, 2007

Case 13	**Standard Chartered PLC** **Creating HIV/AIDS champions across the globe**
Executive Summary	In 1999, Standard Chartered estimated that 10% of its employees in Kenya were absent from work at any one time due to HIV/AIDS. More recent, business impact assessments undertaken in Kenya and Zambia identified that the cost of HIV/AIDS to the business was 0.5% and 1% of total costs respectively (US$270,000 and $US 300,000 annually). This situation is indicative of the position in many of Standard Chartered markets. Standard Chartered Bank felt compelled to respond and a peer education program called 'Staying Alive' was launched across Africa. In December 2003 this program was extended. This revised program, 'Living with HIV', aims to address the global challenge of HIV/AIDS. As one of the world's most international banks, Standard Chartered employs almost 60,000 people, representing over 100 nationalities, worldwide. This diversity lies at the heart of the Bank's values and supports the Bank's growth as the world increasingly becomes one market. With strong organic growth supported by strategic alliances and acquisition and driven by its strengths in the balance and diversity of its business, products, geography and people, Standard Chartered is well positioned in the emerging trader corridors of Asia, Africa, and the Middle East. Standard Chartered <u>derives over 90% of its profits from Asia, Africa and the Middle East.</u> Serving both Consumer and Wholesale Banking customers worldwide, the Bank combines deep local knowledge with global capability to offer a wide range of innovative products and services as well as award-winning solutions.
Identified Key Success Factors	1. Standard Chartered's HIV Champions, who have driven the program forwards across the business. In 2006 the Bank had 300 HIV Champions across its geographic footprint. They are responsible for preparing programs that reflect the priorities of their own country and delivering awareness raising activities for employees. 2. Standard Chartered's HIV Champions develop relationships and work closely with NGOs operating in their country or with target groups to develop and deliver education activities. 3. Resources are made widely available both through central mechanisms such as the Bank's website (e.g. the HIV e-learning resource) as well as through individual activities led by HIV Champions. 4. Use of pilot projects before rolling out on major scale 5. The Bank is keen to build on the success of the program; using the skills and capacity developed to benefit a broader network of people. The new Vision is to reach one million people in three years. The mission is to achieve this by strengthening its commitment to existing partnerships, including those with customers, suppliers and NGOs. 6. In 2006, Standard Chartered's HIV Champions partnered with Chi Heng Foundation to raise funds. 7. Commitment: The Bank has also formalised an approach for employee volunteering; providing two days paid leave for employees to contribute to community projects.
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=51
Publication Date	February 23, 2007

Case 14	**Xstrata** **HIV/AIDS workplace program**
Executive Summary	Xstrata is committed to ensuring that the past 5 years of sustained investment into its workplace program remains effective and continues to show real results. Xstrata has demonstrated how it is possible to achieve a high impact workplace program based on a trend response methodology that gets all employees to say "I Know™ the way to live". Xstrata believes that it has started to address the challenge of sustaining results in a workplace program that is responsibly monitored and evaluated. It is now putting this into practice through a 'whole community' approach. The risks of social, nutritional, poverty, health and welfare deprivation and vulnerability to new HIV and TB infections are extremely high. 35% of women attending Mpumalanga antenatal clinics are HIV infected. 11% of children in Mpumalanga are maternally orphaned, which reflects the high rate of AIDS deaths. Many infected community members have difficulty accessing accredited public sector HIV treatment sites, which are distances away. Xstrata's response to this is to leverage the Xstrata Group influence, organisational capacity, corporate social investment financing and momentum of the workplace program towards taking effective and sustainable local action. Through integrated community interventions, Xstrata believes that the health action trends that it has established in the workplace can be cascaded into the community. It is estimated that approximately 20% of Xstrata's South African workforce is HIV positive, making this the most significant health risk facing the organisation
Identified Key Success Factors	1. Excluded no person and driver by driven by "100% Targets" 2. The community program is driven by Xstrata's strong commitment to innovation and the vision of supporting sustainable local social and economic development as the means of building community resilience to the vulnerabilities that perpetuate HIV/AIDS and TB. 3. Xstrata has incrementally and systematically carried the momentum and learning from its workforce responses to the households and communities by means of the door to door approach by working with its implementing Partner, Re-Action!. 4. Work and community based Wellness Champions, Community Outreach Workers, Treatment Counselors, and program coordinators who are trained and supported to mobilise the community at the grass roots level implement various tools to help the community. 5. It invests in interlinked health, social and food security projects and working towards sustainable livelihoods through supporting skills development and income generation activities. 6. Working together with the government is the most sustainable way of achieving its development goals so Xstrata has entered into a Memorandum of Understanding with the Provincial Department of Health to implement a Public-Private Mix model that will extend its forerunner project in the Breyten community to other sub-districts. 7. This collaboration also reduces duplication, identifies gaps and achieves efficiencies, such as improvements in the supply chain for ARV and TB pharmaceuticals for both public and private clinics. 8. Having earned the respect of employees and the communities in which it operates, XCSA is now able to venture into new partnerships and facilitate further sustainable local development and social developments. 9. Its methodology states that deep democracy and collective counsel creates a platform to retain and maintain the unity and value of individual response which in turn addresses behavior change. 10. Sustainability and continuous innovation is imperative. Xstrata's next steps will be to continue to augment and develop its relationship with its partners and to explore opportunities for future collaborations. 11. Monitoring and evaluation systems will now have to be harmonised so that achievements in the community *(by the NGO's)* and workplace *(internal champions)* can be captured accurately and consistently 12. Committed to ensure that the last 5 year's sustained investment in their workplace program remains effective.

Reference	http://www.gbcimpact.org/live/cases/cases.php?id=45 and, Business Action, GBC awards for business excellence issue, Summer 2008, p39 Downloaded from http://www.gbcimpact.org
Publication Date	February 23, 2007

Case 15	**Abbot** **Aids relief in Tanzania**
Executive Summary	Like many countries in Africa, Tanzania faces a significant HIV/AIDS epidemic. Since 2001, the Abbott Fund and the Government of Tanzania have formed a unique public-private partnership to address critical areas of need in the fight against HIV/AIDS. In total, the Abbott Fund has invested $35 million to modernise the health care system, expand access to HIV testing and treatment, and assist orphans and vulnerable children impacted by HIV/AIDS. The partnership is implemented through Axios, an organisation specialising in health management in developing countries.
Identified Key Success Factors	1. The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC. 2. The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organisation specialising in health management in developing countries. 3. The staff frequently visits Tanzania to coordinate the program and monitor progress. 4. Additionally, highly skilled Abbott employee volunteers spend significant time onsite in laboratories and construction sites in Tanzania to work together with their Tanzanian counterparts 5. When the Abbott Fund's program was started in 2002, there were very few donors in the country and a significant need for improvement in its health care management, infrastructure and services. 6. The country was politically stable and demonstrated leadership to fight HIV/AIDS and openness to partnerships with the private sector, such as those supported by the Abbott Fund. Lessons Learnt: 1. Effective partnerships require clear goals and effective use of each partner's strengths. 2. Direct engagement of the leadership of each partner and communications is essential to success 3. Program strategies need to support national AIDS plans and work with nationals of the country 4. Sustainability means investing in people: a major focus of the Abbott Fund's program in Tanzania is the development of human resources through training health care workers and other staff 5. Be flexible and be prepared to learn and revise 6. Listen to local partners and understand local needs: working with community based organisations ensures local viability and sets the groundwork for a sustainable program 7. Be willing to invest in powerful ideas 8. Continue to work with the Tanzanian government to identify and evaluate how best to address new challenges in the national scale up of HIV testing and treatment. 9. A large investment in monitoring and evaluation of its programs with its primary implementation partner Axios.
Reference	http://www.gbcimpact.org/live/cases/cases.php?id=67
Publication Date	March 15, 2006

