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# Global Engagement Forum

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THE

WORLD



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# Global Engagement Forum Magazine

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## ABOUT THE MAGAZINE

Over the last 30 years at PYXERA Global, we've found that bringing diverse parties together to address key challenges works.

Today, we aim to convene players from across sectors to address the complex global issues outlined in the United Nations Sustainable Development Goals. The PYXERA Global Engagement Forum provides a multidimensional space to share and discuss these approaches—through dynamic online content and stories, informational resources, live events, and print publications like this one.

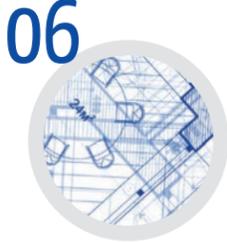
Truly effective tri-sector collaboration is hard work and we hope to provide a common space to make those engagements a little easier.

Thank you for joining us as readers and contributors in elevating the ways in which individuals, corporations, and social enterprises champion a better future for our world.

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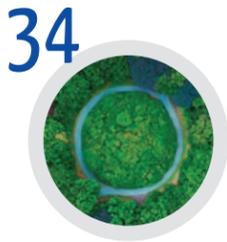
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NEIL GAUGHT

# DESIGNED TO CHANGE THE WORLD

## How the Leaders of Change are Translating Intention into Impact

DEIRDRE WHITE

“Doing well by doing good” is nothing new—in theory, at least. Over the past two decades, corporations of all sizes have invested in CSR or gone the shared value route, reengineering parts of their businesses to drive positive social impact. And one of the most encouraging signs of a turning tide in business is the new focus on delivering long-term value for all stakeholders. From the investor side, we have seen Larry Fink of BlackRock leading the way with his CEO letters of 2018 and 2019, urging businesses to take social and environmental risks more seriously, and to incorporate positive social impact goals into their strategies. More recently, Business Roundtable, an exclusive group of the CEOs of leading companies in the United States urged “leading investors to support companies that build long-term value by investing in their employees and communities.” This is a watershed moment, as top CEOs and investors now acknowledge they need to change their ways.

With all the power, scale, and good intentions of the private sector’s embrace of “purpose,” we have barely scratched the surface in solving climate change, poverty, inequality, food security, access to healthcare and education, and more. Listening to business, government, and NGO leaders alike, I don’t believe the lack of progress on these challenges is due to a lack of corporate interest or understanding of the urgency; I believe it comes down to the very simple fact that most of these corporations don’t actually know how to affect change at a scale proportional to their global footprints. Given their structures and the incentives presented by their investors, they simply were not designed to do so. With fresh incentives presented to corporations from internal and external pressures, we are now 18 months into a new reality—one that represents a tremendous opportunity.

“One of the most encouraging signs of a turning tide in business is the new focus on delivering long-term value for all stakeholders.”

How, during a time of transition, when many investors and corporations appear aligned in a move away from shareholder primacy and short-termism, might these corporations leverage the best of their resources to foster social progress at a scale that assures our planetary future, while meeting necessary business objectives?

I believe that part of the answer lies in accepting the inherent limitations that spring from most companies’ design foundations. Public corporations were originally designed with shareholders first in mind. Actively learning from scaled social enterprises that were designed to change the world has the potential to inform the next generation of corporate citizenship, shared value, or corporate purpose in a way that is truly transformational.

Take, for instance, the Jaipur Rugs Company, one of India’s largest manufacturers of hand knotted rugs. Headquartered in Jaipur, India, the company’s operations span across 20+ branches, six states, and 600 villages in India with distribution to over 40 countries. Founder NK Chaudhary’s desire to sustain the centuries-old craft of rug making began 40 years ago with the basic human values of dignity and compassion, and now engages a network of 40,000 artisans at the grassroots level—silk farmers, spinners, and weavers—most of whom are women from underserved communities.

Companies like Jaipur Rugs have this exceptional level of impact because they are designed to change the world from their beginning. Jaipur’s business model is designed to empower every stakeholder within the product’s creation to take ownership and unlock their dormant potential. Promoting social enterprise at the individual level graduates artisans from being mere wage earners to owning their own business. Artisans receive payment without exploitation and training in areas such as leadership enhancement, functional literacy, and health initiatives. They earn and learn to invest in their families and communities. They dream and innovate. “Since most artisans involved are women, increased income will mean meaningful contributions in alleviating poverty. We perceive this concept as the perfect vehicle for rural development and an important role in social responsibility,” says Yash Ranga, Stakeholder Engagement Partner.

## COMMENT FROM THE CEO

At PYXERA Global, we are embracing the social enterprise example as we embark upon a new collaboration with Jaipur Rugs, the Association of Ghana Industries (AGI), and the US-Africa Development Foundation (USADF). The complex partnership seeks to replicate the success of a truly-scaled social enterprise, Jaipur Rugs, in the entirely new geographies of Ghana and Ethiopia with a different, but related, product—woven cloth. The African Artisan Community Engagement and Export (AACEE) initiative will foster new businesses designed to serve employees and communities, while also delivering profit. To bridge this gap between challenges and opportunity, AACEE takes advantage of the proven Jaipur Rugs model to build new enterprises designed from the start to serve all stakeholders.

