

# Social business helps achieve tangible benefits: study

*Summit ends with renewed focus to eradicate social ills*

MD FAZLUR RAHMAN, from Kuala Lumpur

**S**Ocial business, Professor Muhammad Yunus's latest area of passion, not only generates lasting social impact, it can also lead to tangible business benefits, a study by Boston Consulting Group, a leading management consultancy firm, found.

"A charity dollar has only one life. A social business dollar can be invested over and over again," said Yunus, also the co-author of the report titled 'The Power of Social Business'.

Launched formally on the second day of the fifth edition of Global Social Business Summit, the report took a closer look at ten social businesses operating in Bangladesh from the perspective of a corporate organisation.

According to the corporations surveyed, the most important business benefit that social businesses can provide is the potential for learning and innovation.

All along the value chain, companies have found that approaches and innovations aimed to better reach those most in need in fact can also have broader commercial applications and can be a source of competitive advantage for the core business.

A less tangible but equally important business benefit is providing a sense of purpose and personal and professional development opportunities to employees, the BCG study found.

Companies engaging with social businesses can provide their employees experiences particularly valued by today's "Millennial" generation—thereby strengthening employee engagement, job satisfaction and retention.

"Social business can be a powerful vehicle for corporate social engagement as it allows companies to directly use their skills, expertise and business network," Ulrich Villis, European leader of BCG's Social Impact practice and co-author of the report, said while presenting the report



NASIR ALI MAMUN

Prof Muhammad Yunus attends a cultural event on the final day of Global Social Business Summit in Kuala Lumpur yesterday.

at the Global Social Business Summit in Kuala Lumpur.

"By aligning social activities with the core business in this way, they can also become a source of innovation and competitive advantage. Beyond the social benefit, also the partnering corporations can benefit from the social businesses."

While several of the social businesses are still in the learning stages, others—such as Grameen Shakti and Grameen GC Eye Care Hospital—have already achieved social impact, significant scale and financial self-sufficiency, he said.

A social business is a company created

for social benefit rather than private profit. It has a social or environmental mission, but like a business, it generates revenues to, at a minimum, cover its cost, the combination of which is a "tough task".

"But in Bangladesh, social businesses have been very creative in reaching their goals."

The three-day summit ended yesterday in the Malaysian capital with a renewed focus to rid the world of its most pressing social ills through the new business model.

Malaysian Prime Minister Mohammad Najib Razak, who graced the closing ceremony of the three-day event attended by

more than 600 delegates from over 40 countries, declared himself a follower of social business and went on to shower praises on Professor Muhammad Yunus "for coming up with the idea that can change the world for the better".

"It has struck me as a very workable model because it complements the traditional business model," he added.

On the third and final day, a panel discussion on how culture and arts can support social business took place, where Yunus and Hans Reitz, head of Global Social Business Summit, also spoke.

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## BBF honours top brands

STAR BUSINESS REPORT

**F**AIR & Lovely, the fairness cream brand of Unilever Bangladesh, was judged the best overall brand, beating last year's winner Parachute coconut oil, at the Best Brand Award Bangladesh 2013 yesterday.

Lux was the second best and Nokia the third among the overall top 10 brands.

Radhuni, the flagship spice brand of Square Consumer Products Ltd, became the top brand in the local category.

The awards were given in 30 categories at an event at Sonargaon Hotel in Dhaka yesterday.

Bangladesh Brand Forum (BBF) in collaboration with world's leading brand research company Millward Brown Bangladesh hosted the event to recognise the brands for the fifth year.

Brands are an intrinsic part of an organisation, and in many cases the single most valuable asset, said Shariful Islam, founder of Bangladesh Brand Forum.

"The purpose of the awards is to honour the best branding initiatives of the

companies, including the local ones, so that they are encouraged to build strong brand for their sustainable development," he said.

Branding is now at an evolving stage in Bangladesh, which has developed numerous brands over the last several years, said Prasun Basu, managing director for South Asia at Millward Brown.

It is a good sign that both local and global companies are now focusing on brand building activities targeting all segments of the population, he said, adding that it will enhance the country's competitiveness.

Millward Brown's South Asia team worked extensively to identify the most loved brands through a nationwide survey of more than 4,000 consumers in metro, urban and rural areas, Basu said.

