

## Scaling & Replicating Inclusive Business Models

*Reaching scale is a difficult proposition for any business, but even more so for those negotiating the unique challenges of working at the Base of the Pyramid. This month, in partnership with the UK's Department for International Development and SEED, we focus on what exactly does scaling an inclusive business entail? We explore key ingredients of a pathway to scale, debates and new ideas on replication, and look at what small companies, large companies and ecosystem actors can do.*

*We are delighted to launch a new Checklist on Pathways to Scale, a Know-How page on Scaling in BoP markets, and invite to you a webinar to discuss wisdom on scaling from two leading analysts.*

### NEW Know-How page on Scaling in BOP markets

We've just launched our new Know-How page on scaling in partnership with Ted London at the William Davidson Institute.

The page provides insight on how to approach four critical scaling challenges and other tools and resources on the topic.

[Access the new Know-how page here.](#)

### Pathways to scale

- Hub Editor Caroline Ashley sets the context, [demystifying 'scale'](#) by identifying 10 things we know and don't know about it.
- While most large companies are 'unaware, unwilling or unable' to scale up social innovations at the BoP, some pioneering companies have succeeded, thanks in large part to vision and leadership. Hystra CEO Olivier Kayser explains [the incumbent dilemma of corporates](#) with 6 tips for those that that want to progress.
- Horizontal scaling is growing a business. Vertical scaling involves changing the ecosystem to support business growth. [Floortje Jacobs from PPPLab](#) clarifies the two in her blog and graph, and explains why system change matters for scale.
- Our [Editor's Choice this month](#) is a high value read with five pathways, nine case studies and a toolkit that delve into different scaling models and their implications.

**UPCOMING WEBINAR: Ted's framework and Olivier's pathway: can they solve the scaling challenge for inclusive business? Join them on 28<sup>TH</sup> November** 7:30pm Delhi | 5pm Nairobi | 2pm London | 9am New York

Hystra CEO Olivier Kayser and Ted London from the William Davidson Institute come together in this unique discussion on scale that will draw on findings from their new publications.

Read the review of Ted London's [Impact Assessment Framework](#) for scaling businesses. Ellen Carey Maginnis suggests that it is the first impact measurement framework that's both comprehensive and easy to use.

Our new [Checklist on building a scalable enterprise](#) highlights 10 key ingredients for scale, including leadership, margins, client-responsiveness, priority partnerships, legal structure and more.

Our blog contributors reflect similar themes, with their focus on partnerships, adapting to need, and accessing finance:



## Partnering for scale - a common ingredient for success

- Grow Africa explains how [smart partnering approaches](#) with NGOs and donors is bridging the gap between early adopters and the broader market penetration required to scale in lease financing.
- [Hortinet](#) aims to substitute its products for 60% of the currently imported horticulture market in Malawi. Executive Director Frankie Washoni explains key factors for scale including partnership with World Vision, use of technology, their value proposition, and use of acceleration support from SEED.

## Responding to clients, adapting to local market needs

- A decentralised core structure, community engagement and limited reliance on subsidies has allowed [Balibago Waterworks System](#) to provide safe water to tens of thousands of people through decentralised water networks. Hystra believes the flexibility of this model means it could scale its impact to reach millions.
- [A good product won't scale without a good process](#). Marta Milkowska argues against technical solutions. Success comes from changing the 'choice architecture' and 'present bias' - in other words the choices people face and what drives behaviour.

## The ability to provide adequate finance is an essential part of making products affordable to low income communities

- [India's off-grid solar technology sector](#) is growing through a wide range of business models, but achieving scale, affordability, quality of post sales service and impact are proving a challenge explains Kartikeya Singh.
- [Mozambikes](#) aims to revolutionise the Mozambican bicycle market with robust bikes, establish bikes as the new 'billboard' for responsible companies, and be selling 25,000 bikes per year. But lack of finance in Mozambique is slowing their growth.
- [Sistema Biobolsa](#) has scaled into new markets efficiently by combining a credit facility service and monitoring programmes for its modular biogas system.

## Replication as a route to scale

- Scaling a business and replicating a model are different but overlapping concepts. Franchising can deliver both. [Replication](#) is the topic of the recent SEED conference and a new report exploring how both innovation originators and adopters can engage
- Building on the report Christine Meyer (SEED) highlights the [top five factors for successful replication](#). A range of models are possible, but they must create value for the originator and adopter alike.

- [Responding to the SEED discussions](#), Carolin Schramm explores the difference between expansion, as Uber has in Nairobi, and imitation, seen in Nairobi coffee bars.
- Why would a successful company be interested in replicating their model with a partner, not just growing their own business? Parvathi Menon, India lead for Connect to Grow (facilitating partnerships between Indian and Sub-Saharan and South Asia innovators), discusses the perspectives of different types of Indian companies on [partnering overseas for replication](#).
- How do originators and adopters of an innovation work together? SEED identifies [a lack of expertise available to businesses looking to replicate](#) and argues for a collaborative approach between support organisations to fill the gaps.
- South African social enterprise All Women Recycling is one of those businesses that wants to [replicate their business model in partnership with others](#) to achieve maximum impact and to be a role model in the sector. Lynn Worsley explains why.

## The Support Ecosystem for Scale

- For the past year, Impact Hubs across Europe have been working with over 100 social enterprises, to scale their businesses. They talk us through the stages of scaling a social enterprise and some [tips for organisations working with entrepreneurs](#) that they've learnt along the way.
- Using the East Africa energy-agriculture nexus as an example, SEED and Endeava discuss how [policy makers need to incentivise innovations with the potential to scale](#).
- Scaling inclusive business is different to growing business as usual. The new handbook from GIZ & GSEN guides readers through the process of [setting up an acceleration programme for business with purpose](#).
- World Bank's Social Enterprise Innovation unit works to create better enabling conditions for social enterprises to scale their impact. In order to better understand how social enterprise ecosystems develop, the team has created an [ecosystem diagnostic tool](#). Here Cristina Navarrete explains why they have developed the tool and what it is used for.
- Tamsin Chislett reminds us [not to undervalue market-minded investors](#) that invest at the scaling stage. More mainstream money is needed.

Looking for more on scaling inclusive business?

[We pull together](#) the best research, case studies and publications from the SearchInclusiveBusiness.org database.



*Social enterprises scaling with Impact Hubs*



*Policy makers supporting solar enterprises scaling in East Africa*



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