“Actively learning from scaled social enterprises that were designed to change the world has the potential to inform the next generation of corporate citizenship, shared value, or corporate purpose in a way that is truly transformational.”

The lesson big business can glean from the Jaipur Rugs and AACEE example, now that influential leaders have publicly committed to redefine their raison d’être, is this—meeting a company’s revised purpose may not be straightforward, but it is possible to learn from successful social enterprises that truly understand the communities and employees they serve. Only through an authentic relationship with stakeholders, one that uncovers consumers’ and employees’ wants and needs, can business begin to serve them effectively.

In this issue of the Global Engagement Forum Magazine, we explore the latest approaches to achieve enduring progress amid increasing complexity. We look through the lens of design thinking and a social enterprise model’s potential to accelerate the delivery of social alignment with business, whether in developing leaders for the future of work, transitioning to a circular economy, or addressing access to energy, education, and healthcare. From government to foundations to multinational companies, learn how the leaders of change are aligning internal goals, pursuing strategic partnerships, and designing to change the world. ■

# MID-COURSE CORRECTION:

## LESSONS FOR A CIRCULAR ECONOMY

JIM HARTZFELD

On a steamy August morning in Atlanta, a 60-year old engineer and entrepreneur walked into a nondescript hotel conference room to kick off a new task force assembled to answer nagging questions about the environment from a few insistent customers. He had finally relented to multiple requests to share his environmental vision with the team, which he had only discovered a few days before.

No one was expecting anything special. In fact, the meeting had been bumped from the corporate offices for “more important” matters. The taskforce leader himself thought this side project would be wrapped up within 6–9 months. Everyone loved spending time with the CEO but expected him to make only a cursory and motivational appearance and get back to his real job.

No one knew the CEO was as inspired as the day he first saw carpet tiles 22 years before.

To everyone’s surprise, on Day Zero of Interface’s sustainability journey, founder and CEO Ray Anderson described the outline of a radical vision of a cyclical enterprise that would become ecologically restorative through its influence on others.

Ray was a source of, and a magnet for big ideas, learning and synthesizing from early visionaries like Paul Hawken, Amory Lovins, Bill McDonough, Janine Benyus, David Brower, and Walter Stahel, among others. After several months of confusion about his seemingly outrageous ideas, the company grabbed ahold of the vision behind their leader and entered a phase of intense research, ‘box busting,’ and soul searching, and a new systems vision for the “Prototypical Company of the 21st Century” emerged. The central organizing idea was based on nature: “Waste = Food.” Nature is the original Circular Economy: any organism’s waste becomes “nutrients” for another.

NATURE IS THE ORIGINAL  
CIRCULAR ECONOMY

“ On Day Zero of Interface’s sustainability journey, founder and CEO Ray Anderson described the outline of a radical vision of a cyclical enterprise that would become ecologically restorative through its influence on others. ”



### A TRUE PIONEER

Twenty-five years ago, Interface Inc., embarked on a journey to become the first business to achieve 100 percent sustainability.

The team, on which I was a member, came to see that truly sustainable enterprise, its value chain, and the economy within which it resides, would have to be redesigned to emulate the cycles of nature. This required a two-step approach. First, we would need to eliminate as much waste as possible, with waste being defined as anything that the customer did not value. Secondly, it required we redesign systems so that any waste would be “food” for another process. Any material that couldn’t be consumed by another natural or technical process would have to be eliminated, full stop.

August 31, 2019 was the 25th anniversary of Ray’s legendary kickoff of Interface’s sustainability-inspired transformation. Twenty years ago, he published his first book, *Mid-Course*

*Correction*, followed a decade later by his memoir, *Confessions of a Radical Industrialist*. *Mid-Course Correction Revisited* was recently released by Ray’s grandson and the Executive Director of the Ray C. Anderson Foundation, John Lanier, featuring Ray’s original story and new chapters that expand on his legacy.

Having lived through the publication of the first edition—poring over and debating multiple drafts—I had not looked at it in many years. With the new edition, I re-read it and saw how clear, comprehensive, and prescient his vision was in 1998, only a few years into our journey. The systems diagrams for the transition to a sustainable enterprise are as accurate today as they were then. It is an idea whose time has come.

The nascent idea of the ‘Cyclical Enterprise,’ which informed the rest of Ray Anderson’s life, has become mainstream as the ‘Circular Economy.’ It’s the topic of major conferences, and mega-brands that are aligning their strategies to address the issue of waste which threatens to choke the planet and business at the same time.

