CASE SERIES ON SOCIAL & BUSINESS CO-CREATION

The power of social entrepreneurs and businesses to build innovative business models that address societal challenges at scale

June 2016

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PREFACE

CO-CREATION: THE NEXT BIG OPPORTUNITY TO SCALE UP SOCIAL INNOVATIONS

We are delighted to share this series of five business cases which highlight the models adopted by pioneers in Social and Business Co-Creation. They are amongst the finalists and winners of the European Challenge organized by Ashoka and its partners: the Zermatt Foundation, the Guilé Foundation, DPD and Boehringer Ingelheim. 338 projects from 34 European countries participated in this competition. These business cases were developed by Ashoka Switzerland, with the consultancy support of PricewaterhouseCoopers SA, Switzerland (PwC).*

These Co-Creation cases which come from different industries have in common that they leverage the power of social entrepreneurs and corporations to jointly address some of society's biggest challenges today. This approach creates value for society and businesses by enabling innovation, growth and stakeholders' engagement.

At Ashoka, we deeply believe that the strength of social entrepreneurship is to tear down silos across sectors and bring to scale innovative solutions that have been developed with a focus on community needs. In the last 30 years, social entrepreneurship has emerged as a sector that offers an alternative model. It blurs traditional frontiers between business and social initiatives, enables "teams of teams" across sectors, and inspires leadership to commit to societal causes. Social entrepreneurs are indispensable partners to corporations that need to adapt to rapid changes in our society and a world in motion.

Co-Creation is an emerging trend that we at Ashoka want to highlight through this case series. The models presented here are in different stages of maturity. Their potential for inspiration is nonetheless huge as they help us imagine new ways of scaling up socially-driven initiatives, of creating and sharing value for organizations and society and of engaging corporate leadership.

For us, our next step is to help build a strong Co-Creation ecosystem by engaging pioneers, sharing inspiring examples and "how to's", as well as developing new tools and content with the goal that Co-Creation can become standard practice across the corporate and social sectors.

We invite you to be part of this journey!

Olivier Fruchaud, Director Ashoka Switzerland

Stephanie Schmidt, Director Ashoka Changemaker Alliances Europe

* PricewaterhouseCoopers SA, Switzerland (PwC) were engaged and instructed by Ashoka Switzerland, and worked on a pro bono-basis. PwC has not provided any opinion, attestation or other form of assurance. No reliance can be given on these business cases, and PwC does not take any position or liability.

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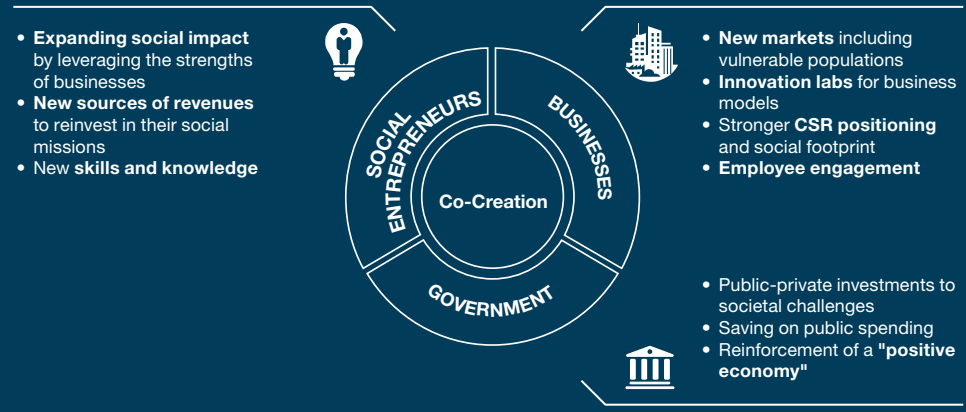
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WHAT IS SOCIAL & BUSINESS CO-CREATION?

Through its work with hundreds of social entrepreneurs, Ashoka has advanced the concept of Social & Business Co-Creation which connects social entrepreneurs and businesses with complementary strengths to collaborate for maximum social impact. Co-Creation becomes a way to address societal issues at scale and create new value.

The cases presented in this series were amongst the finalists of the European competition launched by Ashoka in 2014 with the aim to identify pioneers in the field of Social and Business Co-Creation. The selection criteria for the five cases were:

- ***Collaboration:*** *at least two organizations from the social and business sectors that bring complementary and unique expertise on a joint initiative*
- ***Value for all:*** *creation of value for all core partners and society*
- ***Strong potential for societal impact and replication:*** *addresses a societal challenge, with the potential to generate impact at scale*
- ***Changemaking:*** *initiative led by intrapreneurial individuals who dare to rethink social and business models.*



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ABOUT ASHOKA

Ashoka's vision is an "Everyone is a Changemaker" society. Founded in 1980 by Bill Drayton who coined the term "social entrepreneurship", Ashoka is the largest global network of leading social entrepreneurs (whom we call Fellows). Every year, we select about 150 new Fellows around the world based on their social innovation, entrepreneurial qualities and potential to achieve large-scale impact.

We build and activate networks of individuals and organizations to support them to address the world's biggest societal challenges and foster collaborations for greater effectiveness and results. Along with our global network of Fellows, business entrepreneurs, policy makers, investors, academics and journalists, Ashoka is now working to ensure that social entrepreneurs and their innovations continue to inspire a new generation of Changemakers.

CRITERIA FOR ASHOKA FELLOWS

SYSTEM CHANGE SOCIAL INNOVATION + ENTREPRENEURIAL QUALITIES + LONG TERM SUSTAINABILITY

TO ADDRESS A MAJOR SOCIAL OR ENVIRONMENTAL CHALLENGE



85 countries



150 new Fellows every year

3,300 **leading system-change social entrepreneurs in our network since 1981**



10 years after their election, 83% of Ashoka Fellows pursue their initial objective*



10 years after their election, 71% have changed a system at a national level in at least one way

* Ashoka Measuring Effectiveness report

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The Vodafone Farmers' Club in Turkey:

Improving the access of smallholder farmers to information, markets and finance through mobile technology

What is at stake?

The agricultural sector in Turkey has shown slow growth over the last few years, and high levels of inflation have hiked up food prices, making it increasingly difficult for farmers to sell their products and make a living (Source: The Economist, 2015). Smallholder farmers – owning small plots and growing for subsistence – are particularly vulnerable to market variations. In Turkey, 72% of agricultural enterprises are smallholder farmers. They typically face challenges of low agricultural yields and the lack of access to financing, infrastructure, technologies and agricultural information (Source: GSMA, 2015). At the same time, mobile penetration in Turkey reached 93.5% in Q4/2015, signaling the great opportunity to improve the lives of smallholder farmers through the use of mobile technology.

About the social entrepreneur



TABIT is a Turkish social enterpreneur's endeavor whose focus is to increase the capacity of smallholder farmers by leveraging information technology. TABIT works with a deep-rooted network of agriculture organizations and partners in Turkey to design and implement projects for the Information and Communications Technology (ICT) enablement in the agricultural sector. TABIT was co-founded by Tülin Akın and employs 22 staff. Tülin holds degrees in farming and business administration coupled to an extensive experience in the Turkish agricultural sector. She developed Turkey's first agricultural e-commerce site, Tarimsal Pazarlama (that means Agriculture Marketing).