Case 16	Accor Aids workplace program
Executive Summary	What sets Accor's workplace program apart is the reach of its advocacy efforts - going beyond the company's workforce to its customers—and its leadership in an industry that has been slow to engage in the global fight. In the company and its subsidiary operations in highly-affected countries, such as South Africa, prevention, education and awareness remain the key areas of focus through dissemination of HIV-specific posters and free distribution of condoms in hotel rooms. Accor's HIV/AIDS strategy includes **individualised action plans** in 19 African countries. These action plans provide awarenessraising programs to prevent HIV transmission among employees, increase voluntary counselling and testing (VCT) uptake, distribute condoms on hotel premises, and treat and care for employees living with HIV. Employee training is also conducted across sub-Saharan Africa, utilising a network of 150 peer educators. The company's advocacy efforts have resulted in 100 percent of all Accor employees in South Africa participating in voluntary HIV testing.
Identified Key Success Factors	1. By adopting action plans for each country in which it operates, Accor has effectively localised its HIV/AIDS program. 2. Used a DVD production as central theme through all country efforts.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 17	Dunavant AIDS testing and counselling, Zambia
Executive Summary	Through its strategic leveraging of the company's distributor networks, Dunavant has established a true best practice program that reaches one of the hardest-to-reach populations in Zambia: the rural poor. The comprehensive program is the result of a public-private partnership with the U.S. Agency for International Development (USAID), focusing on the provision of HIV sensitisation, counseling and testing services and access to treatment throughout the Dunavant community. By leveraging Dunavant's vast network of suppliers and distributors and USAID's resources, the partnership is able to reach over one million Zambians. A number of other partners help with program implementation and support on the ground. Technical support and services are provided by Comprehensive HIV and AIDS Management Programme (CHAMP), a local non-profit organisation, and the Zambian government, which provides HIV rapid test kits through the Zambia Voluntary Counseling and Testing Services program and male and female condoms through the Ministry of Health. HIV sensitisation and voluntary counseling and testing (VCT) services are carried out through a partnership with the HIV Resource Persons Network.
Identified Key Success Factors	1. Through its vast distribution networks—including transportation and communication infrastructure—the company is able to successfully deliver health information and VCT services to its contractors in the field, in addition to its broader supplier and distributor network. 2. By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention. 3. A number of other partners help with program implementation and support on the ground.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p33 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 18	Balirwa AIDS testing and counselling,Rwanda
Executive Summary	Bralirwa's workplace testing and counseling program is outstanding due to its comprehensive nature, which includes tracking HIV-positive patients and couples counseling for employees. Despite being a small company, Bralirwa has successfully leveraged the resources and experience of its parent company, Heineken International, to deliver quality voluntary counseling and testing (VCT) to its employees. While Bralirwa's program offers fundamental HIV/AIDS services –including guaranteed ARV therapy for employees—it goes beyond the standard, providing on-site medical personnel, addressing the psycho-social needs of HIV positive patients, and counseling employees directly on sexual health and relationships. The program includes a heavy emphasis on counseling and testing—over 90 percent of employees and their spouses have taken part in VCT through the company's clinic. Bralirwa frequently partners with other players—including its parent company—to continually educate its doctors, nurses and human resources personnel on the latest ideas and practices in workplace HIV/AIDS programming. The company focuses on the efficacy of tests, conducting repeat testing on those who initially test positive to ensure that results are accurate.
Identified Key Success Factors	1. While Bralirwa is a small company based in a highly-endemic region, it has leveraged the experience and resources of its parent company, Heineken International, to improve VCT services and overall healthcare delivery. 2. Patient health is tracked through an electronic database which can easily monitor the progression of their condition and treatment regimens 3. Bralirwa frequently partners with other players to continually educate its doctors, nurses and human resources personnel on the latest ideas and practices in workplace HIV/AIDS programming
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p34 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 19	INTESA SANPAOLO Community philanthropy, Malawi
Executive Summary	Through collaboration with the local government and a number of NGOs, Intesa Sanpaolo has designed and implemented Project Malawi—a multifaceted intervention aiming to break the poverty cycle by addressing health care, the HIV/AIDS epidemic, and local development and microfinance.
Identified Key Success Factors	1. By partnering with three additional local NGOs—Scout Associations, Save the Children and CISP—the scope of the intervention was broadened. 2. In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved. 3. By building a multifunctional center that hosts the activities of Project Malawi's four partners, the company was able to improve synergies between the multiple services provided by each association. 4. Project Malawi has been able to improve antiretroviral (ARV) therapy adherence and reduce stigma through community support groups. 5. Sustainable Funding Improves Adherence to ARV Therapy 6. By committing itself to a three-year investment, Intesa Sanpaolo was able to greatly enhance the impact its funding would have on people on the ground. Long-term investments allow for better planning and programs that can improve livelihoods in the long-run.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p35 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 20	TOTAL E&P ANGOLA Community philanthropy, Angola
Executive Summary	Through its partnership with Centro de Apoio aos Jovens (CAJ), an Angolan NGO focusing on the prevention of STIs among youth, Total E&P Angola has helped to scale up community outreach, providing life-saving prevention and testing information to youth in the poor suburbs of Luanda.
Identified Key Success Factors	1. Total's partnership with a local NGO whose central focus is to develop programs for a vulnerable population—young people—in a social environment with limited services makes this program a true best practice in community philanthropy. 2. By contributing its funding to a local NGO on the ground in Angola, Total increased the ability of its investment to reach the target group. 3. CAJ brought to the table a deep understanding of local cultural issues and knowledge of the barriers to reaching local youths that the different initiatives would need to overcome.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p36 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 21	**Cisneros Group** **Community philanthropy, Latin America**
Executive Summary	The Cisneros Group of Companies has focused its efforts on the development of the "HIV/AIDS Guidance in Elementary Schools" program, which aims to educate teachers on HIV/AIDS issues through a virtual classroom system. After a three-month training, teachers then bring the course information into their classrooms, educating their students on HIV/AIDS prevention, treatment and care.
Identified Key Success Factors	1. Through its partnership with the Universidad Peruana Cayetano Heredia, a private university in Lima, Peru specialising in medicine and education, Cisneros was able to create a relevant and impactful course. The company contributed its multimedia platform to create the virtual classroom and e-learning tools, while materials were developed by professors from the university. 2. Professors also assist with teaching the course, evaluating classroom activities and monitoring the progress of teachers through the virtual classroom. 3. One unique feature of this initiative is the partnership forged between Cisneros and the Ministry of Education. 4. The course was developed in partnership with Aid for AIDS, one of the region's largest HIV/AIDS advocacy organisations. Through the collaboration, people living with HIV/AIDS were given a say in the creation of the courses and ensured that all materials were presented factually and were indicative of the realities of life with HIV/AIDS. 5. By targeting its educational programs at students living in periurban centers and rural areas, Cisneros ensured that the messages presented were reaching those most at risk.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p37 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 22	**THANDA PRIVATE GAME RESERVE** **Community philanthropy, South Africa**
Executive Summary	Thanda Private Game Reserve initiated the Star School program in 2005 in response to thedevastating effect HIV/AIDS was having on employees, their families and the community. The Star School program now operates in 40 South African Schools throughout KwaZulu Natal province and recently expanded into Namibia.
Identified Key Success Factors	Star School uses a holistic approach to education about HIV/AIDS; rather than focusing exclusively on HIV/AIDS prevention information, the program's curriculum aims to empower students to make better choices. Star School partnered with the University of Zululand to perform a baseline evaluation of 24 schools, surveying knowledge, attitudes and behaviours relating to HIV/AIDS at the outset of the program. Star School contracted Health and Development Africa (an independent consultancy based in Johannesburg) to evaluate progress against that baseline across the 40 current schools, helping the program to evaluate rates of information uptake and behaviour change. Star School was established by Dan Olofsson, a Swedish businessman who recently decided to invest in Thanda. His commitment to addressing HIV/AIDS in this vulnerable community and his continued leadership has helped secure consistent support and roll-out of the programs.
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p38 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 23	**Mercedes-Benz South Africa** **Expanded Community initiatives, South Africa**
Executive Summary	The Mercedes-Benz S.A. HIV/AIDS Workplace Program extends universal access to quality prevention, treatment, care and support to employees and their dependants. Through a partnership, the Siyakhana Project , involving provincial government, the local Chamber of Business, and DEG, co-financed with public funds of the German Federal Ministry for Economic Cooperation and Development, MBSA has expanded its workplace program to provide the same HIV/AIDS and TB services to SME's and the broader community.
Identified Key Success Factors	1. By taking on a mentoring role to these smaller businesses, MBSA was able to expand its prevention, voluntary counselling and testing (VCT) and treatment services to reach a large number of vulnerable community members. 2. Seventeen companies participated in the program's pilot phase, 3. MBSA's program also features a robust monitoring and evaluation component which provides data for reporting to company stakeholders. 4. Further, the company's program is closely aligned with national and provincial HIV/AIDS and TB strategies. Through an agreement with the provincial government, MBSA is supplied medication for its expanded programs with SMEs
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p40 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 24	**DEBSWANA DIAMOND COMPANY** **Expanded Community initiatives, South Africa**
Executive Summary	Since it was first established in 2001, Debswana's workplace HIV/AIDS program has ensured that HIVpositive company employees receive life saving HAART. Through an agreement with the Government of Botswana, Debswana now leverages its facilities and personnel to bring HAART to thousands of people in the communities in which it works.
Identified Key Success Factors	1. Leveraging existing company infrastructure and personnel, Debswana developed a unique partnership with the Government of Botswana to scale-up access to Highly Active Anti-Retroviral Therapy (HAART) treatment to reach 100,000 non-Debswana employees. 2. When the government program was launched, Debswana realigned its efforts such that it was able to <u>efficiently contribute its competencies and resources</u> 3. The program has a rigorous monitoring and evaluation component, which includes audits by hospital administrators and monthly reports to the government on the status of Masa patients. 4. Debswana's program is a model example of business filling critical health gaps in resource-limited settings. In the case of Masa, the Government of Botswana was capable of procuring medication, <u>but lacked the necessary infrastructure</u> and medical personnel to effectively administer it to the people. 5. All patients are required to have a treatment buddy; buddies are responsible for encouraging each other to take their medication (community involvement)
Reference	Business Action, GBC awards for business excellence issue, Summer 2008, p40 Downloaded from http://www.gbcimpact.org
Publication Date	Summer 2008

Case 25	Mozal, BHP Billiton VCT Program, Southern Africa
Executive Summary	Since mid 2005, the Company has been sponsoring the establishment of clinical trials to test a potential new vaccine for the treatment of HIV. The clinical trials, taking place over three years, are to be conducted in southern Africa. This initiative is an extension of our involvement in the HIV/AIDS issue, from the implementation of quality programs for our employees and their dependants to community-based activities that offer more widespread impact.
Identified Key Success Factors	1. Effective planning of the program from the outset. 2. Senior management commitment and support. 3. Assurance of confidentiality, as HIV is still a highly sensitive issue. 4. Effective disease management to ensure support to those who require it. 5. Involvement of all relevant stakeholders in planning and implementation. 6. We have also learnt that this is a process not to be rushed. The results are important, but so is how we go about obtaining those results.
Reference	BHP Billiton 2007 Full sustainability Report, p160-161 Downloaded from http://www.bhpbilliton.com
Publication Date	2007

INTERVIEW QUESTIONNAIRE & FRAMEWORK

VECTOR 1	*Cultural Distance*

Definition:

National cultural distance can therefore be defined as the "extent to which the shared norms and values in one country differ from those in another"

- Chen & Hu, 2002; Hofstede, 2001; Kogut & Singh, 1988 -

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.
3. Correlate Hofstede's Cultural Distance model with case results as an indicator to predict social investment project failure.

Interview Questions to Consider:

1. Do you believe cultural distance can hamper a social investment project?
2. Did you experience any difficulty in terms of Cultural Barriers between yourself and the host country?
3. How much experience / knowledge, either directly (self) or indirectly (guide / host), of the target population's culture, norms, values, language, etc did you acquire before the venture and how did you acquire it? And during the venture?
4. List some Key Success Factors of how the cultural barrier was eliminated or even leveraged in this case study.
5. List the Key Failure Factors of how the cultural barrier hindered project success or even caused failure.

VECTOR 2 | *Cultural Distance*

Definition:

"Historical and political associations between two countries greatly affect trade between them."

- Ghemawat (2001, p142) -

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that administrative / political distance played any role during your venture and how did you overcome these difficulties?
2. Did the historical or political ties/barriers hamper or leverage your venture? How?
3. How did the political barriers (tariffs, trade quotas, restrictions on foreign direct investment, local supplier preference, favouritism in procurement policies, etc) affect your venture?
4. Did the host country's social and political services influence (enhanced or hamper) your venture? How?
5. How did you handle the foreign currency exchanges? Did you use forward cover options?
6. Did your venture utilise (0), hamper (3) or destroy (5) local companies that are:

(a) A large supplier or national champion

(b) Vital to national security

(c) Produce staple foods or goods

(d) Produces entertainment goods or foods

(e) Exploits national resources

(f) Involve high sunk-cost commitments

and what effect did it have on your venture?

VECTOR 3 | *Geographic Distance*

Definition:

"It is very important to consider the accessibility and availability of communication and infrastructure networks when assessing the geographic influences on cross-border activity."

- Ghemawat (2001) -

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that geographical distance played any role during your venture and how did you overcome these difficulties? (I.e. Local suppliers ?)
2. Did the country's infrastructure influence (hamper or leverage) your project?
3. How did you manage communication between head quarters and base stations and how important was it to maintain the communications link?
4. Did accessibility/inaccessibility of ground staff have an influence on your venture and was it of positive/negative nature?
5. How did you transport your facilities/supplies/resources?
6. Did you require an extensive distribution network to get the supplies to their destination? Did it exist? How well is it functioning?
7. What is the coverage radius of each depot / base station and how accessible are the people in need?

VECTOR 4	*Economic Distance*

Definition:

"The wealth or income of consumers is the most important economic attribute that crates distance between countries."

- Ghemawat (2001) -

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.
3. Correlate project success to economic distance between Host and Home countries, Ground staff and beneficiaries and Ground staff and head-office

Interview Questions to Consider:

1. Do you believe that Economic Distance played any role during your venture and how did you overcome these difficulties?

Distance between ground staff and social beneficiaries

2. What is the income difference between your ground staff and the beneficiaries?
3. What are the Key Success Factors (Or key reason for failure) to overcome the difference? (E.g. Did you use mediatory organisations or middle men? Are your staff members educated/experienced and sensitive to the economic conditions in the target country?)
4. Does your solution make economical sense to the beneficiary – would they be able to comprehend, sustain and benefit from it?

Distance between ground staff and home country

5. What is the income difference between your ground staff and head office?
6. Does management understand the difficulties of economic distance between their corporate strategy, ground staff and beneficiaries?
7. Do you adapt salary/compensation structures for people placed in other international countries? Do you think it affects project performance?

VECTOR 5	*Creating Your Own Luck*

Definition:

"Luck can be created. One can use foresight, mindfulness and judgement to predict future (t_n) opportunities and align the current (t_1) resources to maximise returns at t_n."

- Ghemawat (2001) -

Objective(s):

1. Correlate international business theory applicability within the social investment arena. (Find out whether social entrepreneurial organisations craft their own future luck.)
2. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that future luck can be orchestrated in social entrepreneurial ventures?
2. Did you experience any form of luck that contributed to success of the venture? If yes, describe briefly.
3. Did you do anything deliberately that played a role in realising this fortune? (Garry Player - The more I practice, the luckier I get…)
4. Can you repeat it in another country/venture?
5. Rate the success of the venture due to the fortune of events vs the absence thereof.

VECTOR 6	*Quality of Business Prospects on Offer*

Definition:

a) Compare options

In business we use strategic tools like SWOT, Porter's Five Forces, GIS Marketing Analysis, Net Present Value comparisons and any other tool that might give insight to the quality of the business prospects on offer. Usually if one has limited funding & resources, the wisest investment would be to invest in those projects that would bring about the greatest return on investment, or ones that are of most strategic significance..

b) Minimum acceptable standards

In a scenario where you have more capital than projects, the focus is rather on spending the money wisely. Therefore, the value of the vector can be exploited by means of reverse engineering where one define the minimum acceptable quality/social returns that any prospect must adhere to before the company will even consider investment. In this mode of operation, one forces everyone in the company (engineers, scientists, marketing managers, strategists, social workers, etc.) to reach beyond the existing mediocre prospects and create new exciting proposals that will maximise return on investment.

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.
3. Source quality social entrepreneurial benchmarking and decision analysis tools.

Interview Questions to Consider:

Project Selection

1. Does this project support your corporate strategy?
2. Do you have spare capital in your budget, or do you have to reject/postpone some of your projects?
3. How do/would you decide between 2 ventures if you only have enough resources to complete 1?
4. How do you decide to accept/reject a proposal? (Did you draw up a business case for the project? What key elements did you consider and what were the measurements for success?)
5. Will you start the project if (4) is marginal, and what is your definition of marginal?
6. How do you measure the returns on your social investment?