This explosion of interest and commitment is good news, but good intentions are not sufficient. There’s not a lot new in the conversation today beyond Ray’s ideas from the late ‘90s. The challenges to shift from a linear to a circular economy are the same that challenged Interface decades ago. What have we learned that can help accelerate this process over the next decades? >>

“ Just like our manufacturing and ingredient systems, people systems are highly evolved to support the Take-Make-Waste model in value chains. Mindsets, norms, and incentives can be deeply ingrained in corporate culture for buyers and sellers, recruiters and prospects, and CEOs and investors. ”

### It's All About the System

The entire linear, Take-Make-Waste value chain is highly evolved with each player's role finely adapted to fit and reinforce the “vitality” of the system as defined by its dominant metric, which is economic. Honed over decades, even centuries, these systems will react harshly to any ‘disruption’ with powerful antibodies—visible or not—to pull the system back into “order.”

### LESSON

Invent whole new value cycles—not chains—to bust up the old.

We also launched an early example of the “products as service” concept. Interface's Evergreen Service Agreement was an attempt to disrupt and rebuild a whole cyclical material system for carpet, redefining the incentives at every node around the loop. We tried to enforce a new system on ourselves that would force changes in the incentives to redefine product design, manufacturing, and maintenance services.

### Don't Be a Picky Eater

Like most industries, the carpet industry is a lot more technical than outsiders realize. The ingredients for face fiber (what you see) and backing (what holds it together) are highly specialized and scientifically adapted for that use. In addition, processing equipment has co-evolved with “improved” ingredients over decades to become more and more efficient at using more tightly controlled and uniform ingredients from virgin sources. Like my son's childhood phase of only wanting to eat “blue-box” Kraft macaroni and cheese, our production systems have become incredibly picky eaters with very narrow tolerances.

Seemingly sacrilegious to the idol of 6-sigma uniformity, Interface engineers, having spent time with biomimicry mavens Janine Benyus and Dayna Baumeister, redesigned Interface's backing process to be more of an ‘omnivore,’ able to consume a wide variety of thermoplastics more widely accessible in recycling streams. Biomimicry also gave us the idea to create random patterning technology, which allowed subtle imperfections in color or texture to blend together, reducing waste in the factory and in installation while creating a beautiful floor.

### LESSON

Don't only focus on the materials. Invest in building more resilient manufacturing technology capable of consuming varied and locally abundant inputs. “Pure” virgin sources of many materials will become increasingly scarce in the future; a more ‘omnivorous diet’ opens options for more sources, further driving economic efficiencies and creating a competitive advantage.

Images courtesy of Interface, Inc.

### HumanTech is as Important as GreenTech

Just like our manufacturing and ingredient systems, people systems are highly evolved to support the Take-Make-Waste model in value chains. Mindsets, norms, and incentives can be deeply ingrained in corporate culture for buyers and sellers, recruiters and prospects, and CEOs and investors.

Paid on commission, Interface salespeople did not initially favor more sustainably designed products that looked different and saved waste for the customer. They had quarterly sales quotas to meet and were reluctant to take their time to promote the new, weird-looking product that allowed the customer to buy three-to-five percent less due to clever biomimetic design. Wouldn't that take money out of their pocket? How were they going to get paid for perpetually “Evergreen” leased carpet that the customer would never own? And how were they supposed to become experts on energy, climate change, recycling, LEED buildings, capital vs. operating leases, and other issues which the full-value proposition was designed to cover? For the most part, they just wanted to sell carpet.

### LESSON

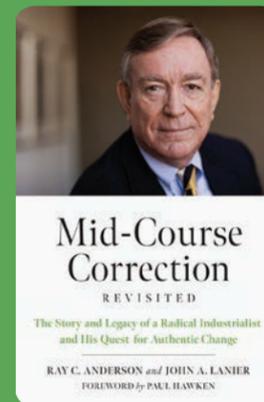
Invest as much in the humantech as the greentech, managing risk, communicating constantly, and inspiring confidence in individuals and organizations to aspire to great things.

Engineers and technologists made their livings based on decades of specific, and narrow expertise with materials and processes that seemed doomed by Ray's crazy ideas. Is it any wonder they objected to change?

Purchasing managers were (and are) accountable for purchasing quality products and services, to be delivered on time, at the best price from reliable sources. So, when the leading supplier in the industry wanted to change everything and use “waste” to make their products, it was not warmly received. Even if an organization declared their interest in buying innovative, green products, many were constrained by their own “three-bid” purchasing policies that prohibited buying anything truly new or green.

Ray's vision was one he would not live to see. As his relevant time scale expanded from the quarterly perspective of a publicly listed CEO to a hundred generations, he knew that this was no simple ‘project’ that would ever be completed. Regardless, he put the full weight of his capital—intellectual, influential, and financial—behind it, and we have learned much from experiences of the company he led and others he inspired.