About the corporate partner

Vodafone Turkey is the second largest telecommunication company in Turkey with 21,9 million customers as of 31 December 2015. It employs over 3,300 people and has about 1,200 stores throughout the country. In Turkey, Vodafone has a mobile revenue market share of 36.9%, (Source: Information Technology Institute, Q4/2015). Vodafone Turkey is a subsidiary of the Vodafone Group, one of the world's largest telecommunications companies and provides a range of services including voice, messaging, data and has fixed communications. Vodafone has mobile operations in 26 countries, partners with mobile networks in 57 more, and has fixed broadband operations in 17 markets. As of 31 December 2015, Vodafone had 461 million mobile customers and 13 million fixed broadband customers.

In 2009, Vodafone Turkey set up a Social Business Models Segment with the goal of improving the livelihoods of undeserved segments.

Facts and figures



Agricultural enterprises that are smallholder farmers in Turkey (Source: GSMA, June ´15)



Agricultural share of employment in Turkey (TurkStat, Labour Force Statistics, Dec ‘15)



Agricultural share of GDP in Turkey in 2011-2015 (Source: World Bank, 2016)

The co-creation model: turning challenges into value

Societal issue	Value proposition	Business issue
Smallholder farmers lack access to markets, information and financial resources, making them isolated from income-generating opportunities	Enhance the lives of smallholder farmers through a unique access to markets, information and financial resources	Farmers are a large segment of Turkey's population and have a high potential for digital technology transformation
Smallholder farmers are reliant on middlemen and receive low prices for their produce		The telecommunications market in Turkey is highly competitive, with companies trying to provide farmers with the most attractive offers

Value Cycle

1 Develop a novel ICT platform

Together, Vodafone and TABIT developed the Vodafone Farmers' Club to connect farmers with real-time and customized agricultural information via digital technologies. In addition, a service was set up to allow farmers to advertise their products directly to buyers at their financial value, via the mobile platform, increasing their potential for revenue generation. Adverts are posted on various multimedia channels as well as on TABIT's e-commerce platform.

2 Create valuable agricultural content for the Vodafone Farmers' Club platform

In partnership with the Ministry of Food, Agriculture and Livestock (MFAL), the Turkish Agricultural Union and farmers, TABIT creates its own agricultural content and provides it to the Vodafone Farmers' Club. It gives advice on harvesting methods, develops alerts on diseases and provides information on government subsidies and agricultural fairs as well as the local weather forecast. TABIT is well positioned to offer its services as the agricultural expert.

3 Run marketing campaigns and onboard smallholder farmers as loyal customers

Vodafone leads the marketing activities and tours around rural Turkey with an educational truck to raise awareness of the Vodafone Farmers' Club. Discounted mobile phone plans are offered to members and Vodafone technologies are used to provide tailored information to farmers, both free and payable. Farmers can also access financial support through Vodafone Farmers' Club and make a single payment for their mobile phone plans during harvest time. This in turn increases their loyalty to Vodafone.

Greater impact on society, the social enterprise, and the business

Since its inception in 2009, the co-creation initiative has achieved a number of key results that together contribute to improving society as a whole.

280,000
Number of farmers who receive daily weather forecast and weekly market price information for selected crops

9 million
Number of farmers reached by the Vodafone Farmers´ Club educational truck

871 million
Number of SMS messages sent to Vodafone Farmers´ Club members

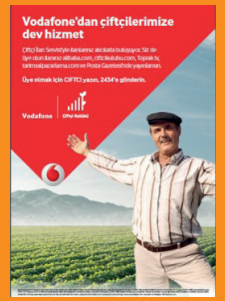
840,000

Vodafone Farmers' Club active users. Nearly one third of the 3 million farmers officially registered in Turkey









Impact on society

The co-creation project **increases the ICT literacy** of smallholder farmers. Access to relevant and real-time agricultural information on weather forecasts and prices helps them to plan their work. Insights into farming methods and subsidies also have a direct impact on their productivity and sales performance.

Through the successful implementation of the ad service, farmers are able to boost their profits and buyers are benefitting from **fairer prices**. By receiving financial benefits, such as loans and tailored payment options, farmers have a chance to reduce their costs and the effects of seasonality. The Vodafone Farmers' Club has contributed to **improving the livelihoods of thousands of smallholder farmers** and to enhancing the perception of the profession in Turkey.

Impact on the social entrepreneur

For TABIT, one of the biggest achievements has been the ability of the social enterprise to create value as a content provider of tailored agricultural information through **strong collaborations** between various actors, including agricultural associations and the Turkish government. It has also been an opportunity to reach out more farmers by leveraging the marketing outreach of Vodafone.

The success of the business model has also generated **interest from other companies** in Turkey to engage in farmers' enablement projects.

The strategic collaboration established with Vodafone increased TABIT's **credibility** as a provider of valuable services for the agricultural sector.

Impact on the business

The co-creation project has provided an unparalleled model to gain the trust of farmers and bring them on board as **new and loyal customers**. The project clearly improved brand awareness in the rural customer base and reduced churn rates.

Following its success in Turkey, Vodafone was able to **replicate this model in 6 other markets**– Egypt, Ghana, India, Kenya, New Zealand and Tanzania – which demonstrates the success story of the Vodafone Farmers' Club.

The co-creation model has also represented an opportunity to grow Vodafone Turkey's **social footprint** and to strengthen the telecom company's reputation as a socially responsible enterprise.

The co-creation journey

TABIT co-founder Tülin Akın entered in discussions with Vodafone in 2008 when the telecom company was a relatively new entrant in Turkey. Her suggestion to target the farmers market segment for both social and business benefits found a strong support with Serpil Timuray when she became the new CEO of Vodafone Turkey. As a former general manager at Danone, Serpil Timuray was familiar with the agricultural sector and could see the potential of digital transformation in the farming segment. Under the auspices of the Turkish Ministry of Food, Agriculture and Livestock, TABIT and Vodafone partnered to launch the Vodafone Farmers' Club at the end of 2009 as a new social business model aiming to improve lives and to upgrade agricultural practices through mobile technologies. The services of the Vodafone Farmers' Club included agricultural information packs through SMS, and the free advert service set up in 2011. Eventually, to ensure its financial sustainability, the social business model moved towards a hybrid pricing model for agricultural content and digital services.



The key ingredients for success

Strong management support

Vodafone Africa, Middle East and Asia-Pacific Regional CEO, Serpil Timuray, had prior experience in the agricultural sector and had a clear vision to link mobile technology with the agricultural sector to increase the profitability of smallholder farmers. Her understanding of the value of mobile technology for agricultural workers was instrumental.

Pro-active dedicated department at Vodafone

Vodafone started the project with its foundation as a Corporate Social Responsibility (CSR) project, and later set up a Social Business Department to manage the project with consideration to both its business and social aspects. The Social Business Department collaborates cross functionally across the company. It also works on projects designed to help women and people with disability.

Effective collaboration

TABIT and Vodafone agreed on clear roles and responsibilities and were able to leverage their comparative advantage.

Continuous marketing

The project gained wider visibility in Turkey through extensive and continuous below-the-line marketing campaigns including local direct marketing activities (e.g. an educational truck). This allowed a more engaging approach to reaching farmers.

Good understanding of the agricultural sector

The social entrepreneur Tülin Akın has a deep-rooted network in the agricultural sector which she could leverage to understand the specific needs of farmers and help tailor appropriate products.

Strengths of both partners

TABIT has access to a wide network of farmers associations. Vodafone Turkey is the telecommunications expert and leader in digital innovation.

