Promoting Innovation in the Social Sector: Creating Shared Value

April 16, 2012
Typically Business Engage With Society In Three Ways, Each Serving a Different Purpose

**Corporate Philanthropy**

“Giving Back”

*Business must fulfill community obligations*

**Risk Mitigation**

“Minimizing harm to society and the company”

*Business should be responsible*

**Shared Value**

“Finding business opportunities in social problems”

*Social problems can be solved with a business approach*

*Shared Value is the way to create large-scale social change*
Shared Value Is Created When Both Social and Business Issues Are Addressed, Connecting a Company’s Success with Social Progress

Business Value
Investments in long-term competitiveness

Shared Value
Investments in long-term business competitiveness that simultaneously address social and environmental objectives

Social Value
Investments that address social and environmental objectives

*Innovation is key to achieving shared value at scale*
Historically, Traditional Business Models and Market Failures Were Completely Independent

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<thead>
<tr>
<th>Low</th>
<th>High</th>
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<tbody>
<tr>
<td>Traditional Business</td>
<td>Market Failures</td>
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<tr>
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<td>Social Value</td>
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However, Business Innovation Today is Moving into the Market Failure Space to Solve Complex Social Problems

Unmet Societal Needs

Low

- Traditional Business
- Business Value

High

- Shared Value Frontier
- Market Failures
- Shared Value
- Social Value

Expanding the Frontier

Business Innovation

Bridging the Frontier

- Corporate Philanthropy
- Development Programs
- Government Safety Nets
The Corporate Sector Can Be Leveraged to Scale Social Innovation In Two Ways

1. In Partnerships with Social Enterprise
   Innovation comes from outside the company, but the company provides expertise such as marketing and distribution to take the innovation to scale

2. With External Incentives
   Innovation is organic and internally driven within the company, but external incentive is needed to take the product/service to market at scale
Thank you

Questions?