Businesses as Bridging Leaders

A guide on cross-sectoral partnerships

SYNERGOS
Building trust works

Foreword

Complex challenges require collaborative solutions.

As businesses today face increasingly complex challenges, their goals and the boundaries of their work must adapt. Companies are recognizing the interconnectedness of long-term financial performance and social and environmental responsibility. They are redrawing the boundaries of their own ecosystems and value chains to unlock greater potential. They're re-setting their goals and striving to work with diverse stakeholders in ways that surface more systemic, enduring solutions – part of a global trend headlined by the Sustainable Development Goals, especially Goal 17 on Partnership.

While collaboration is more essential than ever, it is rarely straightforward or easy. Effective partnerships require all of us – business included – to change more than how we operate in the world. Such partnerships also demand that we deepen our own self-awareness as a means of understanding and working with actors that have different – even conflicting – motivations, needs, structures, and world views.

This guide is for companies who know they need to work more collaboratively for social and business impact, but who may be looking for some navigational assistance to get started. Rooted in Synergos' 30-year history leading multi-sectoral partnerships all over the world, this guide aims to provide just that.

It's informed by examples of businesses of various sizes leading partnerships on a range of issues such as housing, urban development, workforce support and youth leadership, and sustainability.

We hope this guide will serve as a launch point into deeper conversations – inside and outside the private sector – on making our partnerships more coordinated, meaningful, and lasting.

Jeff Seabright
Former Chief Sustainability Officer, Unilever, and Co-Founder, Imagine World

Henri van Eeghen
President and CEO, Synergos

Contents

June 2019

Why this guide?

The role of partnerships in social impact is both enduring and timely.

Recognizing the scale and complexity of this generation's global problems, the Sustainable Development Goals (SDGs) have re-affirmed the necessity of partnerships to achieving solutions, and invited a more diverse group than ever to undertake them. The goals emphasize coordinated action, with SDG 17 making a clear and specific call for public-private and multi-sectoral partnerships.

In response to that call, a growing number of socially-minded companies are stepping up to lead cross-sectoral collaborations in advancement of the SDGs. They are challenging the boundaries of where the realm of business ends by reaching across divides to form innovative partnerships for social impact.

While the SDGs speak convincingly to the power of cross-sectoral partnership, they offer limited guidance on how to go about them successfully. Cross-sectoral partnerships can be delicate and tricky to navigate, especially when partners have different priorities, structures, and cultures. And there are many pitfalls, such as imbalanced relationship dynamics, values misalignment, poor communication, and conflicts of interest.

With a more than 30-year history of building partnerships, Synergos has collected a wealth of experience and insight on the topic, encapsulated in this guide. We lead this growing global conversation by sharing our observations and experiences on the partnership process, specifically packaged for a private sector audience.

How does one build an effective partnership for social impact?

As companies balance the social impact space with business benefits, they must find answers to essential questions about identity and approach to social issues and partnership work. Some of these questions may seem obvious, though the answers are less so:

- How can I show up as a good partner to others?
- What qualities should I seek in a partner?
- How can we harness a partnership to best leverage our competencies, resources, and expertise?
- How can my company go beyond the role of funder to be viewed as a thought partner?
- How can I share decision-making power with my partner(s)?
- How do I address skepticism from the communities I am trying to impact?

This guide will set your company on a path to addressing these questions and more. Its purpose is to demystify the process of cultivating trusting relationships with partners of various backgrounds. The goal is to maximize business as a force for good: seeking social impact while also creating business benefits.

This is not a business case for why partnerships matter, but rather a starting place for discussion on how to do them well. It provides a set of recommendations on cultivating behaviors that are at the core of effective partnerships – behaviors characteristic of what we call bridging leadership.

How to use this guide

Who is the audience?

This guide is intended for companies who have already identified partnership as their chosen avenue for social impact. As a prerequisite, companies should consider social impact a high priority, as defined by the SDGs or a similar framework.

This document will be most valuable for audiences who have answered the question, "Is partnership the right approach for my social impact work," and are now exploring "How do I partner with others to achieve the intended impact." Our recommendations will be most relevant for company leadership and teams responsible for partnership development and programming success. Please note that "we/us" in the guide refers to Synergos unless otherwise specified, while "you" refers to the audience.

Directional, not prescriptive

Readers should avoid using this resource as a step-by-step manual. We advise treating it as directional guidance that can be adapted to various contexts, acknowledging that each partnership is unique. The partnership process is not fully linear, and companies will likely enter it at different points. As a generalization, however, we expect this guide will be most applicable to companies preparing to enter a new cross-sectoral partnership or already engaged in an initiative with one or more partners.

The Synergos approach: Bridging leadership

This guide is divided into four broad phases, which we examine through the thematic lens of the Synergos approach.

Our approach is designed to cultivate **bridging leadership**, a style of leadership practiced by both individuals and organizations that is effective for building trust and collaboration among diverse stakeholders.

Bridging leadership requires inner work to increase self-awareness, skills for social issue analysis (in this case systems thinking), as well as a high capacity for collaboration. Each phase of this guide explores ways in which companies can adopt these core practices to grow their ability to bridge divides and forge effective partnerships.

Inner work is the process of increasing a bridging leader's self-awareness, clarifying purpose, and building internal alignment around that purpose. For cross-sectoral partnerships, inner work is relevant for solidifying organizational values and culture and examining strengths and limitations.

Systems thinking equips bridging leaders to analyze social problems holistically. It is a tool for considering the complex environment in which a problem exists, its history, as well as the stakeholders within it and how they relate to one another.

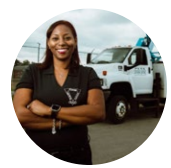
Collaboration is partnership that maximizes each member's competencies, resources, and actions toward solving the problem sustainably. It is underpinned by authentic relationships built on trust.

Partnership profiles

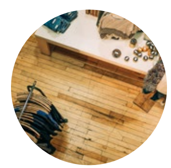
Cargill & CARE: Building a partnership that lasts

Danone & B Lab: Internal focus fueling external movement

Green Canopy Homes & Washington State Housing Finance Commission: Where values power partnership



JP Morgan Chase & Detroit Development Fund: Partnership for city renewal



Kering & London College of Fashion: Developing the next generation of industry leaders

Unilever & the UK Department for International Development: TRANSFORM to close the SDG investment gap

Executive summary

Top insights

- **Trust is the bedrock of a partnership:** A lasting partnership is built on mutual trust. Practicing authenticity, active listening, empathetic communication, and vulnerability all contribute to building and sustaining a culture of trust.
- **Building trust saves time:** Working with a trusted partner leads to faster and more effective decision making, and the decisions tend to be more impactful and lasting. Invest in building trust with partners and other stakeholders as early as possible, because the payoffs are clear and vast.
- **Effective partnerships are symbiotic:** Cross-sectoral partnerships occur at the nexus of social impact and business benefits. One is not sustainable without the other. Therefore it's important to partner with organizations that view economic gains as part of the solution.
- **An internal culture of collaboration is critical:** Companies in effective partnerships tend to have carefully tended cultures of collaboration. For these companies, the business case for collaboration is already made by the time they approach external parties. A culture of collaboration strong emphasizes skills like empathy, humility, and conflict resolution.
- **Taking a systems view is key for social impact:** Your ability to address an issue will depend directly on how fully you understand it. Take the time to examine closely not just the problem you wish to work on, but the entire system in which it exists. This demands a lot of listening to others, especially your partner(s).

The partnership process: An overview

1. INTERNAL COHESION

Taking time to understand yourself & align on purpose.

This phase involves doing the prerequisite work of examining a company's internal preparation for partnership. Informed by the inner work element of bridging leadership, internal cohesion involves aligning your values, mapping assets, and examining your internal culture of collaboration.

