

Looking back...looking forward: progress in inclusive business

The last few years have seen big changes in the practice and discussion of inclusive business. There is a little more experience and evidence, a bit less rhetoric, some initiatives scaling, several not, and an array of types of support. What have we learnt from the past few years, and where is inclusive business going over the next several years? This month, in partnership with the newly launched Inclusive Business Action Network, we've posed these questions to stakeholders from across the inclusive business space. From lessons learnt by donors and facilitators, to Ted London's recommendations and Roadmap, to investor reflections and frank video interviews with businesses on the ground, these contributions sum up an eventful few years in inclusive business and provide a glimpse into where it is heading.



Spotlight: Is inclusive business showing results?

NEW SPOTLIGHT! Do we have any evidence on the scale, revenue, and reach to the Base of the Pyramid of inclusive businesses? A new Hub publication, *Is Inclusive Business showing results?*, draws on evidence from 160 companies across three portfolios to find some interesting answers.

- **Transforming Poverty reduction through innovation:** One of the portfolios analysed in the Spotlight is Sida's Innovations Against Poverty. Programme Manager Carmen Lopez Clavero reflects on the lessons they have learnt while providing grant finance to early-stage businesses, demonstrating how important it is for donors to work differently while supporting inclusive business. The need for donors to adapt and embrace working with business is a theme emphasised in a [video interview with Suba Sivakumaran](#), the new Programme Manager of Business Call to Action.
- In [Catalysing Inclusive Energy Markets](#), Shell Foundation's Richard Gomes identifies lessons from their support to energy companies: it can take anywhere from 6-10 years, between \$5-20million and extensive technical support for pioneers to reach scale.
- **IFC and inclusive business – Learning from what works:** There is now enough inclusive business experience to identify models that work and understand how they work. Eriko Ishakawa, introduces a new IFC report covering the different business models used by their inclusive business investees.
- A business model that works for financial services to smallholders has been developed by Kenya-based company Juhudi Kilimo. Director Kulsoom Ally describes the changes she's seen in the sector, in this [video interview](#).
- There have clearly been a number of successes but are we being too positive? Ted London, from the William Davidson Institute and a leading voice on inclusive business explains, in [this video](#), why there is a need for humility in this space. In his blog, [Inflection Point](#), he says much needs to be addressed going forward and offers the newly released Roadmap for the Base of the Pyramid as an 'action agenda'. See our [Editor's Choice](#) for a full review of the Roadmap.



IAP provides finance to early-stage IBs



Juhudi Kilimo has helped 20,000 smallholders receive finance



Aavishkaar Impact Report 2014



Drishtee helps rural Indians improve their livelihoods

- Despite major advances, there remains a huge gap between capital demand and supply. But how exactly can this gap be bridged? Aavishkaar Founder, Vineet Rai discusses plans for more growth stage impact capital in [an interview](#). His [blog introducing the Aavishkaar Impact Report 2014](#) talks about the need to decouple impact investing from philanthropy.
- Mathilde Iweins' has a different emphasis in [this video](#). Having worked on the ground with social enterprise One Dollar Glasses, she highlights the need for philanthropic capital. [An interview with Luiz Ros](#) of the Inter-American Development Bank outlines why more commercial banks should acknowledge the potential of these models and invest in inclusive business.
- Scaling, replicating and overcoming barriers: Endeava argues that 'more of the same' is a good sign of replication and [pledges three actions](#) to spur even more. BoP Inc's Myrtille Danse identifies the [main barriers to overcome for scale](#). And Andreas Zeller, drawing on experience brokering financial deals at Open Capital Advisors, believes investors need to be more in tune with business realities on the ground to ensure a lasting impact, in [this video](#).
- [Inclusive business is reaching the mainstream but focus must remain on impact and people](#) says Michael Vollman of Ashoka Globalizer. Drawing on 30 years of support to entrepreneurs, he reminds us, in [this video](#), that the entrepreneurs must not just be on our posters but central to our priorities. The founder of Indian inclusive business Drishtee, Satyan Mishra, reiterates that this is essential. In this [video interview](#), he argues that the community must always come first.

The launch of the Inclusive Business Action Network in November saw key stakeholders from across the inclusive business space come together to have rich and diverse discussions on the state of the sector. Visit [the dedicated network page](#) on the hub to access 12 session presentations, plus pictures and blogs from the event. The aim of the network is to create a strong community of inclusive business stakeholders says Executive Director, Arne Theissen, in his [blog](#).

In [this video interview](#), BMZ's Susanne Dorasil says the Network will provide much needed support to inclusive businesses on the ground by pooling the resources and expertise of network partners.

Editor's Choice - December 2014

As we reflect on the present state of inclusive business and look at the way it is shaping up going forward, the William Davidson Institute's new publication '[A Roadmap for the Base of the Pyramid Domain: Re-energising for the Next decade](#)' seemed like the ideal Editor's Choice for this month. The report assesses the present challenges facing inclusive business and lays out four key action areas for the future. It helps provide 'a sense of perspective' that 'a long road has been travelled over a decade, and there is a decade more of road-building ahead.'