I am heartened by those leaders who have taken up the challenge and aspire to redesign our world fit for the next hundred generations. I highly recommend you revisit Ray's story via the newly-released book. Ray envisioned climbing ‘Mount Sustainability.’ I look forward to learning with and from those climbing it. ■



“In 1994, at age sixty and in my company's twenty-second year, I steered Interface on a new course—one designed to reduce our environmental footprint while increasing our profits. I wanted Interface, a company so oil-intensive you could think of it as an extension of the petrochemical industry, to be the first enterprise in history to become truly sustainable—to shut down its smokestacks, close off its effluent pipes, to do no harm to the environment, and to take nothing from the earth not easily renewed by the earth. Believe me when I say that that goal is one enormous challenge.”

—RAY ANDERSON, Interface Founder & CEO

# DESIGNING WITH SOCIETY

SCOTT BOYLSTON

Design is a relatively new discipline though its terminology dates back to the creation of tools and products that have influenced and shaped our world, and our humanity. Today, design is a practice that can solve some of the most complex global challenges. Author Scott Boylston, graduate coordinator for the Design for Sustainability program at the Savannah College of Art and Design, presents a compelling perspective and important considerations for designers to build a sustainable future in his new book, *Designing with Society: A Capabilities Approach to Design, Systems Thinking and Social Innovation*.



**This is not a design book.** It's a book for designers. Specifically, it's a book for designers who want to aim the design dictum "what's next," directly at the heart of our own practice. To do so requires an honest look at what might be holding us back. Many say the barriers we still have to transcend exist within our ability to authentically incorporate other disciplines such as anthropology and nanotechnology. Digging deeper, however, lies the question "for what purpose?" This question suggests we look inward before looking further outward. It requires we tap into the intrinsic characteristics of the design mind, and transcend the boundaries that our infatuation with commerce has set for our profession. Design's own imperatives demand we do so. Design is about challenging past notions of what's possible, and applying that lens to our own practice forces us to look beyond self-imposed limits.

Recent research into design attitude—or the characteristics of the design mind that make it a unique perspective—have identified traits such as empathy, connecting multiple perspectives, a tolerance of ambiguity, creativity and aesthetic expertise. Yet, of all of these, only two—creativity and aesthetic expertise—are truly comprehensive as we commonly practice them today, in that our opportunity to apply them is bound only by our ability to articulate their value. The rest of the characteristics, while seeming to be equally boundless are, in fact, restricted by parameters more rigidly set by single-minded clients: Empathetic to whose needs? Connecting the perspectives of how broad a group of people? A tolerance of ambiguity set within how broad a spectrum? Each of these characteristics allude to skills that are seemingly limitless, yet they're constrained by the design brief so absolutely that it prevents them from manifesting their full potentials.

“*Design is about challenging past notions of what's possible, and applying that lens to our own practice forces us to look beyond self-imposed limits.*”

In times past, design had the luxury of stimulating and feeding the desires of the world without much ethical trepidation. In relation to the expansiveness of the natural world, humankind was small, with limited means to disrupt that expansiveness. These limits to ecological harm were accompanied by our general inability to see the negative human toll of our design decisions with our own eyes. Factories could be moved far enough away to keep the worst of both impacts out of our direct sight. But the scale of human progress over the last century has made it impossible to ignore either of these negative repercussions. The scale of our technologies is now so massive we can't dismiss the damage they inflict anymore. In fact, we can't even keep up with them. They generate dysfunctions at a scale and rate beyond our control. For decades, we've been designing denial as much as anything else, and systems in distress have become systems of distress. But designers can no longer hide from our complicity. Without adding depth and breadth that can transcend the detrimental repercussions of traditional growth and stimulate long-term, sustainable vitality, the traditional suite of design offerings is no longer fit for purpose in our highly interconnected world.

So what would it look like for designers to contribute to virtuous cycles of growth rather than vicious ones? We need look no further than social innovation. Social innovation has been defined as "a process of developing and deploying effective solutions to challenging and often systemic social and environmental issues in support of social progress." It has also been defined as "a novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals." >>

BOOK EXCERPT

“

*In order to remain fit for purpose in the 21st century, design must align itself with the best intentions of collective human flourishing.*

”

Both of these are suitable for the purposes of this book. Social innovation offers designers a chance to expand our creative skills to their full potential. The virtuous cycle of growth in question here is simply this: human capacity. While technological innovation asks the question, what human capacities can be enhanced by improving technological capabilities? social innovation cuts directly to the point by asking, what human capacities can be enhanced by improving human capabilities? And while empathy, connecting multiple perspectives, and an ambiguity for tolerance will always require some constraints in order to be effectively applied, developing them with an eye toward accrued value to society opens them up to an infinitely more humane and just form of practice. This is not an overly idealistic sentiment. The proposition to address matters of equity and ecological reciprocity in our work, far from being radical, is a call for the most modest of transformations. It simply proposes a shift in perspective that keeps pace with the evolution of human civilization and its interrelatedness with our planet's life support systems. It's only when inadequate adjustments in our worldviews are so dramatically outpaced by changes in reality that modest calls for change seem radical, when, in fact, the lag in response to those changes is the extreme perspective.