"TABIT is a social enterprise while Vodafone is a private company that looks to foster social progress in a sustainable way by applying economic business models. By merging the two mind-sets we have become a powerful team." Social Business Model Segment, Vodafone

"As a social entrepreneur, I am very glad that this business model is scaling up and it is being replicated in other countries." Tulin Akın, TABIT founder

"One-third of humanity relies on food grown by 500 million smallholder farmers with less than two hectares of land. Our experience in Turkey has demonstrated how mobile services can transform farmers' ability to increase crop yields, improve efficiency and grow farm gate incomes." Serpil Timuray, CEO Vodafone Turkey (2013)

A hybrid financing model

This co-creation project is built on a hybrid financing model which draws funds from an initial investment by Vodafone as part of its CSR framework and from two major operating revenue streams: the sale of discounted mobile plans and paid content for farmers to access agricultural information. TABIT and Vodafone then jointly share generated revenues based on a 50/50 ratio and work together to enhance farmers' life in a sustainable way.

Initial Investments



vodafone

Financial and human resources

The initial investment made by Vodafone consisted of financial and human resources to start operating the project and develop the mobile technology and infrastructure. The model also leverages years of experience of TABIT working with farmers and prior investments made by TABIT.

Running the business



Sales of mobile plans

Members of the Vodafone Farmers' Club can access discounted prepaid and post-paid plans according to their needs. Discounted rates allow Vodafone to grow a large customer base.

Fee for accessing agricultural content

Both free and paid content are offered to farmers. The paid subscription offers customized agricultural content according to location and crop.

Decreased churn ratio

Farmers choose Vodafone as their mobile operator and show significantly lower churn rates compared to other segments.

Conducting marketing activities

- An educational truck visits villages for direct marketing activities and provides training on beneficial impact of mobile technologies on agricultural practices.
- 360-degree communication plans, including PR, events, media, from Vodafone to increase awareness of the Vodafone Farmers´ Club.
- TABIT conducts training sessions for subscribers on mobile technology, sustainable agriculture and water.

Producing the agricultural content

TABIT receives a fee for service from Vodafone to produce the agricultural content and information packages posted through the Vodafone Farmers' Club.

Net Income



Earnings are then used to grow the business and to benefit smallholder farmers.



Moving forward

In light of the remarkable success of the Vodafone Farmers' Club in Turkey and the realization that farmers in other countries face similar challenges, Vodafone Group decided to replicate the model in six other countries: India, Ghana, Tanzania, Kenya, Egypt and New Zealand. To best respond to the local needs of farmers in these new markets, Vodafone Group partners with local social entrepreneurs, while TABIT remains the strategic partner and content provider in Turkey. A recent partnership with alibaba.com and Şekerbank, one of the largest banks in Turkey demonstrates the Vodafone Farmers' Club commitment to expanding access to markets and financing services for farmers in Turkey. Based on a recent report produced by Vodafone Group, "Connected Farming in India", it estimates that in India, USD 9 billion of additional income between 2015 and 2020 could be generated by introducing new mobile technology services in the country, such as payments and loan services, receipt services and supply chain audits. All these services would create significant cost-efficiencies and allow smallholder farmers to save millions of dollars that could be reinvested to fuel further growth and prosperity. The role of mobile technology services in the agricultural sector will fundamentally change the lives of smallholder farmers and lead them into a bright future.

What is at stake?

Autism Spectrum Disorder (ASD) is a hidden disability, not a condition easily diagnosed. Its symptoms are “a variable mixture of impaired capacity for reciprocal socio-communicative interaction and a restricted, stereotyped repetitive repertoire of interests and activities” (World Health Organization). Yet, most autistic people have invaluable abilities such as great accuracy, a good eye for detail, high reliability and meticulous application of routine tasks.



About the social entrepreneur

Specialisterne or "The Specialists" in Danish is a social enterprise initially founded in Denmark by Thorkil Sonne in 2004. Its mission is to enable jobs for autistic people through innovation, collaboration and knowledge sharing. In parallel, Thorkil Sonne founded the Specialisterne Foundation (SPF), a not-for-profit entity that owns the Specialisterne concept and trademark. SPF aims to change the way society perceives autism by transforming it from a disability to a competitive advantage in the workplace. Thorkil himself has an autistic son.

About the corporate partner

SAP is a German multinational software company founded in 1972 that currently employs more than 75,600 people in 130 countries. Total revenues approximated EUR 17.5 billion in 2014. It is considered one of the global market leaders in the IT sector. It provides support to a large array of companies and helps them to "innovate through simplification".

Since 2007, SAP made its engagement towards sustainability a rooted principle of its activities. Social, environmental and economic risks and opportunities form a holistic approach to its enhanced management. More specifically its social investment has a strong focus on diversity and inclusion evolving around the areas of generational intelligence, gender intelligence, differently able people, and culture and identity.

SPECIALISTERNE Passion for details SAP

Facts and figures



Of the worldwide population is affected by Autism Spectrum Disorder



Autistic people have a full-time job in a country like the UK



Autistic people wish to work

Autistic people are vulnerable, often victims of stigma and discrimination, and lack access to adequate social services and support.

The co-creation model: turning challenges into value

Societal issue	Value proposition	Business issue
Autistic people are often marginalized from the rest of society and their abilities are not known or recognized.	Integrating people with ASD in the labour market and society, and providing a well-performing workforce for increased competitiveness	High staff turnover and lack of skilled resources generate a war for talents in the IT sector
Autistic people have challenges to access the job market		The IT sector is highly competitive and companies have to innovate constantly



Value Cycle

1 Identify candidates among autistic people

SAP chooses relevant positions to fill in its company such as testers, programmers and data quality specialists. Specialisterne then identifies and pre-selects talented autistic people with the right skillset.

2 Assess the professional skills of autistic people

Specialisterne (or partners trained by Specialisterne) carries out the assessment program to determine the best possible match between the job description and the candidate. Specialisterne ensures that newly hired people are comfortable in their work environment in order to increase the rate of successful integration.

3 Support the integration of autistic people in the workplace

Both Specialisterne and SAP support the transition to the workplace through a tailored support program. Specialisterne provides an ‘autism training’ to SAP staff to raise awareness and prepares them to welcome the new candidates. Specialisterne collaborates with local partners when needed.

Greater impact on society, the social entrepreneur, and the business

Since its inception in 2012, the co-creation initiative has achieved a number of key results which together contribute to improving society as a whole.

10

SAP locations across 8 countries are hiring autistic people

5

Partners have joined the initiative since 2013

6

Number of similar initiatives supporting autistic people around the world

94

Autistic people hired at SAP since 2013 across the globe



Impact on society

The co-creation project has contributed to **changing society's perception** of autistic people, from focusing on the things individuals cannot do to what they can do, from both a social and professional perspective.

Autistic individuals who become employed develop their **self-esteem and well-being**, and are better integrated into society. This increases their employability and potential for **financial and overall independency**.

The initiative has **inspired other similar models** around the world and made companies globally aware of the potential of autistic people in the workplace. Private sector companies that have on-boarded autistic people include Microsoft and Hewlett Packard.

Impact on the social entrepreneur

For Specialisterne, partnering with SAP meant accessing a much larger market to place autistic people. The success of the co-creation initiative also generated interest from other companies across the globe to partner on similar projects. Working with a world-class company like SAP gave the collaboration high media coverage and increased Specialisterne's **credibility and visibility**.

The collaboration has given Specialisterne an incentive to expand its services to new locations and think about **new delivery models**. The partnership is increasingly evolving towards a "global model, local tailoring" structure. A common methodology is applied across locations, and activities are tailored to contextual needs with local partners.

Impact on the business

SAP is convinced that autistic people have the **right skill-set** needed to perform in some functions and contribute to innovation in their business.