Project Execution

1. How did you scope your project plan and how do measure project progress?

2. How do you know that the project was successful? Do you consider quality, time and cost? What else do you use to define project success?

3. Did you follow up after project completion to ensure that the results were sustained? Did the community/stakeholders take ownership?

VECTOR 7 | *Country Attractiveness*

Definition:

During this phase of the evaluation, one typically scrutinises the existing body of knowledge available for the particular country and rate the various ones according to overall attractiveness. Typical variables include:

- **Sovereign Risk:** A three layer analysis (Country, Province, Local Area) of the business risk in terms of Economic, Business and Legal Systems provided by the host country.
- **People:** One would typically use the human development index, labour productivity/efficiency, cultural distance/compatibility between host and home country when evaluating the people within the country's attractiveness.
- **Dynamics of the Country:** Rather consider the trend (up/down) of the country's stability during the evaluation, instead of making judgements on their current position.
- **Determinants for National Competitive Advantage:** Here one evaluates a county's competitive advantage, using Porter's diamond (Factor Conditions, Demand Conditions, Related Supporting Industries, Strategy & Structure & Rivalry)

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.
3. Identify other quality "Country Attractiveness" indicators related to Social Investment.

Interview Questions to Consider:

1. Why did you select the particular country/community for this project?
2. Did you analyse the country/region attractiveness before entering into your venture? If yes, what elements did you use in your analysis?
3. Which of the typical International Business indicators do you feel are applicable to Social Investment Projects? Rate them from 1 (very applicable) to 5 (no relevance) and say why.
4. What other indicators do you recommend and why?

VECTOR 8	*Company's Ability to Implement or Deliver*

Definition:

Company abilities can be divided into two categories:

■ **Hard capabilities** could include finance, technology, infrastructure, support and strategic fit in relation to the timing & time span and competitive advantage.

■ **Soft capabilities** are more complex because it includes issues like risk tolerance, ethics & corporate governance acceptance levels, cultural tolerance, willingness change business processes, patience, entrepreneurial services available and many more.

Objective(s):

1. Correlate international business theory applicability within the social investment arena.

2. Identify common key success and failure factors that could predict social investment success/failure.

3. Identify additional abilities needed to ensure social project success.

Interview Questions to Consider:

1. Did this project fall under your company's core competence and what portions did you outsource to sub-contractors? (Was there someone else who are available and who could have or was willing to do a better job within the same constraints?)

2. Did your company/team have the ability to implement the project PRIOR to project initiation? I.e. Did you have the resources (hard and soft) to complete the project within time, budget, quality?

    (a) Were all the financing approved prior to contract initiation?

    (b) Were the project deadlines reasonable?

    (c) Did you screen the new applicants thoroughly?

    (d) Were they equipped, trained for the project?

    (e) Did you have a project support & accountability office in place?

    (f) Was the project feasibility tested?

3. Did you acquire any of these resources DURING the project? Was that part of the original project plan?

4. Do you believe the following virtues are needed for Social Investment Projects? Rate them on a scale 1 (very applicable) to 5 (no relevance):

   (a) **Entrepreneurial Versatility:** which is achieved through imagination, creativity and vision and not necessarily through managerial and technical versatility.

   (b) **Fund raising ingenuity:** The ability to convince the market and/or investors to invest in your visions

   (c) **Entrepreneurial Ambition:** Building social wealth

   (d) **Entrepreneurial Judgement:** Is about the process of gathering information, dissecting it though consultation and eventually the process of decision making.

5. Which of these virtues are cultivated in your core team and how do you cultivate them?

VECTOR 9 *Strategic Variables*

Definition:

In general, one has to take the long and short-term strategy of the firm into account when selecting an entry mode. The end-results could be catastrophic if the international venture is not in line with the firm's strategy (and visa versa.)

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that social investment projects should be related to a corporate company's mission and vision? Why?
2. What is your company's mission and vision and how does this project assist in achieving that goal?
3. What entry mode did you select for this venture and why?
4. Do you believe it was the correct entry mode, given your long term mission and vision for your COMPANY?
5. Do you believe that your company's vision, mission and culture supported this venture (or did it lead to project failure)

VECTOR 10	*Location Specific Variables*

Definition:

According to Shi, Shu & Ho (2001) location specific variables include:

(a) Local market potential

(b) Local production costs

(c) Local government policies

(d) Location of investment

Objective(s):

1. Correlate international business theory applicability within the social investment arena.

2. Source additional Location Specific Variables that are related to Social Investment projects.

3. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that Location Specific variables have an impact on your entry mode selection? Why?

2. Was there anything to the particular location that assisted in project success or caused failure?

3. Did any of the following items positively or negatively affect your venture and how?
    (a) Local market potential
    (b) Local production costs
    (c) Local government policies
    (d) Location of investment

4. Did any of the above factors determine your entry mode selection?

5. What other Location Specific factors had a positive/negative effect on your venture?

6. Did they influence your entry mode selection?

VECTOR 11	*Transaction Specific Variables*

Definition:

Shi, Shu & Ho (2001) have predominantly used "Perceived contractual risks" and "Specificity of assets" as variables in their conceptual framework:

Contractual Risks are associated with:

(a) Perceived costs of making and enforcing contracts,

(b) Risk of knowledge leakage and

(c) Risk of product quality deterioration.

When these perceived risks are high, investing firms will tend to retain more managerial control on overseas ventures to reduce these risks (Shi, Shu & Ho, 2001).

Assets specificity refers to the uniqueness of the technology and knowledge used by the investing firm.   Normally, the more highly specific the asset, the more likely investing firms would prefer to keep their proprietary technology internal by increasing their control over their subsidiaries (Shi, Shu & Ho, 2001).

Objective(s):

1. Correlate international business theory applicability within the social investment arena.

2. Source additional Transaction Specific Variables that are related to Social Investment projects.

3. Identify common key success and failure factors.

Interview Questions to Consider:

1. Do you believe that Transaction Specific variables have an impact on your entry mode selection? Why?

2. What in a transaction will cause you to decide between the various entry modes?

3. Was there a risk of knowledge leakage, quality deterioration, any other transaction specific variable and did it influenced your entry mode selection? Why?

4. Where did the need for this project came from (Community, Internally from within the company, external body like the UN, WHO)?

5. What was unique to the configuration of this project that caused success/failure? Do you believe that this configuration can cause repeated success/failure?

6. Did the perceived contractual risks or asset specificity positively or negatively affect your venture and how?

7. What other Transaction Specific factors had a positive/negative effect on your venture?

8. What was their influence your entry mode selection?

VECTOR 12	*Firm Specific Variables*

Definition:

Shi, Shu & Ho (2001) used firm specific variables as the forth input to their model. These inputs consist of:

- Firm size
- International Experience
- Host Country Experience
- Relationship with local organisations

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Source additional Firm Specific Variables that would influence the entry mode for Social Investment projects.
3. Identify common key success and failure factors.

Interview Questions to Consider:

1. Does your company select different entry modes for different projects/communities/countries? How ?
2. Do you believe this project (and entry mode selection) would have been approached differently (and how) if your company:
   (a) Was bigger in size?
   (b) Had more international experience in general?
   (c) Had more host country experience?
   (d) Had better relationships with local organisations?
3. How long will your company be visible for other projects within the country/community? Did it influence your entry mode selection?
4. What firm specific variables are critical for Social Investment success?
5. What firm specific variables will guarantee failure in Social Investment projects?

VECTOR 13   *Experience*

Definition:

Padmanabhan & Cho (2005) identified three different categories for measuring a firm's level of experience:

- General international business experience
- Host country-specific experience and,
- Decision-specific experience (experience in the context of a particular strategic decision)

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Source additional Experience Variables that would influence the entry mode for Social Investment projects.
3. Identify common key success and failure factors.

Interview Questions to Consider:

1. Rate the organisation, especially the teams international experience on a scale of 1 (excellent) to 5 (poor)
2. Rate the core team's host country-specific experience on a scale of 1 (excellent) to 5 (poor)
3. Rate the organisation's / teams knowledge and experience on the specific project on a scale of 1 (excellent) to 5 (poor).
4. Does the entry mode support the experience levels?
5. What other Experience variables would be needed to ensure a successful Social Investment Project?
6. What other lack of Experience variables would be almost guarantee failure of a Social Investment Project?

VECTOR 14	*Risk*

Definition:

■ **Investment Risk:** As result of high amounts of capital required for foreign direct investment projects.

■ **Financial Risk:** Exposure to fluctuating exchange and interest rates, as well as failure to produce the predicted profit rates.

■ **Contractual Risk:** Costs relating to contracts, agreements and bridging thereof.

■ **Country Risk:** This includes all vectors mentioned earlier relating to country specific barriers like culture, distance, political stability, etc.

Objective(s):

1. Correlate international business theory applicability within the social investment arena.

2. Identify common social investment risks and means to mitigate them.

3. Identify risk aversiveness of social entrepreneurs.

Interview Questions to Consider:

1. What are the primary risks within your social investment project(s) and how would you mitigate them?

2. What are the secondary risks within your social investment project(s) and how would you mitigate them?

3. Which risks would determine your entry mode?

4. Would you continue with a social investment project if there are unavoidable risks under the following conditions:

    (a) LOW probability and (LOW or MEDIUM or HIGH) severity

    (b) MEDIUM probability and (LOW, MEDIUM OR HIGH) severity

    (c) HIGH PROBABILITY and (LOW, MEDIUM OR HIGH) severity

VECTOR 15	*Control*

Definition:

Too little control will not ensure that the efforts from the home country are synchronised with the host country. On the other hand, too much control will slow the expansion process down, which could be detrimental to high-tech projects/products with short product life cycles.

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify best practices on control within social investment projects.

Interview Questions to Consider:

1. What control measures do you apply in your social investment projects on team members, recipients, donors, contractors, etc.?
2. How much delegated authority/freedom would the project manager/staff of the remote venture have?
3. How much say/responsibility did the community have in:
   (a) Defining the Project scope
   (b) Project execution
4. How did you hand the project over to the community? How much control do you retain or do they take FULL ownership?

VECTOR 16 | *Commitment*

Definition:

It is imperative to consider management and the company's the level of commitment prior to finalising the entry mode. Social projects create expectation and hope. The consequential damages caused as result of premature termination or inability to deliver are more severe than not doing anything at all.

Objective(s):

1. Correlate international business theory applicability within the social investment arena.
2. Identify best practices on keeping commitments.

Interview Questions to Consider:

1. What was the lifecycle of the project and how low was your company planning to be involved?
2. Does the entry mode suit your level of commitment?
3. Is the core team or key members willing and proven committed to see the project through? How do you know?
4. Do you have the same level of commitment from your sponsors?
5. What do you do to ensure commitment (team, community, sponsors, management)?
   (a) Do you have well defined staff retention strategies in place?
   (b) Does the leader of the project own (eat, drink, dream, sleep) the vision?
   (c) Do you rotate staff to prevent burn-out?
   (d) Would you start a project when in doubt?
   (e) Etc.