Top recommendations:

- **Get in touch with company values:** Having core values speaks volumes to partners; it communicates your purpose and approach to work.
- **Be inclusive:** Include middle management and below, because they are the personnel driving day-to-day activities.
- **Create an internal asset map:** Knowing what you have to offer makes finding complimentary partners easier.
- **Foster a culture of collaboration:** Collaboration is a muscle that needs to be exercised internally.

2. DISCOVERY

Finding the right partners.

Rooted in the systems thinking element of bridging leadership, this phase is about mapping the landscape of partners and going deep on understanding the issue and the system in which it exists.

Top recommendations:

- **Go wide with systems thinking:** Use systems thinking to take a wide-angle view of the system in which the problem exists and the actors within it.
- **Go deep with due diligence:** Narrow your list from system actors to potential partners by creating asset maps for the actors and assessing compatibility of their maps with yours.
- **Check your dynamics:** Effective partners share fundamental values and practice healthy debate. Ensure the dynamics between you and your partner(s) enable this.

3. STRATEGY

Setting up the tenets of collaboration.

Informed by systems thinking and collaboration, strategy involves learning more about the issue from your partner(s)' point of view and aligning on objectives accordingly, envisioning scale, and strengthening relationships between partners.

Top recommendations:

- **Design with change in mind:** Design your project to embrace change instead of fear it.
- **Envision scale but start small:** Articulate a vision for what change at scale looks like, if sought.
- **Negate traditional power dynamics:** Consider involving a third party facilitator to help balance power dynamics.
- **Get personal:** Strong interpersonal relationships can go a long way toward establishing the trust that sets up your partnership for success.

4. IMPLEMENTATION

Activating your partnership to achieve social impact.

Informed by systems thinking and collaboration aspects of bridging leadership, this phase is about doing, learning, and adjusting. It's a continuous learning process that should motivate deeper collaboration.

Top recommendations:

- **Be flexible to incorporate learnings:** Be prepared to flex your design if it's not working. Document the whys behind decisions made.
- **Own mistakes, study success:** Own up to mistakes early to accelerate progress. Pause to study the conditions that enable success.
- **Keep a systems view:** Never take your finger off the pulse of the system. Maintaining a comprehensive view keeps the project relevant throughout implementation. It's also effective for anticipating and responding to potential conflict.

The partnership process: A detailed guide

PHASE 1
Internal cohesion

The internal cohesion phase of the partnership process involves doing the prerequisite work of examining a company's internal preparation for partnerships. Informed by the inner work element of bridging leadership, internal cohesion involves aligning on company values, mapping your assets, and fostering an internal culture of collaboration. These practices help companies raise their own level of self-awareness, which enables them to understand how they will show up as partners, and prepare them to find and work with partners that can complement them best.

> ***"You don't build a company; you build a culture."***
> — Aaron Fairchild, co-founder of Green Canopy

RECOMMENDATIONS

1. Articulate company values

Having values that are clearly stated and deeply connected to your work speaks volumes to partners: it communicates your identity and sense of purpose. Values are one of the first areas organizations examine when seeking out partners for social impact work. Non-profit organizations, community groups, and many government bodies base their decisions on the values of their constituents, and thus are drawn to partners who can decisively articulate values that align with their own.

In Synergos' experience, excellent social sector partners create shared values with their private sector counterparts early on. Establishing collective values is an important step in the partnership process, a process that can feel foreign and uncomfortable to organizations that are not in touch with their own values internally. Without internal values alignment, companies are also less capable of selecting partners successfully.

Danone is an excellent example of a company that articulates its values clearly and places them at the center of its work. The company's emphasis on value-based management and socially responsible business laid the foundation for its partnership with the nonprofit, B Lab, to become a Certified B Corporation. Danone has shaped its way of doing business based on a commitment to sustainable value creation articulated in its core vision. As early as 1972, then-CEO, Antoine Riboud, began the "dual project" that over time shifted from a traditional focus on shareholder returns to a broader focus on stakeholder interests. With this shift came Danone's vision: "One Planet. One Health," the company's assertion that the health of people and the planet are interconnected and that it has a responsibility to advance both. Having a clear values allowed Danone to intervene across its value chains to become one of the first B Corps certified multinationals.

2. Be inclusive in the values articulation process

While companies often acknowledge the importance of senior leadership bringing company values directly into their daily work, they often overlook the make-or-break factor of getting full buy-in from middle management and other staff. These are the personnel driving day-to-day partnership activities – the boots on the ground translating values into operations. If they don't feel a personal connection to company values and ownership of them, they will be less likely to carry those values meaningfully into their partnership work.

Green Canopy is a rare corporation in the United States that was founded to combat climate change and resource scarcity via in-city home-building. The company's values are drawn from the team's lived experiences and embodied in its mission. Green Canopy's leaders ground their team in values like curiosity, empathy, and humility, and provide regular leadership training to support team members' ability to practice them in their daily work.

It's easy to think of values on a surface level, as a list of attributes that sits on the company website; but Green Canopy is a place where all employees are encouraged to make direct connections between their individual values and company values. This practice ensures staff buy-in and commitment to partnerships that the company pursues, such as its partnership with the Washington State Housing Finance Commission.

In contrast, we offer an example from a Synergos experience where the company involved did not make a practice of including all staff in values articulation:

In this example, the company's senior leadership was committed to financial inclusion for their women employees, but did not engage middle management around that cause. Leadership went as far as to publicly announce the commitment, forming a multi-stakeholder partnership, and allocating funding for it. However, the personnel in charge of partnership operations contributed little to it and constantly missed deadlines. In conversations with middle management, Synergos learned that they did not see financial inclusion or women's empowerment as company values. This disconnect cost the partnership tangible losses in the form of funding, time, and poor social impact results, and amounted to a frustrating experience for the company's partners.

3. Iterate on your values

Some organizations' core values rarely change, while others find that their values necessarily shift as the company grows and changes. What's important is to institutionalize the process of regularly reflecting on your values and build mechanisms to keep a pulse on your organizational values so that you're in the touch with what's important to your people and how you hold each other accountable.

Green Canopy's leadership recognizes that a company's values – and strategies for realizing them – must grow and change as its leaders learn alongside the communities they serve. Perhaps the clearest evidence of this is the immersive annual process the company uses to revisit and redefine its organizational values. Led by an outside facilitator, this full-day exercise helps staff examine how they apply these values at work.

Team members must also participate in a 360-degree review process in which they check their own daily work against the values twice a year. According to staff, this reflection is transformative. Central to its success is a genuine, company-wide commitment to courageous vulnerability, honesty, and excellence. This commitment showed up in Green Canopy's partnership work as well, with its partners observing clear purpose alignment across the team and expressing what a joy it made it to work with the company.

4. Create an internal asset map

An internal asset map captures who and what you can draw upon within your own company. It is an important tool to heighten organizational self-awareness, particularly as you search for complementary partners. An asset map may include your company's expertise, networks, experience, reputation, innovation, and funding capacity. Include behavioral assets such as listening and collaboration skills. As you consider your assets, make note of any gaps or limitations. Gaps are not necessarily weaknesses, but rather areas where your company may have strategically chosen not to build assets for business reasons. Still, knowing them is just a crucial as knowing your strengths. Beyond more obvious assets like financial or human resources, look for gaps in areas like expertise on key issues, cultural competencies, and reach within key communities or networks.

JPMorgan Chase has operated in Detroit for 80 years. Over the last few decades, the company has witnessed the city's economic decline, disproportionately affecting residents of color. With intention to help revitalize the city, JPMorgan Chase leveraged its unique position as an established financial institution and made a $100 million citywide commitment in 2014.