The transformations designers can help facilitate exist both in our community of practice and in the paradigms that our final solutions perpetuate. As suggested by Transition Design proponents, such paradigm shifts require new visions for how we live, theories of change informed by the sciences, a mindset of openness, mindfulness and self-reflection, and new ways of designing that are both participatory and place-based, and transdisciplinary and strategically iterative. In order to remain fit for purpose in the 21st century, design must align itself with the best intentions of collective human flourishing. As one significant movement in the design field, Transition Design, focuses on catalyzing future-oriented mindsets that acknowledge the need for societal transitions that transcend the blinkered perspectives of our present worldviews.

**Fifty years ago, a framing of human learning emerged from management training circles around four stages of competence:**

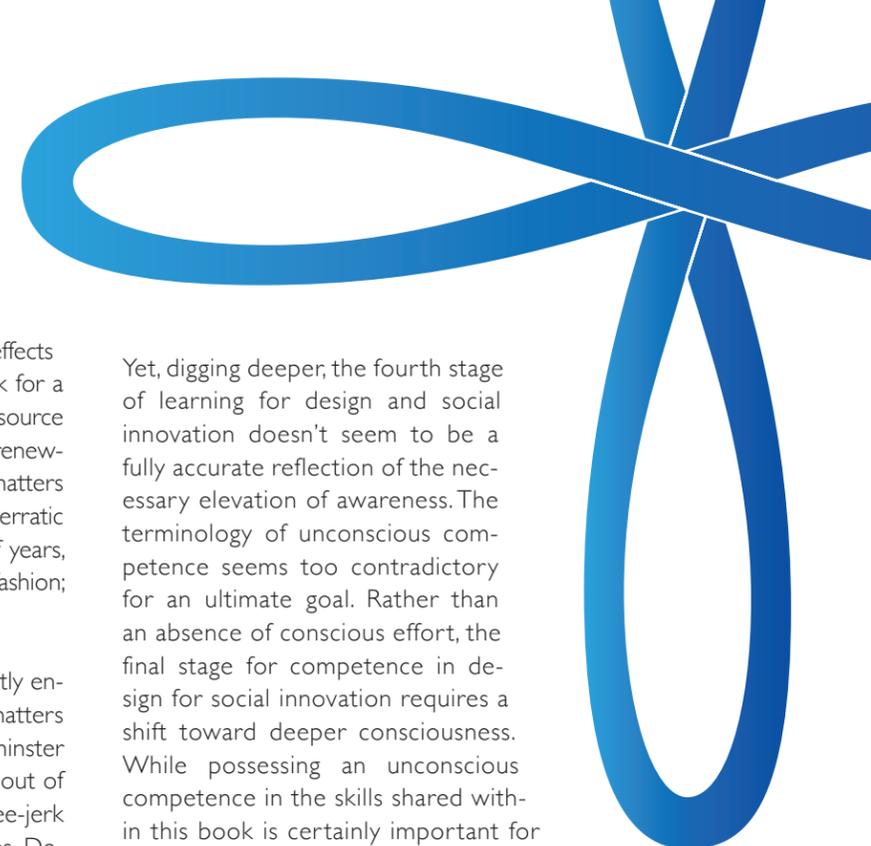
- 1 UNCONSCIOUS INCOMPETENCE
- 2 CONSCIOUS INCOMPETENCE
- 3 CONSCIOUS COMPETENCE
- 4 UNCONSCIOUS COMPETENCE

We all know these stages well because we've experienced them in our own lives. From a designer's perspective, there was a time when we were too young to realize there were skills such as shading, perspective, and foreshortening. And we blissfully existed in a state of unconscious incompetence. At some point, we became aware of our tenuous drawing skills. For most of us, it occurred when we stepped into our first art class and sat next to people who could do things with their pencils we never imagined possible. These are painful moments and the intimidation we feel can prevent us from continuing in the pursuit of that skill. This is the conscious incompetence stage because our inability to do something has been thrust into our awareness. If we persist, we enter into the third stage of conscious competence. While we've developed a proficiency in sketching, we've only done so through deliberate and ongoing efforts. This stage can be a breaking point for many because we can easily justify abandoning the pursuit by pointing to our significant efforts even as improvements come slowly. Each gain comes at great effort. Only if we have the perseverance to stay the course do we find ourselves in the fourth stage of learning, called unconscious competence. In this stage our ability to sketch manifests itself in the moment seemingly without effort.