CASE STUDY

KEY SUCCESS FACTOR

DATA ANALYSIS

Vector 1: Cultural Distance		
Case	Key Success Factor	Keyword (s)
1.5	The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics.	Train people in the community
2.8	GAVI did not pay enough attention to developing-country priorities. Driven in large part by the foundation's eagerness (even impatience) for results, GAVI often moved at a pace that made it impossible to get full buy-in from developing countries.	Consult community for their priorities
3.4	The training provided the awareness, self-confidence and support necessary to challenge violent behaviour within the household.	Train people in the community
5.2	Community education and communication prior to intervention.	Community Education and Communication
8.6	Community information, education and communication program (communication materials were developed to explain why this was necessary, and to provide general information about the project and the prevention and treatment of malaria).	Community communication and education about the project
8.7	These communications materials used multiple languages and multiple methods and pre-tested by focus groups to ensure relevance.	Multiple language communication Multiple communication methods tested to ensure relevance
8.8	Up-skilling/training of community workers at health centres to deal with the problems of Malaria.	Transfer skills into community
8.14	Use of drama as an accepted cultural medium to improve awareness.	Community Education and Communication (Drama)
9.3	Clear STRATEGY to SUPPORT community needs: Modicare has been working with a single minded mission of giving back to the society that has made it capable of giving, whatever it needs for its sustenance and development.	Support community needs
10.4	Used existing community support structures along with volunteers from NGO's.	Used existing community support structures
10.5	Used community peer group educators in high transmission areas.	Used community peer group educators
11.2	Created regional sectors and prioritised according to the needs of each sector.	Regional sectors, prioritised/customised according to need of each sector
11.3	Created a dedicated task force for each zone.	Dedicated team for each zone
11.4	Crafted, along with local committees of each zone, strategies unique to each zone.	Consult with each community regarding their needs
11.7	Training of staff and health officials.	Train local/community staff
11.9	Continuous dialogue with community.	Continuous dialogue with community
12.3	Tied up with local NGO's having strong community linkages and experience in community development activities especially in areas of HIV/AIDS and education.	Minimise distance through NGO's with strong social links
12.6	Community theatres were set up at locations convenient to groups to disseminate anti-HIV/AIDS messages via audio-visual media.	Community communication and education

Vector 1: Cultural Distance		
Case	Key Success Factor	Keyword (s)
13.1	Standard Charterer's HIV Champions, who have driven the program forwards across the business. In 2006 the Bank had 300 HIV Champions across its geographic footprint. They are responsible for preparing programs that reflect the priorities of their own country and delivering awareness raising activities for employees.	Regionalised program to reflect priorities of local community
14.4	Work and community based Wellness Champions, Community Outreach Workers, Treatment Counsellors, and program coordinators who are trained and supported to mobilize the community at the grass roots level implement various tools to help the community.	Train local/community staff
14.8	Having earned the respect of employees and the communities in which it operates, XCSA is now able to venture into new partnerships and facilitate further sustainable local development and social developments.	Positive reputation in community reduce risk of community resistance
14.9	Its methodology states that deep democracy and collective counsel creates a platform to retain and maintain the unity and value of individual response which in turn addresses behaviour change.	Democracy and collective counselling brings unity
15.10	Sustainability means investing in people: a major focus of the Abbott Fund's program in Tanzania is the development of human resources through training health care workers and other staff.	Skills transfer to local people
15.12	Listen to local partners and understand local needs: working with community based organizations ensures local viability and sets the groundwork for a sustainable program.	listen to local people, partner with local community based organisations to set the foundation for sustainable program
16.1	By adopting action plans for each country in which it operates, Accor has effectively localized its HIV/AIDS program.	Adopt program for each country
19.2	In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved.	Listen to local people and large players on the ground
19.4	Project Malawi has been able to improve anti-retroviral (ARV) therapy adherence and reduce stigma through community support groups.	Reduce distance through community support groups
20.3	CAJ brought to the table a deep understanding of local cultural issues and knowledge of the barriers to reaching local youths that the different initiatives would need to overcome.	Partner brought deep understanding of cultural issues, and barriers of reaching people
24.5	all patients are required to have a treatment buddy; buddies are responsible for encouraging each other to take their medication (community involvement).	Community collaboration was mandatory

Vector 2: Administrative and Political Distances		
Case	Key Success Factor	Keyword (s)
2.10	GAVI was too narrowly focused. From the start, GAVI has recognized that funding vaccine purchases alone would not allow the 75 poorest countries in the world to overcome their infrastructure challenges, so it has provided "immunization system support" to help countries improve their ability to deliver vaccines to a large portion of their children. GAVI has learned that in many cases the ability of the country to reach more children is not related simply to its immunization program. Broader health-system failures are often to blame. So GAVI has now expanded its funding criteria and set aside about half of its resources to help meet broader health-system needs.	Health system failures to blame
8.2	Engaged with the Equatorial Guinea Government and the EG Ministry of Health and Social Well-being during the problem definition phase.	Minimise distance by involving Government during problem definition phase
10.1	Worked in collaboration with local government and other NGO's.	Reduce distance through government involvement
10.3	Treatment is now more accessible to local communities and better managed through the support structures set up by the Phelang Community Centre (HIV positive patients had to travel 100 km to local hospital in the past).	Treatment is better managed through improved community support systems
10.4	Used existing community support structures along with volunteers from NGO's.	Used existing community support structures
10.6	Leveraged governmental funds to pay for home based workers.	Leverage Government funds to pay home based workers
14.6	Working together with the government is the most sustainable way of achieving its development goals so Xstrata has entered into a Memorandum of Understanding with the Provincial Department of Health to implement a Public-Private Mix model that will extend its forerunner project in the Breyten community to other sub-districts.	Public Private partnership with Government is the most sustainable way of achieving development goals
15.1	The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC.	PPP was designed to improve systems and infrastructure
15.2	The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organization specializing in health management in developing countries.	Minimise distance through PPP
15.14	Continue to work with the Tanzanian government to identify and evaluate how best to address new challenges in the national scale up of HIV testing and treatment.	Include government during problem definition phase
15.5	When the Abbott Fund's program was started in 2002, there were very few donors in the country and a significant need for improvement in its health care management, infrastructure and services.	Start up with low political services and infrastructure
15.6	The country was politically stable and demonstrated leadership to fight HIV/AIDS and openness to partnerships with the private sector, such as those supported by the Abbott Fund.	Government open for partnerships
16.1	By adopting action plans for each country in which it operates, Accor has effectively localized its HIV/AIDS program.	Adopt program for each country
17.2	By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention.	Partnering with Government - able to increase scope of intervention dramatically

Vector 2: Administrative and Political Distances		
Case	**Key Success Factor**	**Keyword (s)**
19.2	In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved.	Include local authorities in problem definition phase and send to president for approval
21.3	One unique feature of this initiative is the partnership forged between Cisneros and the Ministry of Education.	Partner with government
21.5	By targeting its educational programs at students living in peri-urban centres and rural areas, Cisneros ensured that the messages presented were reaching those most at risk.	Lower infrastructure, more the need for intervention
23.4	Further, the company's program is closely aligned with national and provincial HIV/AIDS and TB strategies. Through an agreement with the provincial government, MBSA is supplied medication for its expanded programs with SME's.	Agreement with government
24.1	Leveraging existing company infrastructure and personnel, Debswana developed a unique partnership with the Government of Botswana to scale-up access to Highly Active Anti-Retroviral Therapy (HAART) treatment to reach 100,000 non-Debswana employees.	Relationship with Government
24.4	Debswana's program is a model example of business filling critical health gaps in resource-limited settings. In the case of Masa, the Government of Botswana was capable of procuring medication, but lacked the necessary infrastructure and medical personnel to effectively administer it to the people.	Government Lacked infrastructure, personnel and administrative systems, which was provided by social partner to provide synergy

Vector 3: Geographic Distance		
Case	**Key Success Factor**	**Keyword (s)**
1.5	The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics.	Strengthen Infrastructure
1.7	But many challenges remain. For example, roughly 50,000 people who could benefit from ARV's—especially those in remote districts—still have not been reached.	Slower or unreachable
2.10	GAVI was too narrowly focused. From the start, GAVI has recognized that funding vaccine purchases alone would not allow the 75 poorest countries in the world to overcome their infrastructure challenges, so it has provided "immunization system support" to help countries improve their ability to deliver vaccines to a large portion of their children. GAVI has learned that in many cases the ability of the country to reach more children is not related simply to its immunization program. Broader health-system failures are often to blame. So GAVI has now expanded its funding criteria and set aside about half of its resources to help meet broader health-system needs.	Infrastructure challenges make some groups unreachable
7.4	Small beginnings: Success in one community caused management to roll the SAME program out to other communities.	Minimise effect via small beginnings in local community
10.3	Treatment is now more accessible to local communities and better managed through the support structures set up by the Phelang Community Centre (HIV positive patients had to travel 100 km to local hospital in the past).	New clinics reduce distance for patients to travel
11.3	Created a dedicated task force for each zone.	Dedicated team for each zone ensure access for all member in the community
11.8	Maximise local content.	Maximise local content
12.6	Community theatres were set up at locations convenient to groups to disseminate anti-HIV/AIDS messages via audio-visual media.	Easy access locations for community
13.1	Standard Charterer's HIV Champions, who have driven the program forwards across the business. In 2006 the Bank had 300 HIV Champions across its geographic footprint. They are responsible for preparing programs that reflect the priorities of their own country and delivering awareness raising activities for employees.	300 champions distributed over the operating footprint of the company
15.3	The staff frequently visits Tanzania to coordinate the program and monitor progress.	Frequent site visits
16.1	By adopting action plans for each country in which it operates, Accor has effectively localized its HIV/AIDS program.	Adopt program for each country
17.1	Through its vast distribution networks—including transportation and communication infrastructure—the company is able to successfully deliver health information and VCT services to its contractors in the field, in addition to its broader supplier and distributor network.	Own vast transportation and communication network
17.3	A number of other partners help with program implementation and support on the ground.	Partnered with ground workers
19.4	Project Malawi has been able to improve anti-retroviral (ARV) therapy adherence and reduce stigma through community support groups.	Reduce distance through community support groups

Vector 4: Economic Distance		
Case	**Key Success Factor**	**Keyword (s)**
1.9	Community must be able to sustain intervention: We believe Botswana will, over time, be able to sustain the costs of its treatment program.	Community will be able to sustain costs of implemented programs
2.3	GAVI invites the 75 poorest countries in the world to develop plans and submit proposals for increasing vaccine coverage and use of newer vaccines.	Ask the poor for their opinion
8.1	Effort was to reduce the health care and economic burden of malaria on the local population and also help protect the local workforce.	Project aims to reduce economical burden caused by malaria
10.4	Used existing community support structures along with volunteers from NGO's.	Minimise distance through relying on local support structures/people
10.5	Used community peer group educators in high transmission areas.	Minimise distance through relying on local support structures/people
11.8	Maximise local content.	Maximise local content
12.7	Opinion makers like key family members, teachers, panchayat members and health workers were involved in the workshops which were followed by discussions.	Reduce distance by consulting stakeholders during problem definition phase
14.4	Work and community based Wellness Champions, Community Outreach Workers, Treatment Counsellors, and program coordinators who are trained and supported to mobilize the community at the grass roots level implement various tools to help the community.	Use ground workers
14.5	It invests in interlinked health, social and food security projects and working towards sustainable livelihoods through supporting skills development and income generation activities.	Skills development provide income generating activities
15.10	Sustainability means investing in people: a major focus of the Abbott Fund's program in Tanzania is the development of human resources through training health care workers and other staff.	Skills transfer/development
16.1	By adopting action plans for each country in which it operates, Accor has effectively localized its HIV/AIDS program.	Adopt program for each country
19.4	Project Malawi has been able to improve anti-retroviral (ARV) therapy adherence and reduce stigma through community support groups.	Reduce distance through community support groups
24.4	Debswana's program is a model example of business filling critical health gaps in resource-limited settings. In the case of Masa, the Government of Botswana was capable of procuring medication, but lacked the necessary infrastructure and medical personnel to effectively administer it to the people.	Social Entrepreneurship fills gap in resource limited settings

Vector 5: Creating your own luck		
Case	**Key Success Factor**	**Keyword (s)**
1.4	By July 2000, Merck and the Gates Foundation created the African Comprehensive HIV/AIDS Partnerships and formally joined forces with President Mogae to support the country's already ambitious efforts to combat the epidemic.	Support Winners
2.2	These 12 members represented all the major partners in the alliance, including developing-world governments, the World Health Organization, UNICEF, the World Bank, pharmaceutical companies, NGO's, research institutes, and the Bill & Melinda Gates Foundation.	Partner with international trend setters Set national/International standards
2.5	GAVI looks across all the approved plans to forecast how many doses of each vaccine will be required overall. This demand-forecasting helps guarantee an adequate supply of vaccines. We hope that over the long term it will also reduce unit prices.	Demand Forecasting
2.8	GAVI did not pay enough attention to developing-country priorities. Driven in large part by the foundation's eagerness (even impatience) for results, GAVI often moved at a pace that made it impossible to get full buy-in from developing countries.	Consult community for their priorities
3.3	The IMAGE project (Intervention with Micro finance for AIDS & Gender Equity) is a partnership between SEF and the Rural AIDS and Development Action Research (RADAR) Programme. IMAGE combines poverty-focused, group-based micro finance with structured training and discussion about social norms, gender-based violence and HIV/AIDS. Combining two specialist projects created synergies resulting in impacts beyond those that have been achieved by either organisation independently.	Complementing partners created synergy
3.6	A recurring theme throughout the study was the fundamental role of solidarity and trust in shaping the project's success.	Solidarity and Trust
8.7	These communications materials used multiple languages and multiple methods and pre-tested by focus groups to ensure relevance.	Pre-test solution to ensure relevance
11.10	Rio Tinto invests heavily in education and training of youth and local health care workers to ensure the skills needed to maintain the program remain in the local community.	Invest in educating and training of youth and local health care workers to ensure skills remain in local community
12.3	Tied up with local NGO's having strong community linkages and experience in community development activities especially in areas of HIV/AIDS and education.	Partner with NGO's with strong social links
12.4	Create HIV/AIDS "Champions", using the train-the-trainer principle.	Create HIV champions to train others
12.7	Opinion makers like key family members, teachers, panchayat members and health workers were involved in the workshops which were followed by discussions.	Build relationships and trust with opinion makers
13.2	Standard Charterer's HIV Champions develop relationships and work closely with NGO's operating in their country or with target groups to develop and deliver education activities.	Build relationships
14.7	This collaboration also reduces duplication, identifies gaps and achieves efficiencies, such as improvements in the supply chain for ARV and TB pharmaceuticals for both public and private clinics.	Collaboration with Government forms synergy
14.8	Having earned the respect of employees and the communities in which it operates, XCSA is now able to venture into new partnerships and facilitate further sustainable local development and social developments.	Earned respect of employees and communities