The investment focused resources where they were needed most: on small business development, financial health, neighborhood revitalization, jobs and skills development, and sustainable loan programs and grants to strengthen community organizations. While the company had the assets to deliver these programs broadly, JPMorgan Chase recognized its need to partner to address a specific gap – supporting entrepreneurs of color that face greater difficulty than their white counterparts in accessing capital to start or grow businesses.

The result was a partnership that combined its financial assets with those of a foundation funder as well as the expertise and local know-how of a community organization. By bringing together these complementary assets (and acknowledging gaps), JPMorgan Chase and its partners launched the Entrepreneurs of Color (EOC) Fund, which continues to fund entrepreneurs today.

5. Foster a culture of collaboration

Collaboration is a muscle that needs to be exercised internally before an organization can use it effectively in partnership. It's a skill that involves knowing how to build strong relationships in which colleagues feel safe and share information with others.

A way to foster a culture of collaboration is to encourage the practice of vulnerability; this can be done by creating space for people to feel safe admitting mistakes or asking for help. An organization practicing vulnerability naturally prioritizes trust and transparency, and brings higher emotional intelligence to its partnerships. In Synergos' experience, such a partner is better equipped to build empathy, navigate disagreements, overcome mistakes, avoid miscommunication, and achieve lasting social impact results.

We share an example from Synergos experience of a company that did not cultivate a mature culture of collaboration. This company was going through internal leadership changes while participating in a multisector partnership. It had a culture that valued showing strength, not admitting gaps or asking for help. Company employees were not encouraged practice vulnerability. They didn't feel comfortable sharing their challenges with colleagues, let alone their partners. Even when their priorities shifted or they faced challenges in the partnership, they could bring themselves ask for (or accept) help.

As a result, they missed deadlines, became bottlenecks for critical decisions, and didn't communicate clearly with partners. Eventually the partnership dissolved in the face of mounting frustration and mistrust. During individual feedback sessions conducted by Synergos, other partners revealed that if the company had showed vulnerability and asked for help, they would have invested more in the partnership. They were intuitively aware that the company's internal environment was chaotic, not uncommon for organizations facing change. Yet it was the company's insistence on posturing strength that ultimately eroded trust and cost it the partnership.

PHASE 2

Discovery

The discovery phase centers on the process of looking outward to connect with potential partners. Rooted in the systems thinking element of bridging leadership, this phase assesses the landscape of potential partners, then goes deep in getting to know them, their values, priorities, goals, and perspectives. Our recommendations stress finding partners with whom you can achieve balanced power dynamics and avoid the traditional financed-financier relationship.

> ***"The CARE-Cargill partnership pairs a social mission with business goals. We would not be able to drive scalable change if Cargill just wrote us a check. Rather, we are using their expertise, personnel, human capital, and access to their supply chains. It is the best of all worlds because we're using a multidimensional set of assets that enables the financial investment to go farther in terms of impact."***
>
> — Michelle Nunn, President and CEO of CARE USA

RECOMMENDATIONS

1. Go wide with systems thinking

In the words of Susan Fairchild from Green Canopy, "We live in a world of silos. Everyone likes their buckets. How do we encourage people to think outside their preferred silos?" Taking a systems view is an excellent first step toward breaking down the silos. It entails deepening your understanding of the complex, interconnected environment in which your partnership will live: policies, practices, resources, history, relationships, power dynamics, norms, and mental models. There are likely many others who have already studied the system you want to work in, and even more within the system who possess valuable, current perspectives on it. Gathering and piecing together these perspectives will clarify an image of the problem and how it interacts with the system as a whole.

Systems thinking also reveals a wide angle view of the actors within the system, several of whom may need to be engaged to achieve lasting impact. Consider creating a brain trust of sorts: a circle of partners that, as a cohort, can speak to the interwoven nature of the problem you're tackling with business and the rest of society. With the help of a neutral third party, create a map of system of actors including civil society, non-profits, social enterprises, governments, service providers, activists, academics, community leaders, members of the media, and multilateral organizations.

JPMorgan Chase was keen to figure out how best to partner with small- and medium-size business owners in Detroit. The company's partnership leaders knew it wasn't the first organization working on entrepreneurship, so they took the time to learn who else was working on the issue.

In 2014, they approached the W.K. Kellogg Foundation and the Detroit Development Fund (DDF), a community development finance institution that *provides affordable financing for small businesses and homebuyers, to explore opportunities to collaborate. The decision to take a systems view led to a complimentary partnership that resulted in greater impact through the Entrepreneurs of Color (EOC) Fund.*

2. Go deep in familiarizing yourself with potential partners

Narrow your list from system actors to potential partners by creating asset maps for the actors and assessing compatibility of their maps with yours (which you created in the internal cohesion phase). Consider partners whose maps are most complementary to yours (rather than duplicative of them). This will require investing some time and resources (e.g. bringing in a neutral party to conduct due diligence objectively). Consider the following assets as you assess potential partners:

a. Inclusivity: Focus on partners concerned with surfacing the voices of groups most vulnerable within the system. In many cases, those voices may be the "community" you'd like to impact, or some segment of it. Take extra care to identify potential partners with an ability to listen to the disempowered in a participatory, inclusive manner.

b. Credibility: Credibility reflects the level of respect and trust a partner carries with other actors in the system. Working with a credible partner leads to meaningful insights, fast and effective data collection, and strong decision making. Invest in finding potential partners with a high degree of credibility among multiple key constituencies across the system. Take note of their behaviors to start building your company's credibility early, because the payoffs are clear and vast.

c. Symbiosis: Successful cross-sectoral partnerships occur at the intersection of social impact and business benefits. One is not sustainable without the other. For companies seeking social and economic returns, it's important to partner with organizations that view economic gains as part of the solution. Seek out partners who can speak to the interwoven nature of business and social impact. But remember the symbiosis works in both directions. Be prepared to accept criticism on ways your business can adapt to increase your social impact or mitigate unintended harm.

d. Delivery capacity: At the end of the day, a valuable partner needs to be able to move beyond ideas to deliver impact. That's why the ability to translate conceptual objectives into concrete actions and drive outcomes is such a crucial consideration. Asses potential partners' track records on this front, to ensure they have the capacity to execute the goals of your partnership in a timely, effective manner. Keep in mind that a partner's past experience may be in a different focus or issue area than that of your partnership. What's key is consistent capacity to deliver, whatever the project goal.

e. Partnership capacity: Partnership capacity, or an organization's internal infrastructure for engaging with external partners at the intended scale, is a vital consideration. For example, a small grassroots organization that's highly effective in its community may lack the resources necessary to sustain an effective long-term partnership. Potential partners like these have a lot to offer, but finding an appropriate model of engagement is key. One option is the hub and spoke model, where a larger organization with stronger partnership capacity can coordinate a number of smaller partners.

The partnership between Cargill and CARE exemplifies deep due diligence that stems from getting to know each other before their recent partnership began. Cargill and CARE have been partners since the 1960s; a long-term relationship that has created a deep understanding of both organizations' values and capabilities. In 2008, they expanded their collaboration to launch the Rural Development Initiative (RDI).

The program has been successful across 10 countries, in 10 years touching the lives of more than 2.2 million people, mostly in farming communities. Key to the its success is the ability of each organization to recognize the other's expertise and its own limitations. Cargill relies on the local knowledge and trust that CARE brings to the table, as well as its ability to implement and evaluate development programs. Meanwhile, Cargill provides funding, volunteers, and technical expertise where its most relevant, as well as its knowledge of agricultural markets.