In May 2013 at the global announcement of the initiative, SAP committed to hire autistic people as **1% of its work-force** to mirror the prevalence of ASDs in our society. The co-creation initiative has increased SAP's diversity and competitiveness by exploiting untapped talents.

This in turn has fueled **SAP's innovation and quality** of services. In addition, the turnover rate of autistic people is much lower than for other employees, therefore saving significant costs to SAP.

The co-creation journey

SAP started hiring autistic people in India after Specialisterne delivered a presentation at a conference sponsored by SAP in Bangalore. SAP then reached out to Specialisterne for support and together they launched a pilot project in Ireland in 2012. Capitalizing on the success of this local project and following an encounter in Davos in 2013, the collaboration strengthened and the partners decided to roll-out the model to other locations.



The key ingredients for success

Strong support from the top

SAP's CEO and other key executives are active supporters and strong believers. For SAP there was a clear match between the skillset of autistic people and the needs of the IT industry from the start.

Dedicated team at SAP

The initiative is led by SAP's Diversity and Inclusion Team: two global co-leads and one local lead in each country where SAP operates.

Active collaboration between the Diversity and HR departments of SAP

Both teams work together to design and implement individual support programs.

Media coverage

The project has gained wider visibility in the United States but also worldwide through several events and large media coverage at the launch of the initiative.

Open communication

The project is driven by trust and open communication between SAP and Specialisterne. A good working relationship and openness to different ways of working are key to achieving a common vision.

Autistic people as both beneficiaries and contributors to society

The success of the project is founded on leveraging autistic people's skills, helping them to secure a meaningful job but also giving them the opportunity to contribute to society.

Common vision and match

By 2020 both partners aim to have no difference when hiring an autistic person versus a non-autistic person.

"I want society to know what autistic people can do, rather than focusing on the things they cannot do." Thorkil Sonne, Specialisterne

"It is not about charity, it is about fitting into the company's business model." Peter Brabazon, General Manager, Specialisterne Ireland

"Co-creation helps to develop different processes." Stefanie Nennstiel, Senior Program Manager HR, SAP

The financial model in a nutshell

As the model is being exported to other countries, the partnership is increasingly evolving towards a "global model, local tailoring" structure. With the initiative on a steady development, both SAP and Specialisterne work with local assessment partners trained by Specialisterne to expand the initiative around the world. Working with local authorities and organizations allows to access local knowledge, share costs with other partners and ensure the sustainability and success of the initiative.

Running the business

Service fee

- Specialisterne is a provider of assessment services to SAP through a global agreement, typical of a B2B model
- Specialisterne uses the funds in the way it considers most efficient. This allows for greater flexibility as needs are different from one country to another

Local financial support

In some locations, SAP and Specialisterne were able to decrease their costs by securing funds from local governments or associations



Expenses

- Identification and pre-selection of autistic people
- Training of SAP teams
- Assessment of autistic people
- Kick-off and individual on-boarding program for new recruits
- Time of dedicated staff at Specialisterne and SAP

Net Income



- Generated by increased competitiveness and quality
- For Specialisterne, the margin is invested in further growth activities and business expansion in other locations and geographies



Moving forward

To ensure the sustainability of their co-creation model, Specialisterne and SAP are continuously seeking higher efficiency and inclusion in their processes. The partners have learned the importance of having a strong local network in place with community agencies, universities and authorities to source the right candidates and be more responsive to local needs. A strong local network will open opportunities for additional on-boarding options, such as individualized apprenticeships. SAP and Specialisterne will strengthen ties with the educational system to work on preparing autistic students for competitive careers. For the partners, in the medium-term, the cost of hiring autistic people should be equal to that of other people, thanks to the support of government subsidies. The partners want to inspire companies and governments to raise awareness and increase their support for this initiative.

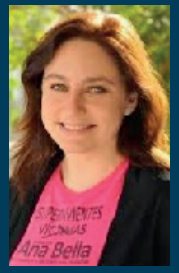
The plan is to expand to two new countries in 2016. Future geographic coverage is in line with business demands and SAP's strategy. There is no established target as the partners rather focus on the number of jobs successfully filled by an autistic individual. As the European Commission forecasts a shortage of 825,000 positions in the IT sector for 2020 in Europe due to the growing gap between supply and demand, companies like SAP face a war for talent. The present initiative therefore has a good potential for further growth. To do so, Specialisterne will need to develop a model that allows it to be flexible in bringing rapid sourcing to its partners. Licensing its model could be a solution to achieve scale and at the same time ensure responsiveness to the businesses it serves.

Ana Bella Social School:
Empowering women victims of domestic violence through job creation

What is at stake?

Violence against women is a major world pandemic. It takes the form of physical, psychological and sexual abuse and its impact is pervasive. Women experiencing abuse are victimized by their partners and suffer from loss of confidence and long-term physical and health injuries. It affects a woman's dignity, psychological and physical health and well-being while also jeopardizing her ability to be productive on the job market and offer her children adequate education.

About the social entrepreneur



The **Ana Bella Foundation** is a non-profit organization based in Sevilla, Spain. Founded by Ana Bella Estévez in 2006, its mandate is to provide a support system for women who have or are experiencing domestic violence. The main objective of the foundation's work is to turn these women from victims to empowered survivors of abuse. It offers a peer-support network, partnering with the public administration and local social agents, and influencing mass media. In 2012, the Foundation set up the Ana Bella Social School for Women Empowerment to provide training and access to employment to women survivors of gender violence.

About the corporate partners

A leading company in the food and beverage industry, **Danone Spain** employs more than 1,200 staff and is one of the largest employers in Spain. The company is also a pioneer in promoting sustainable business. In 2009 it established the Danone Ecosystem Fund to integrate social innovation at the core of its business activities. Its aim is to strengthen the activities of the partners that make up its value chain: farmers, suppliers and contractors, transport operators, distributors etc. The Fund carries out activities to generate employment by providing skills and boosting employability in particular.

Momentum Task Force (MTF), the second corporate partner, is a well-known marketing company in Spain that provides promotional sales and event services to a variety of companies including Danone. Danone Spain outsources its sales services to MTF.

Facts and figures

33% Of women in Europe have experienced physical and/or sexual abuse since the age of 15

22% Of women in Spain have experienced domestic violence

14% Of women in Europe reported incidents of abuse to the authorities

The co-creation model: turning challenges into value

Societal issue	Value proposition	Business issue
Women suffering from domestic violence have challenges to access the job market	Empower women survivor of gender violence as social and economic change-makers and enable them to access valued jobs in the future	Staff rotation and commitment is an issue in point of sale campaigns
Jobs offered are often of lower standards (e.g. domestic workers) and do not give them a visible position in society		Higher staff turnover has a direct negative impact on team performance and ultimately on sales

Value Cycle

1 Offer an employment platform

Through training and coaching, the Ana Bella Social School offers "survivor" women the social support needed to break out of the dependency from their abuser. The school provides women with a platform to rebuild their confidence, regenerate their social network and develop competencies in promotional sales, that can be attractive for Danone or other companies.

2 Provide training to women suffering from domestic violence

Once trained, the school identifies "survivor" women who can work as brand ambassadors and recommends them to Momentum Task Force. MTF then on-boards and trains these women on the job to work in promotional sales for Danone products under the one year Danone Sales Ambassador program. MTF employs around 120 survivor women every year as brand ambassadors.

3 Integrate women into the sales force

In addition to providing an employment platform, Danone supports the Ana Bella Social School with funding and specific expertise for training, social outreach and project management. For Danone, the key driver of the co-creation model is to have best-in-class ambassadors at the point of sale to connect with the customers and give them relevant information on Danone products.