Vector 5: Creating your own luck		
Case	**Key Success Factor**	**Keyword (s)**
15.2	The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organization specializing in health management in developing countries.	Support winner (minister of health)
17.2	By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention.	Partnering with Government - able to increase scope of intervention dramatically
19.2	In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved.	Partner with key international organisations
19.3	By building a multifunctional centre that hosts the activities of Project Malawi's four partners, the company was able to improve synergies between the multiple services provided by each association.	Look for synergy
21.3	One unique feature of this initiative is the partnership forged between Cisneros and the Ministry of Education.	Relationship with government
25.1	Effective planning of the program from the outset.	Effective planning of the program from the outset

Vector 6: Business Prospects on Offer		
Case	Key Success Factor	Keyword (s)
1.8	Be Realistic: But the fact that the spending has been slower than we anticipated is an indicator that we underestimated just how hard it is to build up the systems necessary to confront HIV/AIDS across an entire country.	Set Realistic Targets (bigger projects takes longer)
2.3	GAVI invites the 75 poorest countries in the world to develop plans and submit proposals for increasing vaccine coverage and use of newer vaccines.	Community based proposals
3.1	SEF integrates simple social performance indicators into its management systems.	Integrates simple social performance indicators into management system
5.1	Baseline Studies were conducted prior to intervention by experts.	Baseline Study conducted by experts
5.5	Ongoing surveillance, monitoring and progress reporting during the project.	Progress monitoring and reporting
5.8	Beyond a clearly evident business case, and based on AGA's values and business principles.	Clear business case
6.6	Personally affected, many of its global locations are in high risk communities.	Personal gain
7.1	Request for intervention came from workforce to extend current employee program into the local community.	Community based proposal
8.1	Effort was to reduce the health care and economic burden of malaria on the local population and also help protect the local workforce.	Clear business case and personal gain
8.10	Conduct baseline surveys prior to intervention.	Baseline study
8.11	Continuous (monthly and annual) surveillance, evaluation and progress monitoring.	Monthly and annual surveillance, evaluation and progress monitoring Clear success indicators
10.2	Conducted a baseline study prior to involvement.	Baseline study PRIOR to intervention
10.8	Monthly progress reviews.	Monthly progress monitoring
12.1	Conducted baseline survey prior to intervention.	Baseline study prior to intervention
12.2	Identified SPECIFIC sites where training was needed.	Identify specific sites where intervention was needed
12.9	They view the process as a continuous one.	Continuous Process
15.6	The country was politically stable and demonstrated leadership to fight HIV/AIDS and openness to partnerships with the private sector, such as those supported by the Abbott Fund.	Government open to partnerships
15.15	A large investment in monitoring and evaluation of its programs with its primary implementation partner Axios.	Monitor to ensure success
19.3	By building a multifunctional centre that hosts the activities of Project Malawi's four partners, the company was able to improve synergies between the multiple services provided by each association.	Synergy in projects
20.2	By contributing its funding to a local NGO on the ground in Angola, Total increased the ability of its investment to reach the target group.	Increase effect of intervention through partners
22.2	Star School partnered with the University of Zululand to perform a baseline evaluation of 24 schools, surveying knowledge, attitudes and behaviours relating to HIV/AIDS at the outset of the program. Star School contracted Health and Development Africa (an independent consultancy based in Johannesburg) to evaluate progress against that baseline across the 40 current schools, helping the program to evaluate rates of information uptake and behaviour change.	Baseline study Quality and performance Indicators (rates of information uptake and behavioural change)
25.6	We have also learnt that this is a process not to be rushed. The results are important, but so is how we go about obtaining those results.	We have also learnt that this is a process not to be rushed. The results are important, but so is how we go about obtaining those results

Vector 7: Country Attractiveness		
Case	Key Success Factor	Keyword (s)
1.2	Botswana also had a stable democracy and significant resources of its own to commit.	Stable Democracy Own Resources to Commit
1.3	Bold political leadership is essential: The person most responsible for leading Botswana's response to AIDS is President Festus Mogae.	Political Leadership Support
1.4	By July 2000, Merck and the Gates Foundation created the African Comprehensive HIV/AIDS Partnerships and formally joined forces with President Mogae to support the country's already ambitious efforts to combat the epidemic.	Existing Efforts
2.7	"Five years only" does not work. GAVI is now requiring countries to "co-pay" from the start—that is, to assume a small percentage of the cost of the program right away, with the percentage increasing every year.(Only back winners not beggars, and co-ownership of the problems).	Government must co-pay from the start
5.4	Program was aligned with Government and International policies/efforts.	Existing national program
6.2	Social Responsibility is not a competition - aligning with and complementing community outreach efforts where they exist already.	Existing efforts
9.1	The foundation is supporting local NGO's in organizing mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents.	Existing efforts and competent partners
10.4	Used existing community support structures along with volunteers from NGO's.	Existing Efforts
11.8	Maximise local content.	Maximise Local Content
13.2	Standard Charterer's HIV Champions develop relationships and work closely with NGO's operating in their country or with target groups to develop and deliver education activities.	Existing efforts
14.7	This collaboration also reduces duplication, identifies gaps and achieves efficiencies, such as improvements in the supply chain for ARV and TB pharmaceuticals for both public and private clinics.	Leadership support
15.1	The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC.	Government support Country has limited resources
15.6	The country was politically stable and demonstrated leadership to fight HIV/AIDS and openness to partnerships with the private sector, such as those supported by the Abbott Fund.	Political stable Leadership support Openness to partnerships
17.2	By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention.	Partnering with Government - able to increase scope of intervention dramatically
20.1	Total's partnership with a local NGO whose central focus is to develop programs for a vulnerable population—young people—in a social environment with limited services makes this program a true best practice in community philanthropy.	Strong local NGO
24.1	Leveraging existing company infrastructure and personnel, Debswana developed a unique partnership with the Government of Botswana to scale-up access to Highly Active Anti-Retroviral Therapy (HAART) treatment to reach 100,000 non-Debswana employees.	Government involvement
24.4	Debswana's program is a model example of business filling critical health gaps in resource-limited settings. In the case of Masa, the Government of Botswana was capable of procuring medication, but lacked the necessary infrastructure and medical personnel to effectively administer it to the people.	Government provided some of the resources

Vector 8: Company's Ability to Deliver		
Case	Key Success Factor	Keyword (s)
2.1	The blueprint for GAVI called not for a large new international bureaucracy but rather for a lean secretariat housed within UNICEF's offices in Geneva, administered by widely respected Norwegian immunologist Tore Godal, and governed by a 12-member board.	Obtain experts
2.4	An independent committee made up largely of developing-country public health experts then reviews and makes recommendations on the proposals. GAVI's board then meets to review the recommendations. Once the board approves a proposal, it requests that the GAVI Fund release payment.	Committee of experts
3.3	The IMAGE project (Intervention with Micro finance for AIDS & Gender Equity) is a partnership between SEF and the Rural AIDS and Development Action Research (RADAR) Programme. IMAGE combines poverty-focused, group-based micro finance with structured training and discussion about social norms, gender-based violence and HIV/AIDS. Combining two specialist projects created synergies resulting in impacts beyond those that have been achieved by either organisation independently.	Get complimenting partners to create synergy
5.1	Baseline Studies were conducted prior to intervention by experts.	Baseline Study conducted by experts
5.6	Appointed a FULL TIME control manager, with support staff.	Appointed full time staff
6.3	Align all efforts INTERNALLY (Corporate Responsibility, Communication, Marketing, and Healthcare Initiatives).	Large Organisation: Align efforts internally to attain maximum impact
6.4	Leverage GM's talent and resources to solve the problem.	Leverage internal talents and resources
8.3	Formed Implementation team with partners, government and world class experts in the field malaria and social development.	Formulate implementation team of government and world class experts
8.4	Team was led by medical experts, not Marathon itself.	Team was led by medical experts, not the funders
8.9	All new visitors to the project site on Bioko are provided an in-country orientation that focuses on malaria prevention and treatment.	Staff receives in-country orientation
9.2	The Foundation also networks with corporate houses and other NGO's for care and support services.	Network with ground workers
10.4	Used existing community support structures along with volunteers from NGO's.	Not core competence - use NGO and community support structures
11.3	Created a dedicated task force for each zone.	Dedicated teams
11.5	Received technical assistance from international leaders in the industry.	Receive technical assistance form industry leaders
11.6	Outsourced certain programs to specialist NGO's.	Outsource certain aspects to specialist NGO's
11.7	Training of staff and health officials.	Train staff
11.10	Rio Tinto invests heavily in education and training of youth and local health care workers to ensure the skills needed to maintain the program remain in the local community.	Invest in educating and training of youth and local health care workers to ensure skills remain in local community
11.12	Fifty-four volunteers run support groups across the 16 municipal wards in the region including 20 local farms, ensuring convenient access for all members of the community.	High staff count ensure convenient access for all members of the community
12.3	Tied up with local NGO's having strong community linkages and experience in community development activities especially in areas of HIV/AIDS and education.	Partner with experts and NGO's with strong social links
12.4	Create HIV/AIDS "Champions", using the train-the-trainer principle.	Create champions, using train the trainer principle

Vector 8: Company's Ability to Deliver		
Case	**Key Success Factor**	**Keyword (s)**
12.8	Periodic evaluations and feedback tools have proved that the awareness levels of the targeted groups have gone up post intervention.	Evaluation and feedback tools
13.1	Standard Charterer's HIV Champions, who have driven the program forwards across the business. In 2006 the Bank had 300 HIV Champions across its geographic footprint. They are responsible for preparing programs that reflect the priorities of their own country and delivering awareness raising activities for employees.	Assigned champions to lead in the area
13.3	Resources are made widely available both through central mechanisms such as the Bank's website (e.g. the HIV e-learning resource) as well as through individual activities led by HIV Champions.	Resources made available
13.5	The Bank is keen to build on the success of the program; using the skills and capacity developed to benefit a broader network of people. The new Vision is to reach one million people in three years. The mission is to achieve this by strengthening its commitment to existing partnerships, including those with customers, suppliers and NGO's.	Skills and capacity developed
13.7	Commitment: The Bank has also formalized an approach for employee volunteering; providing two days paid leave for employees to contribute to community projects.	Employees get 2 days paid leave to volunteer to community projects
14.3	Xstrata has incrementally and systematically carried the momentum and learning from its workforce responses to the households and communities by means of the door to door approach by working with its implementing Partner, Re-Action!	Expert Partnership Willingness to learn systematically
14.4	Work and community based Wellness Champions, Community Outreach Workers, Treatment Counsellors, and program coordinators who are trained and supported to mobilize the community at the grass roots level implement various tools to help the community.	Train staff Champions approach
14.11	Monitoring and evaluation systems will now have to be harmonized so that achievements in the community *(by the NGO's)* and workplace *(internal champions)* can be captured accurately and consistently.	Integrated monitoring system
15.3	The staff frequently visits Tanzania to coordinate the program and monitor progress.	Expert group (partnership)
15.4	Additionally, highly skilled Abbott employee volunteers spend significant time on-site in laboratories and construction sites in Tanzania to work together with their Tanzanian counterparts.	Leverage internal skills (volunteers)
15.7	Effective partnerships require clear goals and effective use of each partner's strengths.	Know your strengths
15.11	Be flexible and be prepared to learn and revise.	Be flexible and be prepared to learn as you go
15.15	A large investment in monitoring and evaluation of its programs with its primary implementation partner Axios.	Invest in monitoring and reporting tools
17.1	Through its vast distribution networks—including transportation and communication infrastructure—the company is able to successfully deliver health information and VCT services to its contractors in the field, in addition to its broader supplier and distributor network.	Own vast transportation and communication network Leverage Internal strengths
17.3	A number of other partners help with program implementation and support on the ground.	Partnered with ground workers
18.1	While Bralirwa is a small company based in a highly-endemic region, it has leveraged the experience and resources of its parent company, Heineken International, to improve VCT services and overall healthcare delivery.	Leverage internal skills