3. Check your dynamics

Simply put, a partnership is about people working with other people. As you assess potential partners, take note of the dynamics of your relationship. Do you disagree on fundamentals or on smaller details within a process? From Synergos' perspective, lasting relationships share fundamental values and engage in healthy disagreement. Difference of opinion should be welcomed at every stage, especially at the onset of your relationship, so you can exercise the muscle of resolving differences.

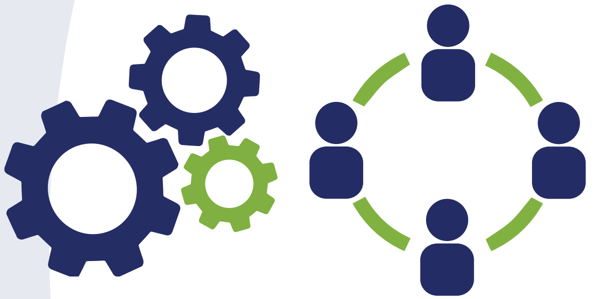
Lasting relationships are based on shared curiosity and humility. Be open about what you don't know and fearless in asking innocent questions and testing assumptions. Invest time in partners who welcome humility and curiosity as well.

Luxury Group, Kering, and the London College of Fashion (LCF) began a five-year partnership in 2014 to equip the next generation of fashion industry professionals with the skills and mindset needed for the future of the industry, which will require a greater focus on sustainability and social consciousness.

Their partnership's success is powered by an open, trusting relationship that welcomes challenging one another's perspectives. LCF offers Kering a fresh perspective on the existing fashion system, particularly a willingness to challenge prevailing assumptions, strategies, operations, and mindsets. In turn, Kering helps LCF and its students understand the fashion business in order to work within it, instead of from a primarily theoretical or idealistic point of view.

Both partners brought vibrant cultures of collaboration to their partnership strategy process, including an openness to being vulnerable about their own gaps. This combination of vulnerability and curiosity brought both partners closer together and set them up to maximize their strengths.

PHASE 3
Strategy



In the strategy phase of the partnership process, partners are focused on project design and setting up the tenets of collaboration. Informed by systems thinking and collaboration aspects of bridging leadership, strategy involves aligning on objectives and defining success, accelerating knowledge of your partner(s)' point of view, envisioning what scale for the partnership could look like, and building a governance model. Because it's where partners start making decisions together, it marks a pivotal juncture in the partnership process.

> ***"DDF would not have been as successful in increasing access to capital and business assistance for entrepreneurs of color without the collaboration and partnerships that are essential to the equitable resurgence of small businesses in Detroit. JP Morgan Chase has been one of our important and supportive partners in Detroit."***
>
> — Ray Waters, President of the Detroit Development Fund

RECOMMENDATIONS

1. Align on objectives and define success

Think back to the systems mapping you did in the discovery phase. How can your partnership help fill the gaps you identified in the system? Where are the leverage points? It's tempting to focus your objectives on solving simple or even superficial problems, which often promise quick results. This can be appropriate in some cases. However, it's important to keep in mind that problems representing the highest need are typically the most systemic, and thus toughest to work on, requiring flexibility, time, patience, and coordination. As you and your partner(s) set up your objectives, consider long term impact. Ask yourselves whether your objectives intend to address surface-level or root cause issues. What is keeping you from thinking big and being bold?

Kering's partnership with the London College of Fashion (LCF) co-created a program with three defined objectives. The first was to help students learn about sustainability, regardless of their industry focus area. The second was to provide students with role models to see sustainability in actual business strategies. The third was to drive innovation through annual challenge awards, where students propose solutions to real problems Kering brands are facing – solutions that some brands have ended up adopting.

These three objectives focus on a bigger vision shared between Kering and LCF that leads to a clear definition of success: long term impact that permanently alters the system by investing in the next generation of sustainably conscious fashion professionals.

If you've gone through the process of articulating your organization's purpose and vision, you'll have a sense of the journey you and your partner should undertake together to align on what success means and what failure means.

Articulate your tolerance, "if not fully successful, what outcomes are acceptable, which are not?" Allot time and energy to align on the scope, the information that you will collect to monitor progress, as well as information you will not collect. If you've worked together before, this is a great time to examine what worked well in the past and what got in the way.

Acknowledging failures without judgement can help your partnership move past frictions and continue to build trust.

2. Design with change in mind

Design flexibility into your project with change in mind. Adjustments along the way are a necessary part of a partnership that's sensitive to the system. Make "going back to the drawing board" part of the process from the start. This entails being prepared to revisit assumptions, theories of change, implementation activities, timelines, budgets, and more.

Stay nimble; design your project to embrace change instead of fear it. A helpful way to do this is to build check-in steps into the implementation plan to make sure you are regularly checking assumptions and incorporating feedback from partners and other stakeholders, especially the groups your partnership intends to help most.

3. Envision scale but start small

Having ambitious outcomes and a clearly articulated vision for change can (and should) coexist with acting in small steps. When considering partnership design possibilities, consider whether a project has ambition to scale in the future and what the model for scale could look like. Synergos has used a prototype – pilot – scale model, which cultivates co-ownership from government, business and civic leaders/organizations throughout the process.

Consider Danone's partnership objective: to make its entire global business B Corp certified by 2030. This is a huge endeavor that no multinational food and beverage corporation has achieved to date. To accomplish this goal, Danone has partnered closely with the nonprofit, B Lab, to certify its subsidiary business units incrementally. Its two-year-old subsidiary, Danone North America, achieved B Corp certification in 2018. Beyond its own certification work, Danone has an even larger, system-focused vision to build a movement. To that end, Danone became a founding member of B Lab's Multinationals and Public Markets Advisory Council, where it shares feedback with B Lab on how the certification process can be adapted for larger companies.

4. Build an operating model that negates traditional power dynamics

Operating models should be co-created with equal voice amongst partners, but skewed power dynamics can get in the way of this. For example, if your company makes the bulk of financial contributions to the partnership, consider using a facilitator as you build your operating model. Engaging a third party demonstrates you are cognizant of power dynamics that come from holding the purse. It builds trust. Synergos has facilitated operating models for several cross-sectoral partnership; we recommend taking a participatory approach to model building in order to extend a safe space for partners where they can voice their concerns and make bold suggestions. Co-creation through a third party can result in a higher level of trust and investment into the relationship from partners. Elevated level of trust amongst partners leads to more effective decision making, and the decisions are more likely to stick. Investing in trust upfront saves time later.

Meanwhile, an operating model should be clear, well documented, easily accessible, co-created with partners, and ready for individuals to follow. Consider including the following elements in your model:

a. Alignment on organizational contribution: Document each partner's contribution on an organizational level, such as financing or on-the-ground personnel etc. This discussion is an underrated move with the power to clarify assumptions and ground the partnership in reasonable expectations.

When establishing roles in a partnership, Cargill and CARE have a shared understanding of each partners' contributions and the commitment it requires to create sustainable impact. To design and show up in complementary roles, both partners must trust in each others' ability to be a good partner. Cargill and CARE both believe that business is uniquely positioned to be a critical partner in rural agricultural development and that *sustainable impact requires long-term commitment. Importantly, Cargill does not approach the partnership as a side project: The company's commitment to sustainability and poverty alleviation is core to the way it conducts business and Cargill's global purpose.*

b. A collective set of values: Establish a set of collective values for the engagement. In a partnership once curated by Synergos, the partners agreed to articulate a value "we will consider the community's interest first and foremost." It helped establish the first tenets of trust among the partners, and cut through the skepticism that existed towards the private sector in what was a first-time partnership.

c. Structure, roles and responsibilities: Clearly draw out the structure of the partnership, including reporting lines, committees if needed, and who is responsible for which decisions. Clearly define expected roles and responsibilities from each individual. Minimize surprise and future confusion by checking that each person agrees with their role and responsibilities. Include how frequently each individual is expected to engage, such as daily, monthly or as needed.

d. Communication channels: Decide how information should flow and how the partnership will surface risks and issues. If the partnership is not large, avoid over-engineering communication channels. In all cases, keep communication channels clear and open amongst individuals on the ground so they can troubleshoot daily matters without red tape. These informal interactions build strong working relationships and trust amongst partners.