Greater impact on society, the social entrepreneur, and the business

Since its inception in 2011, the co-creation initiative has achieved a number of key results which together contribute to improving society as a whole.

632
Women empowered

364
Women who received more than 21 hours of training per year

63% → **2.9%**
Turnover rate reduced from 63% to 2.9%

40% → **1%**
Absenteeism rate among sales representatives reduced from 40% to 1%

156

Jobs created for women through the Ana Bella Social School between 2012 and 2015. These jobs have a minimum duration of 6 months.



Impact on society

The co-creation model has not only brought about stronger **public awareness** around the cause of domestic violence, but also concrete solutions to address it. It also contributed to **changing the perception** of survivor women from victims to empowered women who can play an active and positive role in society.

Women trained through the Ana Bella Social School acquire self-confidence, develop sales and marketing skills and are better integrated into society. The brand ambassador job is a springboard job to enter the labour market and increases their employability and potential for revenue generation.

Most importantly, the Ambassador Program helps them **break away from domestic violence** and gain further independence.

Impact on the social entrepreneur

The co-creation model has enabled the AnaBella Foundation to test and build a model for professional training and placement for women victims of domestic violence. The project has given the Ana Bella Social School and the Foundation **high media coverage** and visibility in Spain and beyond.

The success of the co-creation project has generated interest from other companies in Spain to partner on similar women empowerment projects. The collaboration with MTF also helped the school to **expand its model to other clients.**

For the Ana Bella Social School, the collaboration with the corporate world also meant learning the language of business, discussing long-term planning with Danone and better defining **business goals and targets.**

Impact on the business

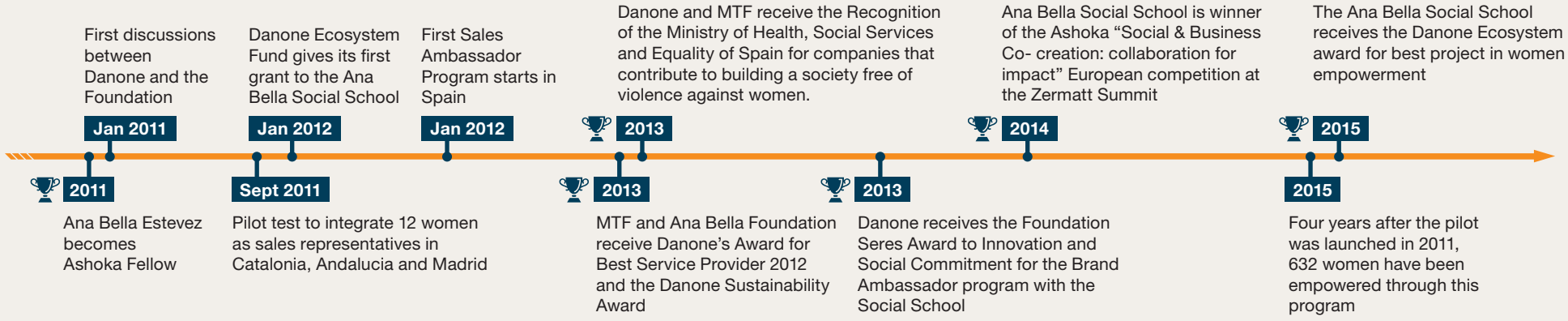
The co-creation initiative fueled **Danone's sales campaigns** with reliable, committed and credible brand ambassadors. As a result, the turnover and absenteeism rates of brand ambassadors trained at the Ana Bella Social School were much lower than that of other types of brand ambassadors (e.g. students). The result for Danone was an improvement in the quality of services to customers, better relationships with distributors, and increased sales.

For both Danone and MTF, this co-creation project also represents an opportunity to grow their **social footprint and build a reputation** of socially responsible enterprises.

One of the main learnings of this project is that survivor women can be part of the solution to an important business need.

The co-creation journey

Danone Spain CSR department first started gaining interest in the work of the Ana Bella Foundation in 2007. Danone had **a strong desire to contribute to improving employability** at a time of economic stagnation in Spain. The company also wanted to secure a committed body of brand ambassadors at the point of sale to reduce high levels of turnover. Discussions with Danone and MTF began in 2011 when Ana Bella Estévez was awarded the Ashoka Fellowship and as her work gained momentum in Spain and Europe. In September 2011, Danone and the Ana Bella Social School conducted a pilot test to integrate 12 women as brand ambassadors, and in January 2012, the first brand ambassador program started.



The key ingredients for success

Strong support from the top

Danone's CEO and the head of the Danone Ecosystem Fund have been active supporters of the project.

Pro-active CSR department

The CSR department took the lead to initiate contacts with Ana Bella Estévez through Ashoka.

Active collaboration between the CSR and Sales departments of Danone

Danone Spain CSR made the first investments in the project but was followed by the Sales department shortly after.

Media coverage

The project has gained wider visibility in Spain and Europe through Ana Bella Estévez's numerous media appearances.

Open communication

The project is driven by an open and dynamic communication between its partners, the Social School, Danone and MTF. A good working relationship and openness to different ways of working were key to achieve a common vision.

Integrating a social cause into a business solution

The success of the project is founded on leveraging the competencies of "survivor" women as both beneficiaries and agents of change. This dual role makes them motivated and dedicated resources while empowering them through increased skills.

Trust

The partnership is based on high levels of trust across the three partners.

"Ana Bella changed the mindset around women suffering from domestic violence. These women are strong and their strength can be leveraged for business and society."
Head of CSR, Danone

"The Foundation provides the training and skills to free the full potential of survivor women."
Founder, Ana Bella Foundation

"Women are closer to the shopper profile and have a high level of commitment and motivation."
Head of CSR, Danone Spain

A hybrid financing model

As for many social entrepreneurs, the Ana Bella Social School's economic model is based on mixed funding: grants and donations, government funding and service fees paid by its clients. All the profits made by the Ana Bella Social School are reinvested in its social cause.

Initial Investments



Grants and donations

- Initial donation of EUR 320,100 from Danone Spain (CSR and Sales Department) and the Danone Ecosystem Fund to set up the project for the first five years

Running the business

Client fee for service

- The Ana Bella Social School receives a service fee from the corporate partners that contract the school's services for their campaigns



Expenses

- Training of women as sales representatives
- Salaries of women in the Ambassador Program
- Ana Bella Social School operational activities (social outreach, advocacy)
- Time/salary of dedicated staff on the Ambassador Program

Net Income



All the profit generated by the Ana Bella Social School is re-invested in the School, investing in action plans for further growth activities and business expansion



Moving forward

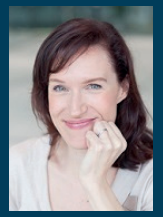
While 75% of the co-creation project's funding is still grant based, it is increasingly moving towards a financially self-sustainable model. The Ana Bella Social School and the Foundation are currently exploring new and sustainable ways of generating steady income and to become less dependent on grants. One of these avenues is to expand the Ambassador program with more companies. Several other food and beverage companies in Spain have demonstrated interest in the Social School's model and readiness to onboard trained women in their sales and other commercial activities. At the same time, the Ana Bella Social School is currently identifying new revenue streams, such as diversity trainings in the workplace. These growth avenues will be crucial in the future and will contribute to increasing the number of "survivor" women accessing the workplace.

The EspeRare Foundation:
Accelerating the treatment for rare diseases

What is at stake?