Besides the awards, a book -- Brand Breakout -- by Prof Nirmalya Kumar was launched at the programme.

Kumar is a professor of marketing and co-director at the Aditya Birla India Centre at London Business School.

### OVERALL TOP 10 BRANDS

| BRANDS             | RANK |
|--------------------|------|
| Fair & Lovely      | 01   |
| Lux                | 02   |
| Nokia              | 03   |
| Rupchanda Soyabean | 04   |
| Horlicks           | 05   |
| Parachute Advansed | 06   |
| Grameenphone       | 07   |
| Radhuni Masala     | 08   |
| Sunsilk            | 09   |
| Close Up           | 10   |

SOURCE: BBF

## Leveraging the digital revolution

SD SHIBULAL, for Reuters

**W**E live in an age where emerging technologies are narrowing the divide between humans and machines. As features of mobile phones become more customised and complex, they cease to be just devices of communication. Mobile phones now store more personal information than ever before. They are increasingly being perceived as personalised devices that enhance our lives.

We are also living in times when remote robotic surgeries and online classrooms are transforming healthcare and education in ways never imagined before. We are truly living in a digital age.

Look around. More than 50 percent of the world's population is under the age of 30. There are 2.7 billion internet users globally and 87 percent of the world's population has a mobile phone. According to new research, by the end of 2013, there will be more internet-enabled mobile devices than people in the world.

The strategic shifts in the digital ecosystem have opened up opportunities as well as challenges. Let's look at what it has in store for key stakeholders.

For consumers, the digital world is all about connection, communication and convenience. Consumers are today connected to the ecosystem of buyers and suppliers. On the one hand, they are able to influence the product lifecycle by communicating their preferences directly to the supply side. On the other hand, they are communicating their feedback to the ecosystem of connected consumers. This is resulting in products and services not only becoming more personalised but also being deemed a success or a failure even before it hits the main street.

The convenience of doing this from the comfort of their homes and offices is changing mindsets and consumption patterns. Buoyed by the 'convenience' factor, online shopping, online banking and online education are gaining momentum. Globally, e-commerce sales for instance are expected to reach 1.2 trillion by 2013.

For enterprises operating in this



REUTERS

A traveller checks his mobile phone after arriving at Lindbergh Field Airport in San Diego, California.

digital world of changing consumers and consumption patterns, success will be dependent on their ability to sense, influence and fulfill tomorrow's demand. Enterprises need to keep a firm view on the emerging future in order to mitigate its challenges while leveraging its opportunities. The rise of the digital consumer is one of the several global megatrends that are presenting the next big opportunities for growth and innovation. Some trends that we need to watch closely are emerging economies, healthcare and sustainability.

However, to leverage the true potential of these opportunities, enterprises need to provide consumers with unique, seamless and personalised consumer experiences. The rise of online shopping platforms such as Flipkart, Jabong, Amazon and others is a clear indication of the power of unified consumer experiences. The fact that in 2012, Encyclopaedia Britannica pulled the plug on its print version after more than 200 years to give way to the digital version is another example.

For governments across the world and particularly in emerging economies like India, the digital revolution is providing new

opportunities to enable, bridge and scale its inclusive growth agenda. In India for instance, technology is playing a key role in enabling the government to bridge some developmental gaps. Technology-based unique identification platforms such as Aadhaar, for instance, are enabling the government to provide personalised citizen-welfare schemes and include marginalised sections of the society in the growth story. Initiatives such as filing taxes online and secure e-filing for services offered by the registrar of companies are bringing scale to the government's efforts of enabling the growth of industries.

Complementing the government's efforts are several initiatives from the private sector. For instance, Airtel Money allows its users to load cash on their mobile devices to pay utility bills and recharge, shop at merchant outlets and transact online. Airtel Money has a subscriber base of close to 10 million today. In a country where 60 percent of the population remains unbanked and only about 5 percent of 600,000 villages have a commercial bank branch, these mobile-based banking solutions play a critical role in banking the

unbanked.

I see tremendous opportunities in the healthcare and education space where technology can play a similar role. There are several pockets of excellence and the need of the hour is for stakeholders to work together to bring scale to these efforts.