The partnership between Green Canopy Homes and Washington State Housing Finance Commission embraced frequent communication and learning opportunities from the very beginning of their partnership. WSHFC and Green Canopy came to early conversations with a shared vision and intellectual curiosity to create the right opportunity, co-creating a strategy. Starting with smaller projects, the organizations built trust by meeting regularly (even when not actively working on a project) and learning one another's working styles.

e. Feedback culture: Trusted relationships create space for others to share what's not working. Make feedback giving and receiving a necessary part of your operating model. Start early and do it frequently. Moreover, we've observed trust frays in cross-sectoral partnerships where the funder is the only partner providing feedback. We recommend that companies take the initiative to cut through the financier-recipient power dynamic by asking for feedback and initiating honest discussions.

JPMorgan Chase and the Detroit Development Fund established open communication, building trust and flexibility into the relationship. This flexible channel allowed for frequent discussion between partners about what would help the fund succeed and contributed to the partnership's ability to respond creatively to local needs.

5. Get personal

There is no substitute for meeting someone in-person. Invest in meeting your partners face-to-face if you haven't already. If possible, ask your neutral third party to organize a kick-off workshop. Engage personnel from three levels: macro (ex: top leadership), mezzo (ex: middle management) and micro (field delivery).

In many Synergos-facilitated partnerships, bonding in person has gone a long way in setting up the project. We encourage individuals to open up and discuss personal assets such as motivations for social impact, languages, experiences, stories, interests and expertise. Opening up on a personal level fosters trust, but again it can feel foreign and uncomfortable for people who have not practiced vulnerability within their own organizations.

PHASE 4

Implementation

In the implementation phase of the partnership process, design and strategy come off the page and into practice. Informed by systems thinking and collaboration aspects of bridging leadership, implementation involves doing, learning, and adjusting. Most partners have implemented initiatives across their individual organizations, however this may be the first time you are implementing a project with external partners for social impact. For new partnerships, thinking of implementation as a continuous learning process will incentivize deeper collaboration; for projects with a time-and-tried partner, implementation is about making sure you are doing more of what has worked in the past and adjusting the things that didn't.

> ***"Because of the long-term nature of the partnership, we have been able to develop, test, and understand more about the creative practices and pedagogic principles of sustainability. We have achieved concrete, lasting outcomes that I do not think would have happened without the partnership."***
>
> — Nina Stevenson, Education for Sustainability Manager, Centre for Sustainable Fashion at London College of Fashion

RECOMMENDATIONS

1. Be flexible to incorporate learnings

The rumbling you went through together during strategizing and designing your partnership should be at the center of implementation. Expect plans to change, particularly as you incorporate learnings. We often see organizations become attached to their project plans or intervention designs, which leads to a feeling of failure when implementation doesn't go according to plan.

Rather, treat change as a learning, not a failure. If what you've designed is not working, flex your framework – don't abandon it. Document why decisions are made throughout the partnership process, the context of "why" will guide you as you revisit choices and assumptions down the road. Ultimately, it's not enough to know what you decided, but why it was chosen. This documentation serves as a tool for learning and continuity, as individuals inevitably cycle through the partnership.

2. Own your mistakes, study success

The roles of self-awareness and authenticity that characterize earlier stages should continue through implementation. Talking candidly about challenges and mistakes can be an especially challenging practice for private sector companies to take on, as it may appear counterintuitive to your business model. In order to make real progress on finding solutions that work, partners need to acknowledge those that don't. Own up to mistakes as soon as possible to move forward together faster.

But pause to study success – moments of success point to the optimal mix of partner assets and can often be replicated.

3. Use a systems view to navigate skepticism

Companies are not new to facing skepticism when conducting social impact work. In some cases, the community is unfamiliar with the company; in others, the reaction may be rooted in previous negative experiences, particularly change fatigue. Get to know the underlying reasons for skepticism by listening to the communities. This enables us to put ourselves in others shoes and helps us see how and why others behave the way they do. It helps us generate empathy to say “I would have made the same decision.”

Throughout implementation, utilize three layers of systems thinking to generate this empathy:

- Understand the system that you operate in to be more self aware of your own actions and biases
- Understand the system where your partners operate
- Understand the communities.

In all three layers, surface information that identifies the incentive structures and institutions that shape behaviors. To minimize risk, assume that they are being rational and responding to the structures around them, rather than being difficult. When you understand why someone behaves the way they do, you are better equipped to navigate the relationship.

4. Be aware of major influences affecting the system

It’s hard to implement social change from a distance. Economic, social, and environmental factors may shift as you are implementing, requiring your partnership to adapt accordingly. Keep informed about what’s really happening in the system through direct and, regular contact with key actors in the system, especially those implementing on the ground. This should be done in partnership with direct stakeholders of the system who are keenly aware of vulnerable groups, such as civil society partners, community members, and extension workers. These should be as close to the source as possible. Keeping as full a view as possible on the entire ecosystem is also necessary to staying relevant throughout implementation.

Throughout its partnership building affordable, third-party certified energy-efficient homes with the Washington State Housing Finance Commission, Green Canopy Homes made it a practice to pursue close relationships with the neighborhoods in which it considered implementing a project. The Green Canopy team took the time to build trust with all neighbors surrounding the affected property by meeting with them regularly, getting to know them with genuine interest, and incorporating their feelings and feedback into their home designs and construction processes.

Conclusions

Conclusions

The private sector's responsibility to partner to uphold the health of people and planet is too important to ignore. This demands a paradigm shift in businesses' approach to their identity and role in society. With a direct call for partnerships in Goal 17 of the Sustainable Development Goals, it's more important than ever for companies to join hands with counterparts in other sectors such as civil society and governments. It's important to supplement the know-how for forming effective partnerships with the right mix of values, expertise, relationships, and credibility to help companies shape and implement partnerships.

No matter what stage of partnership a company finds itself in, we hope this guide offers accessible points of entry. If your company isn't fully aligned on values or purpose, building internal cohesion (phase 1) is a great place to start. If internal commitment to social good is mature but you haven't found the right partner or you are just getting started, you may want to invest in discovery or strategy (phases 2 and 3). Veterans to social impact work will affirm that partnerships need active tending as the relationships grow and the ecosystem changes. There's more to learn in implementation (phase 4), particularly as you learn, grow and adjust together.

It's our hope that this guide and accompanying partnership profiles provide companies with thought leadership to form and navigate effective cross-sectoral partnerships for social impact.

Acknowledgements

The team at Synergos would like to warmly thank the companies and their partner organizations who contributed their time, experience, and insights to the content of this guide. Their stories, quotations, and examples shape the recommendations and bring them to life.

Photos courtesy CARE, Cargill, Ashim D'Silva, Danone, Green Canopy Homes, JP Morgan Chase, and Unilever/ TRANSFORM.

Appendix: Partnership Profiles

Cargill & CARE

Building a partnership that lasts

Cargill and CARE have collaborated for nearly 60 years on initiatives addressing food security, nutrition, farmer livelihoods, and governance in agricultural communities worldwide. Since the early 2000's, their relationship has evolved into a partnership covering many of the Sustainable Development Goals (SDGs). The longstanding partnership is successful because each organization brings its own unique knowledge, resources, and perspectives, together focusing on strengthening the communities where Cargill operates.