A rare disease is a condition that affects less than 1 in 2,000 individuals. Around 7,000 rare diseases (also called orphan diseases) have been mapped worldwide, affecting over 60 million individuals in Europe and the United States combined, and 250 million worldwide. 80% of rare diseases have a genetic origin and 50% affect children. In most cases, the diseases are chronic in nature, debilitating and life-threatening. Over the last decade, an increasing number of organizations have rallied to identify orphan products to diagnose and treat orphan diseases.

About the social entrepreneur



The **EspeRare Foundation** is a non-profit organization based in Geneva. It was founded in 2012, by three ex-colleagues of pharmaceutical company Merck Biopharma (previously Merck Serono): Caroline Kant, Beatrice Greco, and Florence Porte-Thomé. EspeRare's mission is to accelerate treatment for rare diseases by repositioning existing molecules for the purpose of treating orphan diseases. EspeRare achieves this by working with a range of partners and by placing patient engagement at the center of its approach. Caroline Kant, Executive Director of EspeRare, is a self-made entrepreneur with several experiences in the entrepreneurial world and in the pharmaceutical industry. Caroline herself is the mother of a child with a rare disease.

About the corporate partners

Merck Biopharma (Merck) is the largest division of the Merck Group, a pharmaceutical company headquartered in Germany with 39,000 employees. The mission of the Merck Group is to transform lives through innovative medicines and high-value solutions. Merck focuses on biopharmaceuticals and is a leader in oncology. It therefore has always had innovation in R&D high on its agenda. Merck also had a strong commitment to creating social impact and a keen interest in neglected tropical diseases before partnering with EspeRare. Total sales from Merck approximated EUR 5.8 billion in 2014.

Facts and figures

7,000 rare diseases mapped worldwide

250 million people worldwide suffer from a rare disease

5% % of rare diseases with approved therapeutic solutions

The co-creation model: turning challenges into value

Societal issue	Value proposition	Business issue
Lack of incentive for the pharmaceutical industry to invest in the early R&D for orphan drugs, particularly for drug repositioning opportunities that have lower financial potential	EspeRare gives a chance to high-potential but dormant therapeutic opportunities to be developed in a de-risked and accelerated way for rare diseases	Due to the low number of affected patients, developing treatments for rare diseases have not been a focused area for pharmaceutical companies
Because of the small market size, the price for orphan drugs has remained high, if available at all		Pharmaceutical companies have not focused on repositioning drugs due to low commercial incentives and their lack of agility to engage all actors in the orphan landscape

Value Cycle

1 Big data to identify opportunities to rescue exiting drugs for rare diseases

EspeRare uses its proprietary **data mining evaluation process** to identify dormant compounds with high therapeutic potential to treat rare diseases. These compounds have been deprioritized by pharma companies for strategic reasons and would otherwise not get a chance to be developed. EspeRare then enters into negotiations with pharma companies who grant **EspeRare licensing rights** to reposition the drug to treat rare diseases.

2 A collaborative and financially innovative model to mature drug rescue opportunities

EspeRare's model is based on a **collaborative approach**. It orchestrates biomedical experts, patient groups and regulatory authorities to jointly develop the orphan product. EspeRare mobilizes the required hybrid funding for the research and drives the development of those opportunities **from animal to human proof of concept** in a cost-contained and accelerated way. EspeRare works in close collaboration with patient groups to enhance the medical impact of its R&D.

3 Late development and commercialization of the therapeutic opportunity

Once the drug repositioning opportunities are validated, EspeRare **partners with pharmaceutical companies** that will invest in late stage clinical development (Phase IIb/III) and commercialization. EspeRare hands over these programs to pharmaceutical partners in exchange for **financial returns** that the foundation reinvests to develop other treatments for patients with rare diseases.

Greater impact on society, the social entrepreneur, and the business

Since its inception in 2012, the co-creation initiative has achieved a number of key results which together contribute to improving society as a whole.

4

Number of drug repositioning programs under development

10-14 **5-7**

The time required to produce a drug is halved, from 10-14 to 5-7 years

50%

Repositioned drugs are typically marketed at 70 to 50% less than other drugs



Focus on Rimeporide

EspeRare's first drug repositioning program Rimeporide is currently in clinical development. This drug was initially developed by Merck to address chronic heart failure. EspeRare obtained the rights to develop Rimeporide for Duchenne Muscular Dystrophy (DMD), a deadly degenerative muscular disease that affects 1 in 3,500 young boys worldwide, with no cure today. By raising private, public and philanthropic funds and collaborating with patient groups and biomedical experts in DMD, EspeRare was able to demonstrate Rimeporide's therapeutic potential. If late stage clinical testing confirms the therapeutic benefits, Rimeporide could reach the market by 2020.

Impact on the society

One of the benefits of the co-creation model is the increased visibility and **awareness** in the pharmaceutical industry of the existence of a **multitude of dormant therapeutic opportunities** that can be repositioned to address rare diseases.

Moreover, over time, the expected impact will be to provide rare disease patients with the possibility to access **therapeutic solutions** to treat their diseases that are both **affordable and tailored to their medical needs**.

By achieving fair pricing, the initiative will contribute to achieving **universal access** to medicines for an underserved patient population while reducing the overall health cost to society.

Impact on the social entrepreneur

For EspeRare, it is an opportunity to demonstrate that repositioned drugs is a cost-effective and de-risked way of developing orphan drugs. One of the benefits of repositioning is that it is expected to **reduce the period for drug development from 10-14 to 5-7 years with a 40% increased potential of successfully reaching the market.**

The co-creation model demonstrates the **synergetic interplay and value add** between the pharmaceutical industry, academia, regulators and patient groups.

The co-creation model is highly **innovative and disruptive** with a direct impact on increasing the efficiency of the health system. In the personalized medicine area, EspeRare's approach, based on a de-risked drug development process and close collaboration with patient groups is proving to be a model that could uncover a commercially viable way of developing affordable treatment for small patient populations.

Impact on the business

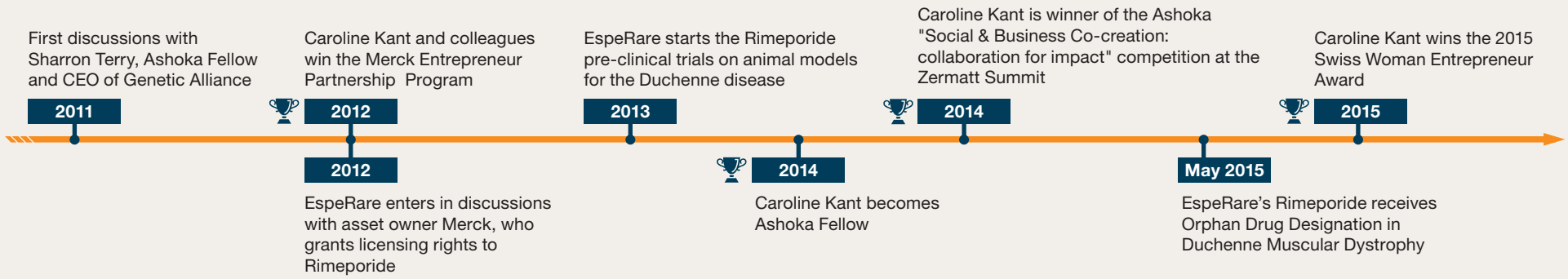
The partnership with EspeRare allows Merck to unlock **patient benefits and financial gains** with an asset that would be left dormant otherwise. Moreover it strengthens the company's engagement of bringing health to a vulnerable patient group.

Entering in collaboration with EspeRare allows Merck to de-risk and **outsource therapeutic opportunity identification, patient engagement and early drug development** for orphan drugs.