Vector 8: Company's Ability to Deliver		
Case	Key Success Factor	Keyword (s)
18.2	Patient health is tracked through an electronic database which can easily monitor the progression of their condition and treatment regimens	Monitoring system - electronic database
18.3	Bralirwa frequently partners with other players to continually educate its doctors, nurses and human resources personnel on the latest ideas and practices in workplace HIV/AIDS programming.	Use experts to train their employees
20.1	Total's partnership with a local NGO whose central focus is to develop programs for a vulnerable population—young people—in a social environment with limited services makes this program a true best practice in community philanthropy.	Non-core business, outsource to experts
21.1	Through its partnership with the Universidad Peruana Cayetano Heredia, a private university in Lima, Peru specializing in medicine and education, Cisneros was able to create a relevant and impact course. The company contributed its multimedia platform to create the virtual classroom and e-learning tools, while materials were developed by professors from the university (Leverage strengths).	Synergy between partners strengths
21.2	Professors also assist with teaching the course, evaluating classroom activities and monitoring the progress of teachers through the virtual classroom.	Monitor system
22.2	Star School partnered with the University of Zululand to perform a baseline evaluation of 24 schools, surveying knowledge, attitudes and behaviours relating to HIV/AIDS at the outset of the program. Star School contracted Health and Development Africa (an independent consultancy based in Johannesburg) to evaluate progress against that baseline across the 40 current schools, helping the program to evaluate rates of information uptake and behaviour change.	Outsourced progress monitoring to independent consulting firm
23.3	MBSA's program also features a robust monitoring and evaluation component which provides data for reporting to company stakeholders.	Robust monitoring and evaluation component which provides data for reporting to company stakeholders.
24.1	Leveraging existing company infrastructure and personnel, Debswana developed a unique partnership with the Government of Botswana to scale-up access to Highly Active Anti-Retroviral Therapy (HAART) treatment to reach 100,000 non-Debswana employees.	Leverage company infrastructure
24.2	When the government program was launched, Debswana realigned its efforts such that it was able to efficiently contribute its competencies and resources.	Efficiently contribute competencies and resources
24.3	The program has a rigorous monitoring and evaluation component, which includes audits by hospital administrators and monthly reports to the government on the status of Masa patients.	Monitoring system

Vector 9: Strategic Variables		
Case	Key Success Factor	Keyword (s)
1.6	Create a national HIV/AIDS strategy—that is, to turn a serious but fragmented response into a comprehensive and coordinated national campaign.	Selected entry mode led to a co-ordinated national strategy
2.2	These 12 members represented all the major partners in the alliance, including developing-world governments, the World Health Organization, UNICEF, the World Bank, pharmaceutical companies, NGO's, research institutes, and the Bill & Melinda Gates Foundation.	Define international strategy
5.4	Program was aligned with Government and International policies/efforts.	Strategy is aligned with international efforts
5.8	Beyond a clearly evident business case, and based on AGA's values and business principles.	Based on business values and principles
6.7	Efforts are in line to the company's historic commitment to health, dignity, and human rights both in GM communities and the world at large.	Efforts are in line with corporate values
8.2	Engaged with the Equatorial Guinea Government and the EG Ministry of Health and Social Well-being during the problem definition phase.	Define national efforts by involving government
8.13	Intervention protocol became national policy for malaria treatment.	Led to national strategy
9.3	Clear STRATEGY to SUPPORT community needs: Modicare has been working with a single minded mission of giving back to the society that has made it capable of giving, whatever it needs for its sustenance and development.	Efforts support company strategy and values
10.6	Leveraged governmental funds to pay for home based workers.	Strategy in line with national efforts
11.1	Strategic commitment to sustainable development.	Sustainable development is a Business Value
13.7	Commitment: The Bank has also formalized an approach for employee volunteering; providing two days paid leave for employees to contribute to community projects.	Supported by company policy
14.2	The community program is driven by Xstrata's strong commitment to innovation and the vision of supporting sustainable local social and economic development as the means of building community resilience to the vulnerabilities that perpetuate HIV/AIDS and TB.	Strategy based on own business values and principles
14.6	Working together with the government is the most sustainable way of achieving its development goals so Xstrata has entered into a Memorandum of Understanding with the Provincial Department of Health to implement a Public-Private Mix model that will extend its forerunner project in the Breyten community to other sub-districts.	Aligned with national efforts
15.1	The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC.	Define national strategy
15.9	Program strategies need to support national AIDS plans and work with nationals of the country.	Program strategies need to be aligned with national efforts
15.14	Continue to work with the Tanzanian government to identify and evaluate how best to address new challenges in the national scale up of HIV testing and treatment.	Define national strategies

Vector 9: Strategic Variables		
Case	Key Success Factor	Keyword (s)
19.2	In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved.	Partner with international standard setters to align with international trends
21.4	The course was developed in partnership with Aid for AIDS, one of the region's largest HIV/AIDS advocacy organizations. Through the collaboration, people living with HIV/AIDS were given a say in the creation of the courses and ensured that all materials were presented factually and were indicative of the realities of life with HIV/AIDS.	In line with national efforts
23.4	Further, the company's program is closely aligned with national and provincial HIV/AIDS and TB strategies. Through an agreement with the provincial government, MBSA is supplied medication for its expanded programs with SME's.	Aligned with national and provisional strategy
24.2	When the government program was launched, Debswana realigned its efforts such that it was able to efficiently contribute its competencies and resources.	Aligned strategy with national efforts

Vector 10: Location Specific Variables		
Case	Key Success Factor	Keyword (s)
1.1	However, the model we have helped to build in Botswana requires significant medical infrastructure, which could make it difficult to adopt in countries with fewer resources.	Own resources
1.3	Bold political leadership is essential: The person most responsible for leading Botswana's response to AIDS is President Festus Mogae.	Government Involvement
2.10	GAVI was too narrowly focused. From the start, GAVI has recognized that funding vaccine purchases alone would not allow the 75 poorest countries in the world to overcome their infrastructure challenges, so it has provided "immunization system support" to help countries improve their ability to deliver vaccines to a large portion of their children. GAVI has learned that in many cases the ability of the country to reach more children is not related simply to its immunization program. Broader health-system failures are often to blame. So GAVI has now expanded its funding criteria and set aside about half of its resources to help meet broader health-system needs.	Infrastructure and systems changed entry mode
2.11	Creating an alliance of existing entities was a better strategy than building a new entity But as the old African proverb says, "If you want to go fast, go alone. If you want to go far, go together." Each of GAVI's partners has a unique role, and brings essential relationships and insights to the table.	Support Existing Efforts
6.2	Social Responsibility is not a competition - aligning with and complementing community outreach efforts where they exist already.	Compliment existing efforts
8.5	Formulated clear and simple control strategy.	Company operations affected
9.1	The foundation is supporting local NGO's in organizing mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents.	Utilise existing efforts
10.4	Used existing community support structures along with volunteers from NGO's.	Support existing efforts and leverage strong Community structures
11.4	Crafted, along with local committees of each zone, strategies unique to each zone.	Localised strategy unique to each zone
11.10	Rio Tinto invests heavily in education and training of youth and local health care workers to ensure the skills needed to maintain the program remain in the local community.	Invest in educating and training of youth and local health care workers to ensure skills remain in local community
12.2	Identified SPECIFIC sites where training was needed.	Identify specific sites where intervention was needed
13.2	Standard Charterer's HIV Champions develop relationships and work closely with NGO's operating in their country or with target groups to develop and deliver education activities.	Champion build relationship with NGO's operating on ground level
14.7	This collaboration also reduces duplication, identifies gaps and achieves efficiencies, such as improvements in the supply chain for ARV and TB pharmaceuticals for both public and private clinics.	Know existing efforts to find gaps and prevent duplication
15.1	The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC.	Government involvement depicted entry mode Location in need of systems and infrastructure
16.1	By adopting action plans for each country in which it operates, Accor has effectively localized its HIV/AIDS program.	Adopt program for each country

Vector 10: Location Specific Variables		
Case	**Key Success Factor**	**Keyword (s)**
17.2	By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention.	Partnering with Government - able to increase scope of intervention dramatically
17.3	A number of other partners help with program implementation and support on the ground.	Partnered with local ground workers
18.1	While Bralirwa is a small company based in a highly-endemic region, it has leveraged the experience and resources of its parent company, Heineken International, to improve VCT services and overall healthcare delivery.	Highly-endemic region
21.5	By targeting its educational programs at students living in peri-urban centres and rural areas, Cisneros ensured that the messages presented were reaching those most at risk.	Reaching the people in the areas that are most at risk
24.4	Debswana's program is a model example of business filling critical health gaps in resource-limited settings. In the case of Masa, the Government of Botswana was capable of procuring medication, but lacked the necessary infrastructure and medical personnel to effectively administer it to the people.	Government Lacked infrastructure, personnel and administrative systems, which was provided by social partner to provide synergy

Vector 11: Transaction Specific Variables		
Case	Key Success Factor	Keyword (s)
2.1	The blueprint for GAVI called not for a large new international bureaucracy but rather for a lean secretariat housed within UNICEF's offices in Geneva, administered by widely respected Norwegian immunologist Tore Godal, and governed by a 12-member board.	Minimise bureaucracy through a small focussed body
2.9	Funding operating expenses is essential. But we've learned that funding operating expenses is vital for getting new entities up and running, for attracting donors that have greater funding restraints, and for giving grantees the ability to innovate.	Fund operational expenses
2.10	GAVI was too narrowly focused. From the start, GAVI has recognized that funding vaccine purchases alone would not allow the 75 poorest countries in the world to overcome their infrastructure challenges, so it has provided "immunization system support" to help countries improve their ability to deliver vaccines to a large portion of their children. GAVI has learned that in many cases the ability of the country to reach more children is not related simply to its immunization program. Broader health-system failures are often to blame. So GAVI has now expanded its funding criteria and set aside about half of its resources to help meet broader health-system needs.	Strategy was too narrowly focussed
5.3	Defined a clear strategy/policy to solve the problem.	Clear defined strategy to solve the problem
6.1	Stay focused - have a clearly defined strategy and stay the course.	Clear defined strategy to solve the problem
8.5	Formulated clear and simple control strategy.	Clear defined strategy
10.6	Leveraged governmental funds to pay for home based workers.	Leverage Government funding
12.9	They view the process as a continuous one.	Continuous Process
13.5	The Bank is keen to build on the success of the program; using the skills and capacity developed to benefit a broader network of people. The new Vision is to reach one million people in three years. The mission is to achieve this by strengthening its commitment to existing partnerships, including those with customers, suppliers and NGO's.	Long-term vision and mission for Project
15.6	The country was politically stable and demonstrated leadership to fight HIV/AIDS and openness to partnerships with the private sector, such as those supported by the Abbott Fund.	Government open for partnerships
15.7	Effective partnerships require clear goals and effective use of each partner's strengths.	Clear goals effective use of partner's strengths
15.8	Direct engagement of the leadership of each partner and communications is essential to success.	Direct engagement of the leadership of each partner and communications is essential to success
17.2	By partnering with the U.S. government, Dunavant was able to dramatically scale up the scope of its intervention.	Partnering with Government - able to increase scope of intervention dramatically
19.1	By partnering with three additional local NGO's—Scout Associations, Save the Children and CISP—the scope of the intervention was broadened.	Broaden scope through diverse partners
19.3	By building a multifunctional centre that hosts the activities of Project Malawi's four partners, the company was able to improve synergies between the multiple services provided by each association.	Design for synergy
20.1	Total's partnership with a local NGO whose central focus is to develop programs for a vulnerable population—young people—in a social environment with limited services makes this program a true best practice in community philanthropy.	Specific strategy & limited services

