

Partnership for good: How corporates and social enterprises align to enhance their social and environmental impact

The world's most pressing challenges, from addressing climate change to ensuring decent work for people, are too great for single institutions to solve alone. Businesses, governments, and other institutions now recognise they must collaborate for positive impact. Partnerships between corporates and social enterprises are becoming a popular way of collaborating. One notable example is a tie-up between food company Danone and Grameen Bank in Bangladesh to supplement children's diets with affordable, nutrient-rich yoghurt. In another, consumer giant Unilever and solar enterprise d.light teamed up to put solar lighting in small Kenyan stores. In each of these partnerships, the company deploys its business expertise, financing and brand-name pull, and the social enterprise its specialised experience and ground-level connections. These partnerships are designed to deliver positive and scalable social and/or environmental outcomes, as well as business value to both parties.

Optimising a partnership

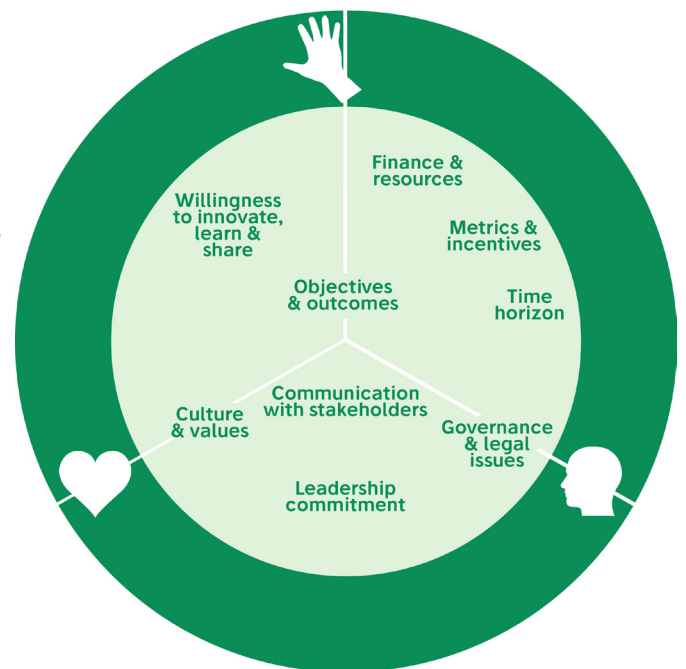
In many partnerships there can be a gap between intent and implementation, and partnerships often fail to deliver their full potential. To understand how to close that gap, we interviewed

companies, social enterprises and experienced partnership brokers. We asked how companies should set the stage for success with social enterprises—or optimise existing relationships—to maximise social impact and ensure financial viability.

Head, Heart, Hands: an alignment framework to realise the full value of partnerships

While corporate and social enterprise parties bring value to a partnership, they also bring different goals, values and cultures. Organisations express those fundamental values in different ways—not just in leaders' comments and actions but also in their business priorities and structures.

What emerged from our research was not a linear to-do list but rather a new framework for understanding how these priorities and structures align for a successful partnership. For a partnership to achieve its full potential, its parties must be aligned on three fronts: the Head, the Heart, and the Hands.



- The Head represents the intellectual business case for action and the supporting governance and systems
- The Heart is the conviction, passion and commitment underpinning the action
- The Hands are the capabilities, resources and systems that enable implementation

At the intersections of Head, Heart and Hands are the foundational aspects of a partnership. Fundamentally, a partnership requires a common vision and clear goals: a mutual understanding of the societal challenge to be addressed, and continuous and open communication to agree on how to go about it.

It's a simple way of considering partnerships—envisioning the different attributes along three dimensions while acknowledging the complexity and variety of collaborations. Alignment along these dimensions is what underpins a partnership's success, as is recognising how they work together—just like the head, heart and hands of a body. As with a body, these features are mutually reinforcing and reliant upon one another.

Partnerships that set out without this alignment may struggle. For example, in 2010 Novozymes set up a promising joint venture with CleanStar where it would use its enzyme technology to turn cassava and other agroforestry products into agro-feed and fuel for clean cookstoves in Mozambique, replacing the polluting charcoal cookstoves used by people in urban areas. Whilst promising, the venture struggled and in 2014 filed for voluntary liquidation.

What happened? For all its conceptual promise and investor interest, many elements of the partnership were too far from the core competencies of the partners and did not have sufficient support

systems in place. The head had failed the heart and the hands.

In contrast, when Unilever and d.light entered their partnership both partners took time to deeply understand one another's objectives, core strengths and capabilities. Whilst Unilever's initial objective had been to explore solar water-heating solutions, the depth of discussion the partners entered allowed them to conceive a project that better utilized their respective strengths and supported both party's objectives whilst achieving demonstrable social impact in rural communities. By taking the time to align their collective desire to achieve positive impacts, a solid and sustainable business model and a well-defined set of processes and resources, Unilever and d.light ensure the success of their project.

Are you ready to partner?

Corporates and social enterprises don't need identical competencies. Each party brings its respective strengths to a partnership. But a successful and effective partnership requires alignment across three dimensions: Head, Heart and

Hands. Organisations that adopt a holistic view to their readiness and ability to partner can succeed faster and more efficiently, whilst partners who are in alignment can deliver significant and lasting societal impact, along with business value for all.

The 'Partnership for Good' report, commissioned by de Pury Pictet Turrettini & Cie and conducted by Kois Invest, Kite Global Advisors and Sattva, presents the Head, Heart and Hands framework—drawn from the insight of experienced professionals and case studies of successful partnerships—as a means to help corporates to ask the right questions and achieve success in their partnerships with social enterprises. The report is accompanied by an assessment designed to explore corporates and social enterprises alignment across the head, heart and hands to set themselves up for effective partnerships.

We invite you to explore with us the question of readiness, commitment and partnership in a way that is relevant to your objectives and goals, to help you engage better in current partnerships and pursue future collaborations with clarity and focus for lasting and scalable impact.



This research was commissioned by de Pury Pictet Turrettini & Cie.

For Enquiries

If you would like to find out more about this report or the Readiness to Partner Assessment please direct your enquiries to: fly@kitega.com