The co-creation model also positions Merck **as a contributor to improved R&D efficiency for orphan drugs** while also establishing **a socially responsible footprint** in the orphan drug development space.

The co-creation journey

In 2011, Caroline met with Sharron Terry, a US-based Ashoka Fellow and CEO of Genetic Alliance, a network of disease advocacy organizations. Genetic Alliance enables individuals and families to engage closely in the R&D process. This encounter spear-headed the idea of developing a sustainable business model to reposition drugs for patients with rare diseases and to place patients interests' at the center of the drug development process. By then, Caroline had been working with Merck in the R&D Knowledge Management department for 7 years. In 2012, with her and colleagues Beatrice Greco and Florence Porte-Thomé, they applied to the Entrepreneur Partnership Program of Merck and successfully received an initial endowment of EUR 2.8 million to establish EspeRare and start its repositioning activities for rare diseases. Following a process of successful negotiations with Merck, the pharmaceutical company gave its support to EspeRare and transferred the rights to reposition Rimeporide.



The key ingredients for success

Achieving a common vision

The initial phase of the partnership was marked by a strong commitment from both partners to develop a viable and sustainable business model for drug repositioning in orphan diseases.

Strong support from the top

Merck management was enthusiastic about the innovative potential of the EspeRare model and gave its strong support to the team to develop it further. Merck Serono trusted the team's entrepreneurial abilities.

Strong and diverse Board of the Foundation

The Board of EspeRare is composed of Merck representatives, R&D and legal experts and representatives of patient groups. This model enables to secure high levels of pharmaceutical and rare disease excellence.

Patient-centered model based on collaborative partnership

The business model is based on the strong links EspeRare has built with health authorities, biomedical reference centers, academia and patient groups. The patient community is at the core of EspeRare's engagement and activities.

EspeRare as a Foundation

EspeRare's not-for-profit structure allows it to act as a neutral broker amongst all the actors involved. Its status allows it to combine public, philanthropic and private funds to finance drug repositioning. As a mission-driven organization, all revenue generated by its R&D activities are reinvested to address rare diseases.

Replication of the model

One of the strengths of the EspeRare model is that it can be replicated to other pharmaceutical and non-for-profit partners who wish to bring orphan drugs to market.

"For the project to be successful, it has to be a win-win for EspeRare, for our commercial partner and most importantly for the patients we serve. It's definitely what we were able to achieve with Merck and our first program in Duchenne muscular dystrophy."

Caroline Kant, CEO EspeRare

"We recognized that we had valuable assets and found the right partner in EspeRare."

Ewan Sedman, Head of Strategy and Business Operations in Global Discovery and Early Development, Merck

The financial model in a nutshell

EspeRare received an initial funding of EUR 2.8 million in 2012 from Merck through the company's Entrepreneurship program. Since then, EspeRare's funding has combined institutional and private, public and philanthropic funds to finance the development of its portfolio of R&D projects. EspeRare is set up as a venture philanthropic R&D engine, whereby once a drug repositioning program has successfully matured up to human proof of concept, it is handed over to a pharmaceutical partner in exchange for a success fee and royalties on the sales of the drug. With a steady portfolio of 5 to 6 repositioned drugs, EspeRare estimates that it will generate a profit of 10-20% over the next 10 years that will enable it to reinvest in current and new repositioning programs. EspeRare expects to receive a first large return for its Duchenne program as of 2017, when Rimeporide will be handed over to a pharma company for late stage clinical development, manufacturing and commercialization. EspeRare's unique business model will enable it to achieve financial self-sustainability within 10 years.

Initial Investments



Initial investment

Initial donation of EUR 2.8 million from Merck after winning the company's Entrepreneurship competition

Running the business

Grant and donations

EspeRare's sources of revenues have evolved and are typical of hybrid funding received from institutional and private donations, and public grants



Expenses

- Funding for the development of its proprietary platform to identify and source drug repositioning opportunities
- Funding for the drug development activities from pre-clinical to clinical stages and R&D expenses
- Conduct advocacy activities with patient organizations and regulatory authorities

Net Income



Financial returns generated through its R&D portfolio

Future returns on R&D activities, including success fees and royalties are reinvested into EspeRare's drug repositioning activities and patient access programs. Over time these financial streams will allow EspeRare to become financially self-sustainable while broadening its impact in ultra-rare diseases



Moving forward

In collaboration with the patient community, EspeRare is currently developing a methodology able to better quantify a treatment's benefit on patients. This will help achieve fair pricing and secure reimbursement to the patient. In addition, EspeRare is in active discussion with three different pharmaceutical companies to develop dormant assets in rare diseases. EspeRare is also turning to the non-for-profit sector to expand its business model to partners outside the pharmaceutical industry. For example, EspeRare has recently partnered with NGOs such as the Medicine for Malaria Venture and the French Muscular Distrophy Association (AFM) telethon to synergize efforts. Currently, EspeRare has a portfolio of four drug repositioning programmes, including Rimeporide. The Duchenne myopathy program is well advanced while three others are at the pre-clinical phase. It is expected that Rimeporide, if successful, will come to market in 2020, reaching thousands of patients in need. EspeRare's goal is to enable one newly repositioned drug to reach rare disease patients every 4 years from 2020 onwards.

Adie-O2 Micro-Franchising:
Creating jobs and entrepreneurship opportunities through micro-franchising

What is at stake?

Unemployment levels in France are high, reaching 10% in 2015 and affecting mostly the low-skilled population. While entrepreneurship is a solution to unemployment, it is challenged by several factors: banks are reluctant to provide loans to low-income entrepreneurs and administrative procedures to set up a new business are lengthy, in particular without the adequate networks and support. This creates a vicious cycle in which unemployed people cannot access loans, cannot set up their business and remain in unemployment. In 2014, the social entrepreneur Adie received 58,000 requests for support.

About the social enterprise



Inspired by the success of the Grameen Bank in Bangladesh, Adie (Association for the Right to Economic Initiative) was founded in 1989 by Maria Nowak (pictured left) with the aim of supporting micro-entrepreneurship through the use of micro-credits as a solution to poverty and unemployment. With its 120 offices, 453 employees and 1,338 volunteers, Adie offers business advice and facilitates access to loans for people excluded from the labor market and the traditional banking system throughout France. It counts on the support of multiple partners including banks, companies and local authorities.

About the corporate partner

O2 home services was created in 1996 in Lille and has become a leading company in the provision of home services including house-cleaning, ironing, childcare, elderly care, permanent and temporary disability care and gardening in France. O2 recruits people among the low-skilled labor force and provides continuous support and training to its staff to ensure high quality services and business viability. It currently has over 190 agencies and 12,000 employees serving 40,000 clients throughout France. With an average of 5,000 recruitments annually for the period 2008-2013, it was considered one of the top net job creators of France by the Group Xerfi in 2014.

Facts and figures



of France's active population is unemployed



of unemployed people live in poverty



of unemployment is long-term (more than a year)

The co-creation model: turning challenges into value

Societal issue	Value proposition	Business issue
Low-skilled workers struggle to access loans to start their own businesses	Facilitate access to a ready-made business model, training and loans through a system of micro-franchise	There is a growing demand for home services, including housekeeping, care and gardening
Lack of business experience makes the risk of a financial default higher		Ensuring the quality, safety and reliability of those services remains a challenge



Value Cycle

1 Adie and O2 join forces to create La microfranchise O2 –Adie (LMFOA)

Adie and O2 set up a joint venture to create a micro-franchise model which can be owned and operated by low-income entrepreneurs. It currently operates in the **gardening sector** and plans to expand to other sectors.