Vector 11: Transaction Specific Variables		
Case	Key Success Factor	Keyword (s)
21.1	Through its partnership with the Universidad Peruana Cayetano Heredia, a private university in Lima, Peru specializing in medicine and education, Cisneros was able to create a relevant and impact course. The company contributed its multimedia platform to create the virtual classroom and e-learning tools, while materials were developed by professors from the university (Leverage strengths).	Get complimenting partners to create synergy
22.1	Star School uses a holistic approach to education about HIV/AIDS; rather than focusing exclusively on HIV/AIDS prevention information, the program's curriculum aims to empower students to make better choices.	Holistic approach rather than focussing on HIV only
25.4	Effective disease management to ensure support to those who require it.	Clear focussed strategy along with effective management

Vector 12: Firm Specific Variables		
Case	Key Success Factor	Keyword (s)
1.5	The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics.	Available Resources
6.4	Leverage GM's talent and resources to solve the problem.	Leverage internal talent and resources to support entry mode
8.3	Formed Implementation team with partners, government and world class experts in the field malaria and social development.	Not core business - get world class experts
9.1	The foundation is supporting local NGO's in organizing mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents.	Not core business
15.11	Be flexible and be prepared to learn and revise.	Be flexible and be prepared to learn as you go
18.1	While Bralirwa is a small company based in a highly-endemic region, it has leveraged the experience and resources of its parent company, Heineken International, to improve VCT services and overall healthcare delivery.	Leverage internal skills of parent company
20.2	By contributing its funding to a local NGO on the ground in Angola, Total increased the ability of its investment to reach the target group.	Ability to fund partners
24.2	When the government program was launched, Debswana realigned its efforts such that it was able to efficiently contribute its competencies and resources.	Efficiently contribute competencies and resources Flexible

Vector 13: Experience		
Case	**Key Success Factor**	**Keyword (s)**
1.1	However, the model we have helped to build in Botswana requires significant medical infrastructure, which could make it difficult to adopt in countries with fewer resources.	With success on one mode, use same entry mode in other countries
2.2	These 12 members represented all the major partners in the alliance, including developing-world governments, the World Health Organization, UNICEF, the World Bank, pharmaceutical companies, NGO's, research institutes, and the Bill & Melinda Gates Foundation.	Partnership brings together enormous amount of experience
2.3	GAVI invites the 75 poorest countries in the world to develop plans and submit proposals for increasing vaccine coverage and use of newer vaccines.	Consult with Stakeholders
5.7	Similar process to be rolled out by Ashanti in other countries. (Gained experience).	Similar Model rolled out in other countries
7.4	Small beginnings: Success in one community caused management to roll the SAME program out to other communities.	Similar Model In Other Countries Pilot Project in local community
8.3	Formed Implementation team with partners, government and world class experts in the field malaria and social development.	Get world class experts to run with the project Ask stakeholders for insight
8.15	Ensure sustainability by continuing and improving existing efforts.	Continue to improve your own existing efforts
9.1	The foundation is supporting local NGO's in organizing mass awareness campaigns as well as awareness sessions on HIV/AIDS for community men, women and adolescents.	Low level of experience, use NGO's as partners
10.1	Worked in collaboration with local government and other NGO's.	Gain experience through partnering with experts
10.7	Run pilot projects.	Small Pilot Project First
11.4	Crafted, along with local committees of each zone, strategies unique to each zone.	Stakeholder involvement
11.5	Received technical assistance from international leaders in the industry.	Receive technical assistance from industry leaders
12.3	Tied up with local NGO's having strong community linkages and experience in community development activities especially in areas of HIV/AIDS and education.	Partner with experienced NGO's
12.5	Forged understanding with educational institutions including schools and private blue-chip companies to take the `Champion' model forward as best practice in generating awareness on HIV/AIDS.	Share experience with others
12.7	Opinion makers like key family members, teachers, panchayat members and health workers were involved in the workshops which were followed by discussions.	Consult with opinion makers
13.4	Use of pilot projects before rolling out on major scale.	Gain experience through pilot
13.5	The Bank is keen to build on the success of the program; using the skills and capacity developed to benefit a broader network of people. The new Vision is to reach one million people in three years. The mission is to achieve this by strengthening its commitment to existing partnerships, including those with customers, suppliers and NGO's.	Build on success of existing model Skills and Capacity developed
14.3	Xstrata has incrementally and systematically carried the momentum and learning from its workforce responses to the households and communities by means of the door to door approach by working with its implementing Partner, Re-Action!	Gain experience systematically and incrementally Gain experience through stakeholder input Gain experience through expert partner

Vector 13: Experience		
Case	Key Success Factor	Keyword (s)
14.6	Working together with the government is the most sustainable way of achieving its development goals so Xstrata has entered into a Memorandum of Understanding with the Provincial Department of Health to implement a Public-Private Mix model that will extend its forerunner project in the Breyten community to other sub-districts.	Use same model in other districts
14.8	Having earned the respect of employees and the communities in which it operates, XCSA is now able to venture into new partnerships and facilitate further sustainable local development and social developments.	Respect earned in community makes it easier to venture into new partnerships/projects
14.10	Sustainability and continuous innovation is imperative. Xstrata's next steps will be to continue to augment and develop its relationship with its partners and to explore opportunities for future collaborations.	Gain experience with continuous development and partnership building
15.2	The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organization specializing in health management in developing countries.	Diverse partners bring vast portfolio of experience
15.12	Listen to local partners and understand local needs: working with community based organizations ensures local viability and sets the groundwork for a sustainable program.	Listen to local people
17.3	A number of other partners help with program implementation and support on the ground.	Partnered with local ground workers
19.1	By partnering with three additional local NGO's—Scout Associations, Save the Children and CISP—the scope of the intervention was broadened.	Maximise experience through diverse partners
19.2	In preparation for launching the program, each area of intervention was discussed with local authorities and large players on the ground—such as the World Bank and UNAIDS. The final program draft was submitted for approval to the President of Malawi and the local ministries involved.	Listen to local people and large players on the ground Partner with industry players
21.4	The course was developed in partnership with Aid for AIDS, one of the region's largest HIV/AIDS advocacy organizations. Through the collaboration, people living with HIV/AIDS were given a say in the creation of the courses and ensured that all materials were presented factually and were indicative of the realities of life with HIV/AIDS.	Ask stakeholders
23.1	By taking on a mentoring role to these smaller businesses, MBSA was able to expand its prevention, voluntary counselling and testing (VCT) and treatment services to reach a large number of vulnerable community members.	Mentoring role requires little experience, only compliment existing efforts
23.2	Seventeen companies participated in the program's pilot phase.	Pilot Project
25.5	Involvement of all relevant stakeholders in planning and implementation.	Stakeholder involvement

	Vector 14: Risk	
Case	**Key Success Factor**	**Keyword (s)**
1.5	The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics.	Multiple Financial Partners
2.4	An independent committee made up largely of developing-country public health experts then reviews and makes recommendations on the proposals. GAVI's board then meets to review the recommendations. Once the board approves a proposal, it requests that the GAVI Fund release payment.	Experts assist with recommendation Approval done by board
2.6	Sometimes you have to be the first dollar in. GAVI Fund in 1999, we were its only funder, and we did not require that the grantee match our commitment (as we often do today). It was a risky bet.	First Mover
7.2	School principle was sceptic but they took the RISK and taking the first step.	First mover against the odds
7.4	Small beginnings: Success in one community caused management to roll the SAME program out to other communities.	Minimise Risk though small pilot project
8.3	Formed Implementation team with partners, government and world class experts in the field malaria and social development.	Minimise risk through the use of a focus group of world class experts and stakeholder involvement
8.12	Marathon and partners committed to provide finances for pre-defined services/medication.	Multiple financial partners reduce risk
10.6	Leveraged governmental funds to pay for home based workers.	Reduce financial risk by leveraging Government funds
10.7	Run pilot projects.	Minimise risk through the use of pilot projects
11.11	Multi-sector partnerships with the government, NGO's and the private sector ensure a broad and sustainable funding base.	Multi-sector partnerships broaden and sustain funding base
13.4	Use of pilot projects before rolling out on major scale.	Minimise risk through pilot
13.6	In 2006, Standard Charterer's HIV Champions partnered with Chi Heng Foundation to raise funds.	Fund partner
14.8	Having earned the respect of employees and the communities in which it operates, XCSA is now able to venture into new partnerships and facilitate further sustainable local development and social developments.	Positive reputation in community reduce risk of community resistance
14.9	Its methodology states that deep democracy and collective counsel creates a platform to retain and maintain the unity and value of individual response which in turn addresses behaviour change.	Democracy and collective counselling brings unity
15.2	The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organization specializing in health management in developing countries.	Minimise risk through diverse set of partners and experts
15.5	When the Abbott Fund's program was started in 2002, there were very few donors in the country and a significant need for improvement in its health care management, infrastructure and services.	Start-up with high investment risk
15.13	Be willing to invest in powerful ideas.	Be willing to invest in powerful ideas
16.2	Used a DVD production as central theme through all country efforts.	Minimised through a standard theme
19.1	By partnering with three additional local NGO's—Scout Associations, Save the Children and CISP—the scope of the intervention was broadened.	Minimise risk through diverse partners

Vector 14: Risk		
Case	**Key Success Factor**	**Keyword (s)**
23.1	By taking on a mentoring role to these smaller businesses, MBSA was able to expand its prevention, voluntary counselling and testing (VCT) and treatment services to reach a large number of vulnerable community members.	Mentoring role is low risk (co-inside with model)
23.2	Seventeen companies participated in the program's pilot phase.	Minimise risk through portfolio of partners
25.1	Effective planning of the program from the outset.	Risk was minimised through Effective Planning from the start
25.5	Involvement of all relevant stakeholders in planning and implementation.	Stakeholder involvement

Vector 15: Control		
Case	**Key Success Factor**	**Keyword (s)**
1.6	Create a national HIV/AIDS strategy—that is, to turn a serious but fragmented response into a comprehensive and coordinated national campaign.	Co-ordinate camping
2.4	An independent committee made up largely of developing-country public health experts then reviews and makes recommendations on the proposals. GAVI's board then meets to review the recommendations. Once the board approves a proposal, it requests that the GAVI Fund release payment.	Strict Approval Process
5.5	Ongoing surveillance, monitoring and progress reporting during the project.	Monthly and annual progress monitoring and reporting
8.5	Formulated clear and simple control strategy.	Simple control strategy
8.11	Continuous (monthly and annual) surveillance, evaluation and progress monitoring	Monthly and annual progress monitoring and reporting
10.8	Monthly progress reviews.	Monthly progress reviews
12.8	Periodic evaluations and feedback tools have proved that the awareness levels of the targeted groups have gone up post intervention.	Periodic evaluations
13.3	Resources are made widely available both through central mechanisms such as the Bank's website (e.g. the HIV e-learning resource) as well as through individual activities led by HIV Champions.	Centralised and -decentralised
14.1	Excluded no person and driven by "100% Targets".	Target Driven
14.4	Work and community based Wellness Champions, Community Outreach Workers, Treatment Counsellors, and program coordinators who are trained and supported to mobilize the community at the grass roots level implement various tools to help the community.	Use program co-ordinators
14.11	Monitoring and evaluation systems will now have to be harmonized so that achievements in the community *(by the NGO's)* and workplace *(internal champions)* can be captured accurately and consistently.	Harmonised monitoring and evaluation system to measure achievements of own and partner's efforts
15.2	The program is managed through close collaboration between the Tanzanian Ministry of Health, led by Minister of Health Anna Abdallah; the Abbott Fund; and Axios, an organization specializing in health management in developing countries.	Close collaboration
15.3	The staff frequently visits Tanzania to coordinate the program and monitor progress.	Co-ordinate all efforts though frequent visits
15.11	Be flexible and be prepared to learn and revise.	Be flexible and be prepared to learn as you go
15.15	A large investment in monitoring and evaluation of its programs with its primary implementation partner Axios.	Monitor System
16.2	Used a DVD production as central theme through all country efforts.	Centralised main theme
18.2	Patient health is tracked through an electronic database which can easily monitor the progression of their condition and treatment regimens	Monitor system - electronic database
19.3	By building a multifunctional centre that hosts the activities of Project Malawi's four partners, the company was able to improve synergies between the multiple services provided by each association.	Co-ordinate efforts to ensure synergy
20.3	CAJ brought to the table a deep understanding of local cultural issues and knowledge of the barriers to reaching local youths that the different initiatives would need to overcome.	Partner brought deep understanding of cultural issues, and barriers of reaching people