These stages of learning can also be witnessed in cultural and professional contexts. From a cultural perspective, humankind has existed in a state of unconscious incompetence in ecological stewardship up until recently. We've historically obliterated nature without regard or regret. Over the last 50 years, a conscious incompetence triggered by the ill effects of pollution on human health has laid the groundwork for a growing conscious competence. Advancements in resource efficiency, dematerialization, waste management, and renewable energy continue to develop this competence. In matters of social justice, human civilization has been mired in an erratic third stage of conscious competence for thousands of years, alternately failing and succeeding in the most tragic fashion; from peaceful coexistence to ruthless carnage.

From a professional perspective, design has just recently entered into the stage of conscious incompetence in matters of sustainability. While notable designers like Buckminster Fuller, Victor Papanek, and John Chris Jones shook us out of the first stage of unconscious incompetence, the knee-jerk rejection of that awareness still lingers in many circles. Despite that resistance, a more recent wave of design discourse has provided evidence of what an industry-wide conscious competence might look like. In the realm of social justice, design as a profession has barely entered into the second stage of conscious incompetence, with change agents like George Aye, co-founder of Greater Good Studio, highlighting designers' lack of understanding of how power works as a dormant yet significant weakness in the emerging practice of design for social innovation.

Yet, digging deeper, the fourth stage of learning for design and social innovation doesn't seem to be a fully accurate reflection of the necessary elevation of awareness. The terminology of unconscious competence seems too contradictory for an ultimate goal. Rather than an absence of conscious effort, the final stage for competence in design for social innovation requires a shift toward deeper consciousness. While possessing an unconscious competence in the skills shared within this book is certainly important for designers to develop, there must be a corresponding increase in consciousness into what could be called a consciousness competence. Essential components of this consciousness include a responsiveness to new information, a celebration of diversity, and an insistence on human dignity. And inculcating an appreciation for systems thinking and social justice can provide pathways into that deeper consciousness. ■



# PARTNERSHIP IN PRACTICE

## Meet Your Match — A New Way to Partner?

CATE O'KANE

By now we are used to being matched with whatever we want, whenever we want it. 'Alexa' plays what we want to listen to; Amazon knows the things we like to buy; Tinder showcases the people we should meet; and Google tells us everything we need to know.

Sometimes, we are matched even when we don't want to be. Who doesn't have that well-meaning friend who just 'had to get you' to meet someone you really had nothing in common with at all? Maybe you are that well-meaning friend.

Having countless choices is simply a part of our daily lives, so why is it, at a time when technology should be simplifying decisions, finding the right partnership for your company or organization is still such a chore?

Surely by now there should be a clever algorithm that knows all the partnership formulas and, at the press of a button, provides a choice of up to five fabulous partner options that might work. It would certainly make life easier for many organizations and reduce unwanted work, not to mention wasted dollars.

In the name of research, I stepped into the expensive and trendy shoes of a Silicon Valley tech genius to ponder what code they would write for a new app to find the perfect partnership match. For ease, let's call it, "PartnrFindr™". (Back off, Bezos!)

The first bank of questions the app might ask users: Do you need to partner at all? Is partnering really the best way to accomplish your stated goal? Will it create a greater level of impact than doing the work on your own? Has your organization done this before to measurable success on its own? Have you checked that your current partners aren't able to fulfill this need? What was missing the last time you tried this?

“ Having countless choices is simply a part of our daily lives, so why is it, at a time when technology should be simplifying decisions, finding the right partnership for your company or organization is still such a chore? ”

Creating a partnership between organizations can certainly help to combine ideas and effort, bring new resources and experiences to solve a problem, and potentially create meaningful change. But your grandmother's advice about too many 'cooks in the kitchen' also rings true. Before you delve even further into PartnrFindr™, make sure that partnering is truly the route you want and need to take.

I sense you've "swiped right" on partnering being the answer, so let's move on to a quick review of determining what kind of partnership you need. PartnrFindr™ is an app without judgment, so the next step requires total honesty. Are you looking for a long-term relationship—an organization that aligns with your values, your ideals, and your vision of success? Or do you simply need a short-term fling—a group that can come in, collaborate with you for an agreed amount of time, create the impact needed, and then walk away knowing that there was magic made for a little while? Is this going to be something that just two of you can handle, or is a wider circle required? Are you all keen to ensure that you have data to back up the work you're doing, or are you more interested in gaining influence, enhancing reputations, and scoring media hits? Be honest here! Your answer will impact the partners you attract and the results you gain.