Founded in 1865, Cargill's purpose is to nourish the world in a safe, responsible and sustainable way. Cargill combines its experience with new technologies and insights to serve as a trusted partner for food, agriculture, financial and industrial customers. With over 155,000 employees in 70 countries, Cargill understands that partnerships are critical to its operations and seeks collaboration with stakeholders across its respective supply chains, building relationships with organizations like CARE that have local trust and expertise.

A nonprofit organization working in over 90 countries, CARE was founded in 1945 to send CARE Packages containing basic necessities to World War II survivors in Europe. The organization has grown in scope and scale since then, now focusing on long-term international development programs and emergency relief.

Growing together

The partnership between Cargill and CARE started in 1960, when instead of sending holiday gifts to business partners, Cargill sent CARE Packages on their behalf.

In the early 2000s, Cargill and CARE began exploring how to deepen their collaboration and support development efforts more strategically. This led to the launch of the Rural Development Initiative (RDI) in 2008: Cargill committed $10 million to RDI over five years, with activities that helped over 100,000 farmers in eight countries improve their productivity and livelihoods.

Two additional phases followed, bringing the total investment to $25 million in an effort to drive gender-equitable food security, climate change resilience, and women's economic empowerment across 10 countries and in 10 years reaching over 2.2 million people.

> ***"CARE has been a critical partner for Cargill in communities around the world for more than 50 years. We have worked together to help farmers prosper, provide access to safe, nutritious meals for families and create stronger and more resilient communities." – Michelle Grogg, Cargill vice president for corporate responsibility and sustainable development***

The success of such a comprehensive approach to addressing underlying causes of poverty is evidenced by the collaboration's impact around the globe.

In Cote d'Ivoire, Mo Kla and her husband N 'Dja Brou are cocoa farmers and parents who did not attend school as children. Through programs supported by CARE and Cargill, they learned about food crop production, participated in a Village Savings & Loan Association (VSLA) and attended functional literacy courses. As a result, they now manage their own accounts, track their cocoa production and profits, and help their children with their homework.

In Central America, the partnership helped create small business associations with producers and microentrepreneurs. In just 18 months, participants generated more than $2.5 million in gross income, significantly adding to household and the local economies. The increased economic capacity was complemented by technical assistance and training in agriculture, nutrition, and educational support, further strengthening the resiliency of the communities.

Beyond achieving development outcomes, the partnership has also helped position both organizations for even greater success. Cargill has improved partner relationship management, and its staff have gained new values and perspectives as well as developed learning around best practices in community development.

For CARE, the partnership has transformed how it works with corporations, which were previously engaged primarily as donors. In 2009 CARE formed the Strategic Partnerships and Alliances unit to build multi-asset engagements with the private sector, looking beyond philanthropy to how to help companies address underlying cause of poverty in their value chains. Today, CARE approaches corporations with three goals: increase investment in programs, influence private sector policies and practices, and leverage the private sector to drive development impact.

Teams across both organizations have also expanded engagement in advocacy and supporting mutual policy objectives.

Sources of Strength

On the surface, the partnership is successful because Cargill and CARE co-design the programs and bring complementary contributions: Cargill provides funding, volunteers, and technical expertise; CARE initiates, implements, and evaluates programs and together they liaise with government and media.

But it's the organization's' shared values and active commitment to embodying those values that have been, and continue to be, critical to the extraordinary length and depth of the partnership. Cargill and CARE both believe that business is uniquely positioned to be a critical partner in rural agricultural development and that sustainable impact requires long-term commitment. These shared values are instilled throughout the organizations and are led and reinforced by their top leaders, who also encourage and support the partnership. Importantly, Cargill does not approach the partnership as a side project: The company's commitment to sustainability and poverty alleviation is core to the way it conducts business and Cargill's global purpose.

Finally, each organization recognizes the other's expertise and the limits of its own. This stems from having invested time getting to know each other before RDI began. Having built a foundation of trust, staff on both sides can openly share their perspectives, preventing would-be problems and making it easier to address challenges that arise. They can fully own mistakes, know they are in a safe space to address them and identify solutions together.

As Cargill and CARE plan the next phase of their partnership, they are looking to scale impact – driving forward on the most successful community-led programs, engaging other private and public sector partners, and advocating together on key issues that affect the communities they serve.

Danone & B Lab

Internal focus fueling external movement

Some cross-sector partnerships emerge from an opportunity to reinforce and validate a company's commitment to existing values. This is the case of Danone and its partnership with the nonprofit B Lab, which grew directly out of the global food and beverage company's search to more deeply embed and improve upon its societal and environmental commitments as well as add critical components of transparency and accountability.

A commitment to people and planet

Danone's food and beverage brands are used by consumers worldwide, and it employs over 100,000 people around the world. Although it is best known for dairy-based products that carry the Danone or Dannon brand such as Activia, Danimals and Oikos, Danone also owns a wide range of organic and plant-based food and water brands, such as Alpro, Horizon Organic, Silk, International Delight, and Evian.

Danone has been committed to sustainable value creation from as early as 1972, when then CEO Antoine Riboud called for a shift in management approach from a traditional singular focus on shareholder returns to a broader focus on stakeholder interests. Called the "dual project," this set the stage for Danone's vision of "One Planet. One Health," an assertion that the health of people and the planet are interconnected and that Danone has a responsibility to advance both. In 2018, Danone set company goals aligned with the SDGs to build and evolve its value chain in service of its "dual project."

A framework for measuring social impact

B Lab created the B Corp Certification for companies seeking to be credible leaders of the movement of business as a force for good. There are over 2,800 Certified B Corps across 64 countries and 150 industries. Companies achieve certification by meeting rigorous verified standards of social and environmental performance as well as public transparency. The B Impact Assessment allows companies to evaluate their positive impact on workers, customers, suppliers, communities, and the environment; benchmark against other businesses; and implement improvements. All Certified B Corps are also legally required to consider the impact of their decisions on all their stakeholders, not just shareholders.

Danone's B Corp journey began with its 2013 acquisition of the Happy Family Organics brand, a Certified B Corp that introduced Danone to the B Corp movement. B Lab went on to become a valuable partner, offering Danone an objective, rigorous framework to measure progress toward its social and environmental goals as well as a network of like-minded businesses from which to learn.

Danone set a goal for its entire global business to be certified by 2030, and in 2018 its one-year old subsidiary Danone North America achieved certification, becoming the largest Certified B Corporation in the world. Every Danone business unit that has achieved certification has made or will make the legal changes that this requires, thus institutionalizing Danone's "dual project" with the force of law. As of this writing, about 30 percent of Danone's global business has earned B Corp Certification.

To maintain B Corp Certification, companies must complete the B Impact Assessment and verification process every three years, maintaining the required minimum score set by B Lab, helping Danone's B Corp business units to continuously improve in a systematic way. So far, the process has supported internal improvement at Danone North America, including by increasing opportunities for women- and minority-owned businesses, and has reaffirmed its corporate culture of championing the use of business as a force for good.

Setting an example and joining a movement

Externally, Danone became part of a global network of B Corporations that seek systemic change for society and the planet. The companies in this movement are committed to ensuring that corporate purpose, governance structures, and management systems are aligned to create a material positive impact. In this network, and supported by B Lab, Danone has found a peer group of companies that challenge each other, move their industries forward, and collaborate with policy makers and other stakeholders as they seek meaningful and lasting change.

To support the B Corp movement at scale, Danone has partnered with B Lab since 2015 to help other multinationals and public companies pursue certification. The company became a founding member of B Lab's Multinationals and Public Markets Advisory Council, which shares feedback with B Lab on how to adapt the certification process for large, complex companies. This has already resulted in more rigorous standards, a more streamlined process, and more interest from other large companies in certification, system change, and joining the movement.