Vector 15: Control		
Case	**Key Success Factor**	**Keyword (s)**
21.2	Professors also assist with teaching the course, evaluating classroom activities and monitoring the progress of teachers through the virtual classroom.	Monitor progress
23.1	By taking on a mentoring role to these smaller businesses, MBSA was able to expand its prevention, voluntary counselling and testing (VCT) and treatment services to reach a large number of vulnerable community members.	Mentoring role requires little control (co-inside with model)
23.3	MBSA's program also features a robust monitoring and evaluation component which provides data for reporting to company stakeholders.	Robust monitoring and evaluation component which provides data for reporting to company stakeholders
24.3	The program has a rigorous monitoring and evaluation component, which includes audits by hospital administrators and monthly reports to the government on the status of Masa patients.	Rigorous monitoring evaluation component, including audits
25.3	Assurance of confidentiality, as HIV is still a highly sensitive issue.	Assurance of confidentiality, as HIV is still a highly sensitive issue
25.4	Effective disease management to ensure support to those who require it.	Effective management to ensure that only those in need were treated

Vector 16: Commitment		
Case	**Key Success Factor**	**Keyword (s)**
1.5	The Merck Company Foundation and the Gates Foundation each committed $50 million over five years to help Botswana strengthen its health infrastructure, such as training new health workers and managers, and establishing new laboratories and mobile clinics.	5 Year Financial Commitment
2.6	Sometimes you have to be the first dollar in. GAVI Fund in 1999, we were its only funder, and we did not require that the grantee match our commitment (as we often do today). It was a risky bet.	Grantee must match commitment
2.7	"Five years only" does not work. GAVI is now requiring countries to "co-pay" from the start—that is, to assume a small percentage of the cost of the program right away, with the percentage increasing every year.(Only back winners not beggars, and co-ownership of the problems).	Five years is too short
5.6	Appointed a FULL TIME control manager, with support staff.	Full time staff
6.1	Stay focused - have a clearly defined strategy and stay the course.	Stay focussed
6.7	Efforts are in line to the company's historic commitment to health, dignity, and human rights both in GM communities and the world at large.	Company has historic commitment to health, dignity and human rights
8.12	Marathon and partners committed to provide finances for pre-defined services/medication.	Financial commitment from company and partners
8.15	Ensure sustainability by continuing and improving existing efforts.	Commit to sustainability through continuous improvement
11.1	Strategic commitment to sustainable development.	Commitment is on strategic level
11.3	Created a dedicated task force for each zone.	Dedicated team for each zone
12.7	Opinion makers like key family members, teachers, panchayat members and health workers were involved in the workshops which were followed by discussions.	Get commitment of opinion makers in the community
12.9	They view the process as a continuous one.	Continuous process/improvement
13.5	The Bank is keen to build on the success of the program; using the skills and capacity developed to benefit a broader network of people. The new Vision is to reach one million people in three years. The mission is to achieve this by strengthening its commitment to existing partnerships, including those with customers, suppliers and NGO's.	Committed to reach 1 million over three years
13.7	Commitment: The Bank has also formalized an approach for employee volunteering; providing two days paid leave for employees to contribute to community projects.	Strategic Commitment
14.2	The community program is driven by Xstrata's strong commitment to innovation and the vision of supporting sustainable local social and economic development as the means of building community resilience to the vulnerabilities that perpetuate HIV/AIDS and TB.	Strategic commitment
14.6	Working together with the government is the most sustainable way of achieving its development goals so Xstrata has entered into a Memorandum of Understanding with the Provincial Department of Health to implement a Public-Private Mix model that will extend its forerunner project in the Breyten community to other sub-districts.	Memorandum of understanding with Provincial Dept. of Health
14.9	Its methodology states that deep democracy and collective counsel creates a platform to retain and maintain the unity and value of individual response which in turn addresses behaviour change.	Democracy and collective counselling brings unity

Vector 16: Commitment		
Case	**Key Success Factor**	**Keyword (s)**
4.10	Sustainability and continuous innovation is imperative. Xstrata's next steps will be to continue to augment and develop its relationship with its partners and to explore opportunities for future collaborations.	Be committed to continuous development and improvement
14.12	Committed to ensure that the last 5 year's sustained investment in their workplace program remains effective.	Committed for the last 5 years (on keep on)
15.1	The Abbott Fund's partnership with the Government of Tanzania was designed to adapt resource-limited health systems to meet the lifelong treatment needs of people with HIV/AIDS, including improving facilities, upgrading administration and systems, training staff, increasing access to VCT and HIV care and assisting OVC.	Meet lifelong treatment needs of people with HIV
15.3	The staff frequently visits Tanzania to coordinate the program and monitor progress.	Permanent staff
18.3	Bralirwa frequently partners with other players to continually educate its doctors, nurses and human resources personnel on the latest ideas and practices in workplace HIV/AIDS programming.	Use partners to continually educate workforce
19.5	Sustainable Funding Improves Adherence to ARV Therapy.	Sustainable funding improves project success
19.6	By committing itself to a three-year investment, Intesa Sanpaolo was able to greatly enhance the impact its funding would have on people on the ground. Long-term investments allow for better planning and programs that can improve livelihoods in the long-run.	Long-term investments (3yr) allow for better planning and programs that can improve livelihoods in the long-run
20.2	By contributing its funding to a local NGO on the ground in Angola, Total increased the ability of its investment to reach the target group.	Funding
22.3	Star School was established by Dan Olofsson, a Swedish businessman who recently decided to invest in Thanda. His commitment to addressing HIV/AIDS in this vulnerable community and his continued leadership has helped secure consistent support and roll-out of the programs.	Commitment of founder/visionary/leadership helped to secure consistent support
25.2	Senior management commitment and support.	Senior management commitment and support

APPLICATION NOTES ON OVERCOMING CAGE DISTANCES

(a) Use Intermediate Parties

Intermediate parties can be utilised to reduce any/all of the four distances. Examples of successful applications include:

Distance	Intermediate Party
Cultural Distance	■ Influential people within the community ■ Local community support structures ■ NGO's with strong social links into the community. ■ Experts or someone with a deeper understanding of host and home culture/conditions.
Political & Administrative Distance	■ Political "bargaining" agents. ■ Local organisations/suppliers
Geographical Distance	■ Setting up local branches and/or regional hubs ■ Local organisations/suppliers
Economic Distance	Same intermediate parties as listed in "Cultural Distance"

(b) Localise the Effort

Localising the effort, especially through the "champion" approach, will minimise project distances by adapting the program in accordance to the local culture, economic conditions and political environment.

Local centres will also reduce the geographical distance if they are strategically positioned to provide easy access for both parties. Special attention must be given to the location of community based centres as to ensure easy accessibility for all community members within that region.

(c) Trustworthy Relationships

Trustworthy relationships are essential for project success and have the capacity to reduce the following distances:

Distance	Trustworthy Relationship With…
Cultural Distance	▪ Influential people within the community ▪ Local community support structures ▪ NGO's with strong social links into the community. ▪ Experts or someone with a deeper understanding of host and home culture/conditions.
Political & Administrative Distance	▪ Local community authorities and ruling parties ▪ Local Government officials and departments ▪ National Government officials and policy makers
Geographical[30] Distance	▪ Key stakeholders, ranging from ground level workers right up to the affluent donors.

(d) Continuous Communication

Continuous communication with the community can reduce the distance created by *cultural differences*. One must keep them well informed of the project's intentions and outcomes prior and during each stage of the project. This can be done at community meetings or via influential community members.

The same holds for *political distance* by obtaining the necessary rights/permissions from Government as required. It is also good practice to keep the relevant authorities/departments up to date with your project's intentions, activities and progress during the various stages if one needs their buy-in at a later stage.

Geographical distance can isolate project partners, regional offices as well as ground-level base stations from the social entrepreneurial organisation's head office. Lack of current and correct information on ground between any of these entities can lead to unsynchronised efforts and even project failure. It is therefore essential to establish a strong communication link between all

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[30] A high level of trust between the social entrepreneur and any key stakeholder results in a lower intervention rate which probably negates some of the effects of geographic distance.

parties, utilising suitable information and communication technologies that enables one to frequently share relevant information in all directions.

(e) Consultation and Involvement

Democracy and collective counselling, especially during the problem definition phase, brings unity between all parties, unveils the actual problems at hand as well as creative ways of solving them. Early partner involvement creates buy-in, provides additional resources which allows for an increased intervention scope.

Community consultation and involvement enables one to lower the Cultural and Economic Distance barriers by:

- Allowing them to voice *their* needs and *their* priorities.
- Gaining insight on community specific norms, values and beliefs that might have an impact on the venture.
- Maximising the use of local content (resources and labour) during the implementation phase. This would then provide the community with income generating activities and the social entrepreneurial firm with intermediate parties.

Consulting and involving Government's local authorities and national departments from early on, provides the following advantages:

- Attain Government's buy-in and support.
- Provides one of the most sustainable ways of achieving the Development Goals and increase the intervention scope exponentially.
- Enables one to align the intervention strategies with Government's efforts/policies or assist them in formulating new ones.
- Gain access to Government's social program funding.
- Utilise public infrastructure to deliver a private intervention
- Assisting them to improve the accessibility of infrastructure and quality of service delivery where needed.

(f) Infrastructure, Services and Critical Resources

Numerous social interventions start-off without the required services and infrastructure available in the country/community. These circumstances then result in an overshoot of the estimated project cost and completion dates, which are deemed as a project failure if not taken into consideration during the problem definition phase.

It is therefore recommended to take cognisance of the implications posed by the lack infrastructure, social systems and critical resources within a particular area can have on the Political, Geographical and Economic Distances.

Distance	Strategy
Political & Administrative Distance	Lack of <u>national</u> infrastructure and <u>public</u> services requires one to CONSULT and INVOLVE Government to overcome the problem.
Geographical Distance	Use the following strategies to distribute social supplies through the country: ■ CONSULT and INVOLVE Government to improve the <u>local</u> infrastructure/services through a joint effort. ■ Leverage a private (or even own) supply-chain network available in the area. ■ Use your own resources to strengthen the local infrastructure/services needed for project success.
Economic Distance	The economic distance between host and home countries must be considered when benchmarking the effectiveness of the local infrastructure and services to that of the home country. On the other hand, the provision (or improvement) of local infrastructure, services and critical resources during a social intervention will reduce the economic burden on the poor, thus also impacting the Economic Distance in the long run.

(g) Education and Skills Development

Distance	Strategy
Cultural Distance	■ Educate the community about the outcome during the different phases of the project and how it will influence their lives ■ Equip local people to be effective ground-staff and intermediate parties. ■ Educate staff members on cultural differences between host and home country.
Political & Administrative Distance	Assist Government in upskilling and training their service delivery staff in order to improve the quality of supply.
Economic Distance	■ Transfer skills to the community/host country as to ensure sustainability. ■ Provide skills development opportunities that can lead to income generating activities in the community.

(h) Historical and Political Associations

"Historical and political associations between two countries greatly affect trade between them."

For instance in South Africa, negative historic differences of "Apartheid" tended manifest when white social entrepreneurs did not respect the local black culture or when they were insensitive to the protocols of approaching community groups, authorities and/or influential members within the community.

(i) Serving Attitude

A servant leader attitude towards the community can assist one on overcoming the cultural and economic barriers between host and home country. This includes a willingness to learn from the community while empowering them to solve their own problems.

Any dictorial behaviour, or actions that sprout from personal and selfish interest, might have the opposite effect and could also hamper the alliance process with Government.

(j) Solutions must make sense

The solution must make sense within the constraints posed by all four distances:

- **Cultural Distance:** It should not discriminate against or infringe with any cultural values, norms or beliefs.
- **Political Distance:** It must be legal and in line with Governments policies, strategies and efforts.
- **Geographical Distance:** It must be realistic, given the specific geographical constraints.
- **Economic Distance:** The community must be able to benefit from it and must have the necessary skills/resources to sustain it.

It is also recommended to test multiple strategies through the use of pilot projects in confined communities before implementing a solution on a local or national level.