However, this unprecedented penetration of technology also brings with it a fair share of challenges. Be it concerns over data security or cyber threats, the digital revolution needs to be leveraged with caution. Several one-time investments are needed. For instance, any effort to provide centralized citizen services will need investments in large data centres to support the scale of transactions involved. Individuals, enterprises, societies and governments need to work together to leverage the potential of the digital revolution.

The digital revolution is here to stay. As we envision a world where future generations have equitable access to an acceptable standard of living, technology will play a critical role in enabling us to realise this vision.

SD Shibulal is the co-founder and chief executive officer of Infosys.

## In Brazil, public cash, sport business don't go hand in hand

AFP, Rio De Janeiro

**B**RAZIL may be in the sporting spotlight with the World Cup just seven months away and the 2016 Rio Olympics on the horizon, but the investment of public cash in sport business remains a controversial issue.

The estimated \$30 billion cost of staging the two events has angered the population of a country riven by extremes of rich and poor with thousands taking to the streets in recent months to protest that the money should have been spent on social projects such as health and education.

The latest evidence of the contretemps between public financing and private entrepreneurship in the sporting sphere came with this week's abrupt cancellation of the Soccerex global football convention in Rio de Janeiro -- an annual meeting of thousands of VIPs from the sport's highest echelons.

Soccerex sailed at the Rio state government after it suddenly cancelled an event scheduled to start on November 30 at the city's famed Maracana Stadium.

Although Rio state authorities hotly denied it, Soccerex organisers say the reason behind the decision to cancel the meeting was the local government's fear that having to foot the bill for the event might spark fresh public protests.

They say the government feared that any injection of public cash would spark accusations of authorities opening their cheque-book too readily to host sports events.

"We wish to reiterate that the chief concern cited to us in this situation was the political concern with regard to the social reaction to the Rio Government's ongoing support for our event," said a Soccerex statement on Thursday.

Soccerex insisted it complied with all of its own contractual obligations but that Rio took a "unilateral decision to cancel due to civil unrest".

The state government retorted that it was Soccerex which failed to find sufficient funding for the event to be held at a luxury hotel.

The fears of Soccerex come at a time of increasingly violent public protests but also with the political class weighing up the security of their mandates a year away from presidential and legislative elections.

As for leftist President Dilma Rousseff, who is herself up for reelection, she has seen support start to move up again after pushing through a law providing for oil

royalties to be largely diverted to health and education. She also launched a program to bring thousands of foreign doctors to Brazil, where many regions have a severe shortage.

**Hot potato**

Despite her efforts, the question of injecting public cash into sports jamborees remains a political hot potato.

Soccerex is not the only controversy of the genre to have hit Rio state governor Sergio Cabral, who has been a key target of disaffected inhabitants.

In late July he unilaterally overturned parts of a contract signed only months earlier that handed control of the refurbished Maracana to a private consortium on a 35-year lease.

He also called off the planned destruction of an aquatic park and a mini athletics stadium at the Maracana complex, serving as training centres for athletes preparing for the Rio Games -- only some demands of those who opposed the "privatisation" of the Maracana to which he had previously turned a deaf ear, at least until the protests exploded onto the scene just as Brazil was hosting the Confederations Cup in June.

Prosecutors in five federal Brazilian states then entered the fray last month as they launched an action seeking to make world football body FIFA pay for some temporary facilities at the World Cup stadiums, arguing that in the long term they will be of no long-term benefit to Brazilians.

Brazil hopes a successful action can claw back around \$550m for the state from a World Cup bill of some \$15bn.

As with Soccerex, FIFA slammed what it sees as an attempt to wriggle out of contract commitments made in the case of the World Cup in 2007.

FIFA's argument is that "no stadium can host a competition such as the World Cup without (undergoing) modifications" -- for example to receive a vastly greater media corps than for domestic matches.

Such tensions serve to illustrate the under-development of sports-related economics in Brazil, says Erich Beting, founder of specialist sports marketing portal Maquina do Esporte.

"The market of Brazilian sport is totally dependent upon public investment to finance large events and does not manage to draw in private resources," says Beting.

"The proof of that are the huge sums paid by the public sector for the World Cup and the Olympics."