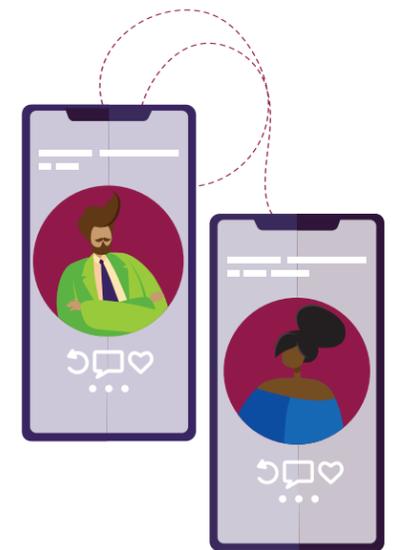
Excellent. I sense you're still swiping right. PartnrFindr™ is building your profile! What information do we add into the melting pot of our matchmaking app next? Ah, yes—do you have the right people and resources? This isn't about whether your prospective partner has the right skills, but whether you do. Any prospective partner is looking at what you can bring to the table. Do you know how to lead, manage, or be in a partnership? Do you have the funds and resources already agreed to get things going? Do you have the people who can manage it or buy-in from those who need to approve it?

Partnership is about more than leading or telling, it's about working in harmony with others, listening, compromising, mediating, accepting change, and practicing patience when things go wrong. Make sure that you are set up

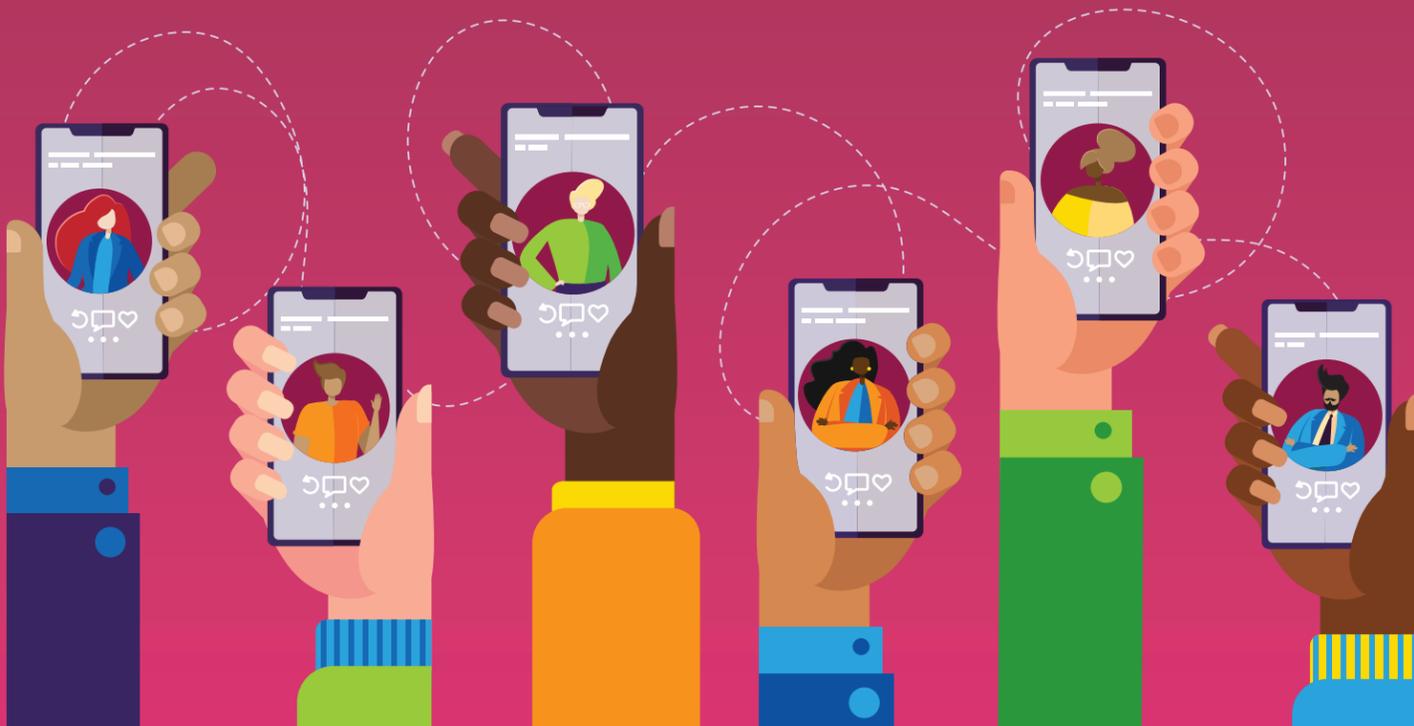
internally before you go out to match. You can't expect perfection from a future partner if you're still a work-in-progress yourself.