2 Adie facilitates access to loans and supports business creation

Adie reduces start-up barriers for low-skilled labor by: facilitating access to micro-credit schemes of up to EUR 10,000; supporting and reviewing micro-credit applications; and providing tailored advice to micro-entrepreneur on business management, taxes, legal and accounting topics.

3 O2 selects, supports and oversees microfranchisees

The micro-entrepreneur, selected by O2, uses the loan to acquire an O2 micro-franchise. O2 then provides training to operate the franchise; offers continuous support to increase skills in the area of gardening, client acquisition and business management; regularly assesses the business viability of the micro-franchises; and provides coaching and support to ensure a high level of quality and safety standards.

Greater impact on society, the social entrepreneur, and the business

Since its inception in 2013, the co-creation initiative has achieved a number of key results which together contribute to improving society as a whole.

70
Micro-franchises in gardening granted to date

4,500
Applications per year

150%
A micro-franchised gardener earns 150% more than an independent gardener

70
Gardeners are currently self-employed through the LMFOA



Impact on society

The co-creation project provides the **business model**, **know-how, capital and continuous support** for low-skilled labor to escape the vicious cycle of unemployment and lack of access to loans. It also promotes a **new mindset** to address the endemic high unemployment in France by nurturing micro-entrepreneurship and self-employment.

Low-skilled workers retained through the LMFOA access a ready-made business which they can operate autonomously after a brief on-boarding while having continuous access to training and coaching. This system helps the micro-entrepreneurs to be quickly operational and profitable while reducing the risks inherent to enterprise creation. It also reduces the reliance on social security.

Impact on the social entrepreneur

For both Adie and O_2, the success of the co-creation initiative is a proof that micro-franchising works as **a tool to address low-skilled labor unemployment.** It has provided momentum to scale up and develop other micro-franchises schemes beyond gardening.

The LMFOA currently has 70 micro-franchised gardeners but aims to increase this number to 300. It also envisions to develop up to **12 different micro-franchising schemes** with other business partners, ranging from ecological transport to ironing, sewing and catering, creating a total of up to **5,000 jobs by 2020**.

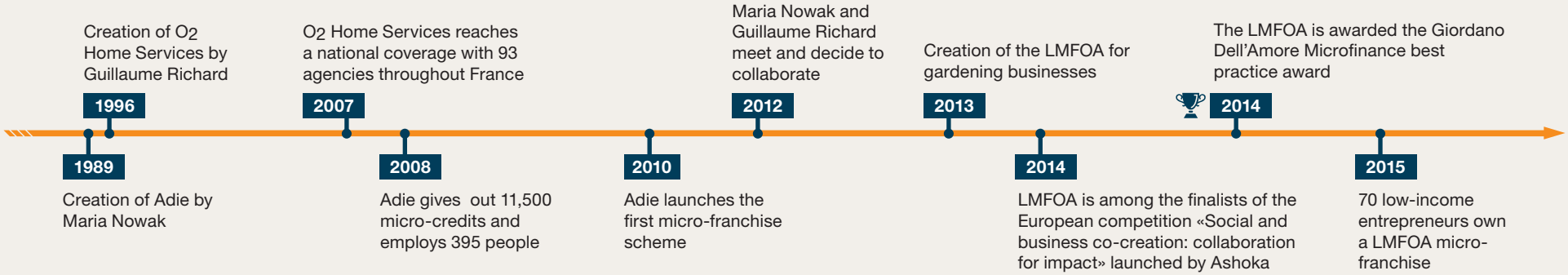
Impact on the business

The co-creation project has fueled **O_2 home services** with a larger pool of committed and capable candidates for micro-franchises. In addition, motivation levels are higher than among salaried workers as the micro-franchisees reap directly the profit they make and need to keep their businesses viable.

For O_2, this co-creation project represents an opportunity to strengthen its mission to create employment and provide solutions to households in need of services.

The co-creation journey

As an increasing number of people were approaching Adie with the willingness to create a business without a concrete idea about the kind of business they wanted to create, Adie started to contact companies employing low-skilled labor to explore possible models in 2009. In 2012, the founder of Adie, Maria Nowak, met with the CEO of O2, Guillaume Richard and developed the micro-franchise model which became the LMFOA in 2013.



The key ingredients for success

Strong support from the top

Adie president and O2 Home Services CEO have been strong supporters of the micro-franchising co-creation model from the start.

Pro-active mindset

Adie started to develop a micro-franchise model and took the lead to initiate contact with O2 Home services.

Active collaboration between ADIE and O2 Home services

Adie and O2 have created a joint venture to operate the LMFOA with shared participation in the capital

Broad outreach

The project has gained broader visibility as a successful model, with increasing media appearances of Adie and O2 agencies in France.

Open communication

The project is driven by an open and dynamic communication between its partners, Adie and O2. A good working relationship and openness to different ways of working were pivotal to the success of the project.

Less skilled workers as changemakers

The success of the project is founded on leveraging the power of entrepreneurship to produce work and create value.

High potential to scale up

The micro-franchising model can be replicated in numerous other sectors with a variety of partners.

"There is a large potential for entrepreneurship among the low skilled workers. We need to democratize business creation to bring this potential to fruition."

O2 Franchising Development Director, Eric Schneider

"Adie is an association and O2 is a business. We are different but we have been able to develop a very strong partnership."

Adie Marketing & Micro-Franchising Director, Marie Degrand-Guillaud

The financial model in a nutshell

Micro-franchisees benefit from the O2 trademark, experience, network and know-how, shared services including marketing, communication, purchasing or billing systems, and continuous training and assistance in exchange for a limited initial investment and small royalties. Adie can provide a loan of up to EUR 10,000 to cover the initial investment, as well as financial and business management coaching. The main source of revenue of this co-creation project consists in the royalties paid by the micro-franchisees.

Initial Investments



Initial investment to set up the LMFOA

- Adie and O2 respectively contributed 25% and 75% to the initial capital to set up the LMFOA
- Adie and O2 respectively contribute 1.5 and 2.5 full-time equivalent to the LMFOA

Running the business



Funding from Adie and O2

- 75% of Adie's funds come from subsidies, mostly from the European Commission and the French government, and 25% from interest on its credits
- O2 generates revenue from the delivery of a range of home services

Revenue from the micro-franchises

- Royalties from the new micro-franchisee owners
- Interests on loans to micro-franchisees

Expenses

- Hiring and on-boarding of micro-franchisees
- Continuous training and coaching
- Provision of gardening tools
- Shared services (marketing, communication, etc.)
- Project management and performance monitoring

Net Income



- Investments in further growth activities and business expansion
- Income generated by the gardening services of the micro-franchisees



Moving forward

Today, Adie and O2 are exploring different ways to expand and generate revenue, by increasing the number of micro-franchises. Both Adie and O2 see much potential in going to scale in the gardening sector as well as in other sectors including transportation, catering, sewing and ironing. In terms of impact, Adie and O2 want to increase the number of micro-franchises by 50 in 2016, reaching a total of 300 by 2020 with the aim to create between 3,000 to 5,000 additional jobs. One of the challenges to scaling-up however is that the market is not yet structured for micro-franchising. Going forward, the partners will need to focus on marketing and promoting the benefits of the co-creation model to future micro-entrepreneurs and the key players of the employment sector so that it reaches scale.

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Editors: Ashoka Switzerland, Geneva I Stéphanie Schmidt I Olivier Fruchaud I Inès Burrus I Margaux Emery I Natalia Luque I Anna Bouchier I Pierre Esteve

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