Partnering with B Lab has allowed Danone to understand and amplify its impact both internally and externally. Not only has certification served as a barometer for internal progress, it has also given the company a broad platform to show how being a force for social and environmental good builds resiliency in Danone's supply chain and communities, ensuring that the company can continue to make products that support the health of people and the planet. By pursuing certification for its entire business, Danone has also provided a powerful signal to other large corporations that big business can and should take care of people and the planet while performing well financially.

Green Canopy Homes & Washington State Housing Finance Commission

Where values power partnership

Green Canopy Homes is the only for-profit home-builder in the United States (that we know of) that was deliberately started to combat climate change and resource scarcity via in-city homebuilding. For Aaron Fairchild, co-founder and CEO of the Seattle-based company, defining and living his company's values is crucial to showing up as an effective partner. Green Canopy's values are drawn directly from lived experiences – both Aaron Fairchild's and his colleagues.'

Green Canopy aims to transform the real estate market towards greater energy efficiency and sustainability. With a team of 36 employees and growing, the company builds and sells highly resource-efficient homes in walkable urban communities in Seattle and Portland. The homes are third-party certified by Built Green, which confirms they are built to a highly energy-efficient and healthy standard.

For Aaron Fairchild, Green Canopy represents the culmination of his search to align his skillset with his values. It's also a constant reminder that a company's values – and strategies for realizing them – must grow and change as its leaders learn alongside the communities they serve.

Green Canopy's leaders ground their team in principles like curiosity, empathy, and humility. Perhaps the clearest evidence of this is the immersive annual process to revisit and redefine organizational values. Led by an outside facilitator, this full-day exercise helps staff examine how they apply these values at work. According to team members, this reflection is transformative. Central to its success is a genuine company-wide commitment to courageous vulnerability, honesty, and excellence.

Business values start as personal values

The values that the co-founder brings to Green Canopy stem from experiences that started at a young age. Growing up with separated parents, he saw abundance and security with his bank-owning father and inequity and struggle with his mother, who juggled multiple jobs to make ends meet. While both worked hard, their financial security and opportunities were markedly unequal.

As an adult, Aaron Fairchild became increasingly aware of the privilege he carried as an American, particularly as a college-educated white male, and of the injustices so many others faced. In Seattle, Aaron Fairchild volunteered with local initiatives, such as the Social Venture Partners Environmental Grant Committee. However, he was committed to finding a way to apply his values more fully, not just outside of work.

In 2010 Aaron Fairchild co-founded Green Canopy as a business-driven response to climate change, which he considered one of the greatest threats to humanity, especially to people living in poverty – the most vulnerable yet least able to protect themselves. He started with a vision for his own city: to transform Seattle's housing market by building sustainable homes that are also affordable, accessible, and beautiful.

Partnering to make sustainability more affordable

Green Canopy's transformation strategy centers on the idea that when an energy-efficient home is built, its presence compels other home builders to develop their homes to higher sustainable standards. Over time, the introduction of energy-efficient homes inspires greater resource efficiency and lifts expectations across the city, and eventually the region.

Green Canopy sees housing affordability as a serious challenge that cannot be addressed at scale alone, and this drives its partnerships with the public sector. To help lower- and middle-income homebuyers access climate-conscious homes, Green Canopy partnered with the Washington State Housing Finance Commission (WSHFC), a state government team aiming to make housing more affordable and accessible across Washington, particularly in its booming cities.

WSHFC and Green Canopy came to early conversations with a shared vision and intellectual curiosity to create the right opportunity. In the strategy they devised, the WSHFC provides targeted financing to reduce the sale prices of Green Canopy homes (home buyers can receive financing support for homes priced at $500,000 or less). Starting with smaller projects, the organizations built trust by meeting regularly (even when not actively working on a project) and learning one another's working styles. They have gradually moved to larger projects, with WSHFC recently providing first loss collateral on over 100 energy-efficient homes.

Seeing results

Six years in, the collaboration has already made a difference. Thanks to the WSHFC and other partners, 17.3 percent of Green Canopy's sales have been from homes under $500,000. For the WSHFC, the partnership has provided a financing model for single-family homes and fueled the inclusion of sustainability goals into other initiatives. The WSHFC attributes the partnership's success to Green Canopy's visionary leadership, regular brainstorming meetings, and both parties' openness, honesty, and creativity.

Champions of honest communication and intellectual flexibility, Green Canopy Homes offers valuable lessons for individuals and companies of all sizes seeking to align their work with their values and forge cross-sector partnerships for social impact.

JP Morgan Chase & Detroit Development Fund

Partnership for city renewal

In the 1960s, Detroit had the highest income per capita in the United States, fueled by well-paying jobs in automobile manufacturing. However, the city experienced stark decline in recent decades, filing the largest municipal bankruptcy in U.S. history in 2013. Many neighborhoods have been plagued by poverty, crime, and urban blight. Already underserved by Detroit's development, residents of color have been disproportionately affected.

JPMorgan Chase has operated in Detroit for over 80 years. In response to Detroit's economic crisis, in 2014 JPMorgan Chase announced a $100 million commitment to the city. The investment focuses on small business development, financial health, neighborhood revitalization, and jobs and skills. This includes both sustainable loan programs and grants to strengthen community organizations. JPMorgan Chase exceeded its commitment two years early, announcing an increase to $150 million by 2019.

"Think about what you do well and where you can move the needle. Look for organizations already doing it and find partners [like DDF] with deep local relationships who understand the complex systems involved. Also recognize that they may need help getting to where they need to be." — Stephanie Bosh (Vice President of Corporate Communications, JPMorgan Chase)

Partnering to support entrepreneurs of color

As part of its city-wide investment, JPMorgan Chase became a founding partner in the Entrepreneurs of Color (EOC) Fund managed by Detroit Development Fund (DDF). A community development finance institution since 1998, DDF provides affordable financing for small businesses and homebuyers otherwise unable to obtain it, with a special focus on minority residents.

Like in the rest of the country, entrepreneurs of color in Detroit have much greater difficulty than their white counterparts in accessing capital to start or grow businesses – particularly striking since people of color comprise 85.5 percent of Detroit's population.

In 2014 the W.K. Kellogg Foundation, DDF, and JPMorgan Chase began exploring how to address this problem. The result was the EOC Fund, launched the following year with $3.5 million from JPMorgan Chase and $3.5 million from the Kellogg Foundation. The fund provides affordable loans and much-needed business technical assistance so that minority-owned businesses can grow, create jobs, and contribute to economic growth. With additional funding from new partners, as of March 12, 2019, the fund had closed 82 loans to 64 entrepreneurs, totaling $7,039,850, all with only one loan default to date.

Sources of strength

Commitment from a corporation's top leaders is critical to social investments on the scale of JPMorgan Chase's. Leaders must believe that helping communities in which they operate has tangible business benefits – and must infuse those values into their organization. For example, JPMorgan Chase Chairman and CEO Jamie Dimon modeled commitment to the DDF partnership. The fund expanded to $22 million by late 2018 in large part due to JPMorgan Chase actively reaching out to new partners Liberty Bank, Fifth Third Bank, and the Kresge and Ralph C. Wilson, Jr. Foundations.

> ***"A large part of why the collaboration has succeeded is that JPMorgan Chase is willing to share the spotlight – that is why we have additional financing from new partners. JPMorgan Chase itself talks about how important these other partners are."***
>
> — Ray Waters, President, Detroit Development Fund

Commitment alone is not enough: the fund has succeeded because JPMorgan Chase and DDF wanted to understand communities' real needs and were willing to adapt to them. The partners approached minority-focused chambers of commerce for feedback on fund design. Leveraging these networks was critical to validating what the partners thought they knew but also to understanding the differences between minority business communities.

