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Inclusive Business

- our experience
- critical success factors
- key trends

Andrew Smith - Associate Director, PwC
Friday 28th October 2011

What we do

- PwC's international Inclusive Business network
- Delivering:
 - Inclusive Business programmes for donors
 - Projects for our corporate clients
- Africa and South Asia focused

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**Business
Innovation
Facility**

DFID Department for
International
Development



- Three year pilot, started July 2010
- Zambia, Malawi, Nigeria, India, and Bangladesh
- Aims include supporting 40 Inclusive Business initiatives
- 15 months in – 20 chosen by independent selection committee
- Sharing knowledge:
www.businessinnovationfacility.org

Supply Chain Development

e.g. sourcing from smallholder farmers

Business Benefits:

- Supply chain security
- Cost reduction
- Increasing value of product

Development benefits:

- Jobs
- Incomes
- Skills development



- Leather/ tannery sector project
- Initiative to increase value at:
 - Farmer level: financial incentives re: branding?
 - Abattoir level: productivity/ efficiency gains?
- Potential to work with other development agencies

BoP products or services

Business Benefits:

- Revenue growth
- Market Share/ First mover advantage

Development benefits:

- New products/ services that benefit the poor
 - e.g. health, education, energy
- New livelihoods created



- Web-based learning for pupils
- Teacher training
- Based on Zambian curriculum
- Developed by Zambian teachers
- Spin-off from Zambia's largest ISP
- Support needed re: business/ financial model

Critical Success Factors

- Champions/ sponsorship
- Clarity around business case
- Accessing finance, navigating options
- Partnerships – B2B and with not-for-profits

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Balance of analysis between:

- Business model innovation
- Technical innovation
- Developmental impacts

Often insufficient clarity on:

- Costs, Revenues, Profitability
- Break-even timetable
- Tangible sources of business value (beyond reputation)
- Speed to scale-up/ replicate

Without a scalable financial model, there will be limited/ no developmental impacts(!!)

Key trends for businesses?

- Increasing focus on high-growth developing countries
- Scaling up initiatives (where they deliver real value)
- ‘Core business’ functions taking increased ownership

World's ten fastest-growing economies *

Annual average GDP growth, %

2011-2015***

China	9.5
India	8.2
Ethiopia	8.1
Mozambique	7.7
Tanzania	7.2
Vietnam	7.2
Congo	7.0
Ghana	7.0
Zambia	6.9
Nigeria	6.8

Sources: *The Economist*; IMF

Notes: * Excluding countries with less than 10m population and Iraq and Afghanistan

** 2010 est.

*** IMF forecast

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Joint delivery in country (e.g. Zambia)

**Business
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DFID Department for
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Development

**Innovations
Against Poverty**


SVERIGES AMBASSAD
Lusaka



Kitwe and Lusaka events (10 and 12 Oct 2011)

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Shared international knowledge hub:

www.businessinnovationfacility.org