There has also been open communication between partners, building trust and flexibility into the relationship. Together, they developed criteria that allow loans to businesses with higher on-paper risk: DDF's local knowledge is leveraged when examining business viability as well as entrepreneurs' motivation and drive. This flexibility stems not only from the fund's strong cash reserves, but also from a discussion between partners about what would help the fund succeed. And it means DDF can respond creatively to local needs, such as with a project-specific line of credit for contractors.

Vision for the future

Partnerships will be critical to the future expansion of the EOC Fund. DDF knows it needs organizational improvements to get capital to entrepreneurs more quickly, which will require partners willing to fund system strengthening. DDF is also examining how to scale up technical assistance by partnering with technology providers that connect entrepreneurs with mentors.

The EOC Fund's success to date has been a pilot for similar funds JPMorgan Chase has launched in Chicago, San Francisco, Washington, DC, and the South Bronx, and it has inspired other organizations as well. For JPMorgan Chase, the future is about continuing to learn from existing social investments and applying those lessons elsewhere.

Kering & London College of Fashion

Developing the next generation of industry leaders

Workforce needs are changing amidst rapidly evolving technologies and shifts in the private sector's relationship with social and environmental issues. Yet how can an industry ensure that tomorrow's professionals are equipped to fill roles that may not currently exist? Tackling this challenge is what drives the partnership between Luxury Group Kering and the London College of Fashion (LCF).

Aligned values and shared challenges

Part of the University of the Arts London, LCF specializes in fashion education, research, and consultancy. In 2008, amidst a growing spotlight on the industry's social and environmental impacts, LCF founded the Centre for Sustainable Fashion (CSF), the first dedicated research center on this topic, and established a Master of Arts in Fashion and the Environment. As LCF's focus on a sustainable and socially conscious future increased, so did the number of graduates in related jobs.

Several years later, two LCF graduates began working at brands owned by Kering, a Paris-based global luxury group in the fashion industry. Through these graduates, Kering and LCF began a series of conversations where they discovered alignment in their organizational values and goals. Over time, the teams explored how to engage on an ongoing basis and identified opportunities for collaboration on initiatives that they could not undertake as effectively alone.

> ***"Educating the next generation of professionals is crucial to be sustainable, more informed, and more conscious about what they are doing. That is why Kering is putting so much effort into working with the next generation. They will be our next CEOs, our creative directors, and lead our industry."***
> — Eva von Alvensleben, Head of Sustainability Strategy at Kering

In 2014, the organizations committed to a five-year, co-created a program with three objectives. First, help students learn about sustainability, regardless of their industry focus area. The ensuing in-person classes of 40 students were quickly oversubscribed, so an online course was added to scale up. Second, provide students with role models to see sustainability in actual business strategies. Lastly, drive innovation through annual challenge awards, where students propose solutions to real problems Kering brands are facing – solutions that some brands have ended up adopting.

Since then, the partnership has worked with over 2,000 students. Graduates join the workforce as sustainability-minded professionals embedded throughout the industry, from sourcing to production to sales. They are equipped with new knowledge, skills, mindsets. Today, all first-year LCF students take a class exploring sustainability, social responsibility, and diversity.

The partnership also established a model for industry-academia collaboration. LCF has published research on the topic and has consolidated its experimental learning around teaching and sustainability. The next step is to take the partnership global, something that started with the introduction of the online course.

Drivers of success

In the fast-paced fashion industry, five years is considered long term: LCF's past collaborations had been single initiatives of under two years. Kering's longer-term commitment has allowed LCF to iterate by testing and improving new pedagogic methods.

Both partners have approached their collaboration with openness and trust: listening more, understanding how the other works, embracing and learning from different perspectives, and providing regular feedback formally and informally. Kering and LCF have applied this to moments of disagreement, converting them into opportunities to strengthen collaboration instead of thwart it. Because of their focus on honesty and excellence, Kering and LCF view a roadblock not as a problem but as an opportunity to analyze what was done, what didn't work, and what can be done to improve.

Openness also involves challenging your own perspective by stepping outside your understanding of the system in which you operate – this is where innovation comes from. As an academic institution, LCF has helped Kering challenge accepted ideas and practices in the industry. In turn, Kering has helped LCF and its students understand the fashion business in order to work within it, instead of from a primarily theoretical or idealistic point of view.

Unilever & the UK Department for International Development

TRANSFORM to close the SDG investment gap

There is a $2.5 trillion annual investment gap to achieving the SDGs. Unilever and the Department for International Development (DFID) of the United Kingdom believe that innovative partnerships can unlock the capital and resources required to bridge this gap.

In 2015, Unilever and DFID established TRANSFORM, a $52.2 million public-private partnership that supports early stage business models and behavior change interventions in order to meet the needs of low-income households in sub-Saharan Africa and South Asia. TRANSFORM aims to redefine the role of business in driving impact at scale, bringing private sector creativity and market-based approaches to address persistent global development challenges. Using grant funding and technical assistance, TRANSFORM's goal is to empower 100 million people by 2025 to improve their health, livelihoods, and wellbeing by adopting behaviors and accessing products or services that have been shown to have a positive impact.

In 2017, TRANSFORM's value went from $13m to $52.2m. This included $13m in commitments from new private and non-private sector partners, creating a multi-stakeholder partnership that brings complementary capabilities to accelerate TRANSFORM's impact.

The partnership provides grants to start-up social businesses typically up to $390k and technical business support through a dedicated Project Lead and access to TRANSFORM's Partners. Each grantee tests a specific hypothesis for the business, and key learnings are shared. TRANSFORM supports bold ideas from entrepreneurs that have the potential to harness the power of markets to deliver growth and to transition to a healthier, more inclusive world.

TRANSFORM's strength lies in its ability to combine the reach and expertise of its global partners with the agility and innovation of early stage enterprises. Partners provide access to technical expertise as well as innovative practices including effective business model development. Funded entities are carefully selected for business model and impact potential.

One example of a social business accelerated through TRANSFORM is Kasha: a "femtech" startup in Rwanda and Kenya. On a continent where female health care, particularly access to contraception and menstrual products, is still greatly stigmatized, Kasha enables women to order affordable products, from sanitary pads and condoms to soaps and shampoo on both smart and USSD phones.[1] The orders are then confidentially delivered to wherever the purchaser chooses. Kasha's purpose is to help urban and rural women of all socioeconomic levels overcome issues of social stigma so they can purchase the products they need. To date Kasha has delivered over 150,000 units of product in both Rwanda and Kenya to over 40,000 unique customers. Over 80% of Kasha's orders come from women at the base of the pyramid.

TRANSFORM has supported Kasha to ensure product affordability, optimize the offer for low-income consumers, and strengthen customer retention. In 2018, Kasha had received a total of $1.4M in startup funding from TRANSFORM over two project phases, with the goal of becoming self-sustaining by early 2020. TRANSFORM currently supports 40+ projects across 11 countries and has benefited over 600,000 people to date.

1 USSD phones use unstructured supplementary service data (USSD), a Global System for Mobile technology that allows a text between a mobile phone and in-network application program. Source: searchnetworking.techtarget.com/definition/USSD

BUILDING TRUST WORKS

Synergos is a global organization helping solve complex issues around the world by advancing bridging leadership, which builds trust and collective action. We believe in the power of building trust. It's how we create regenerative solutions around the world.

This report was prepared by Synergos Advisory Services, a team inside Synergos that provides advisory and implementation support to help corporations, foundations, and nonprofit organizations achieve sustainable growth and social impact.

For more information about this report or how Synergos can work with you, contact services@synergos.org.

SYNERGOS
www.synergos.org