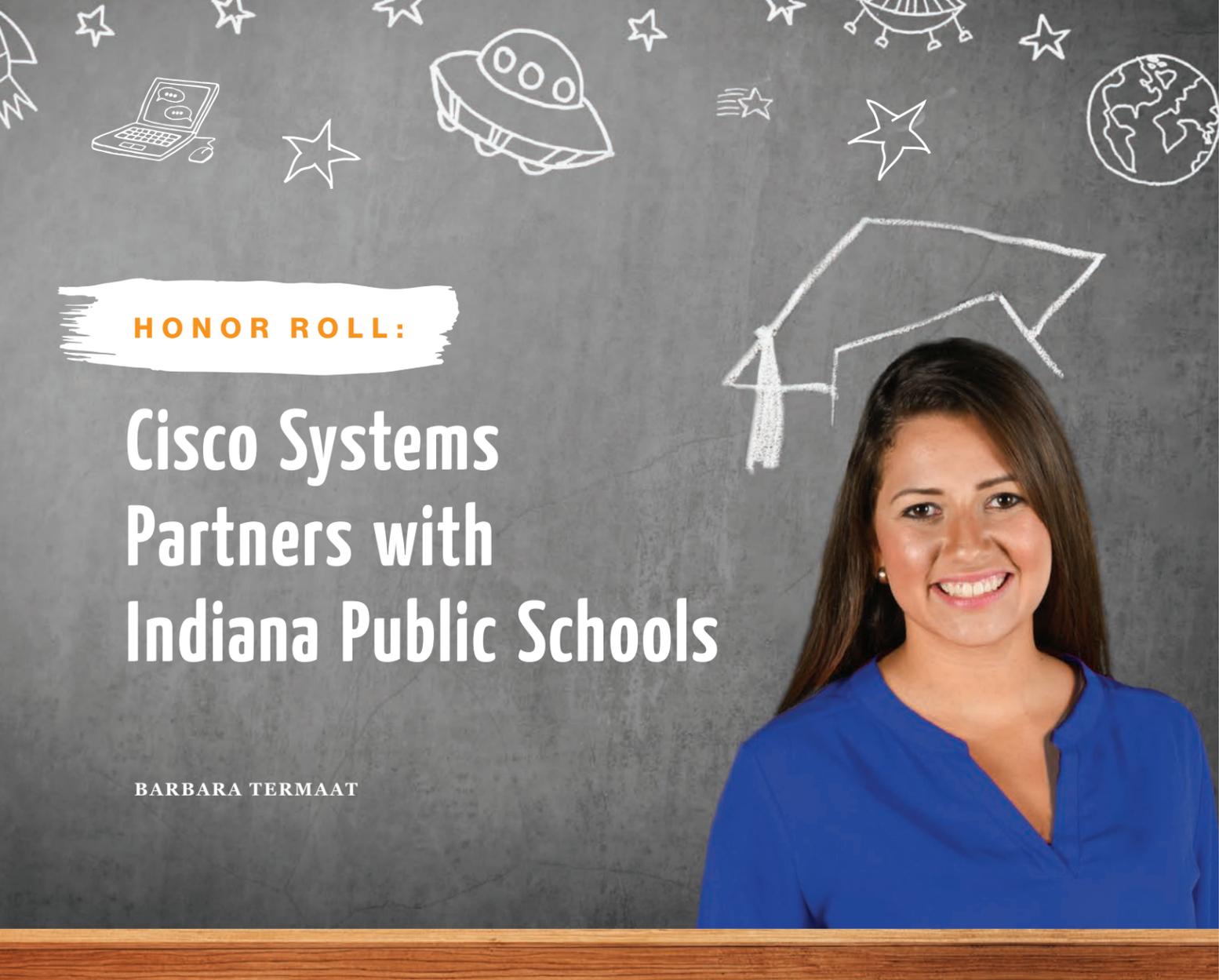
“ Before you delve even further into PartnrFindr™, make sure that partnering is truly the route you want and need to take. ”

It feels like we may be getting closer to the big reveal. You now know that you want a partner, you know what kind of partner you're looking for, and you have clarity about what you can bring to the table. The last element is combining all this information and seeing where PartnrFindr™ leads you.



But that, fellow app users, must wait for another day. In the next installment of Partnership in Practice, we'll answer the question of "what on earth are we actually doing" to determine what problem your partnership is going to solve. Until then, keep swiping! ■





## HONOR ROLL:

# Cisco Systems Partners with Indiana Public Schools

BARBARA TERMAAT



The Ivy Tech Community College campuses in Indianapolis and Terre Haute, Indiana, began using Cisco Networking Academy curricula in their School of Information Technology (SoIT) 20 years ago, and quickly expanded to 10 campuses within a few years. When Indiana instituted requirements in K-14+ Science, Technology, Engineering, and Math (STEM) education, the statewide SoIT Curriculum Committee needed to determine how to best comply. They were impressed by the positive student experience with the Networking Academy's combination of "head + hand knowledge" and that nearly all Network Infrastructure program graduates get jobs—more than any other SoIT program. The result? After reviewing the curriculum themselves and with regional employers, the SoIT Curriculum Committee was convinced: they asked the Networking Academy to assist in expanding the program to 25 more campuses and to eventually have all 40+ Ivy Tech locations include the Network Infrastructure program.



Today, two-thirds of the Ivy Tech campuses teach the program in-person and the rest teach it remotely. Per regional industry guidance, networking skills are now foundational to all Ivy Tech SoIT degree programs. The Curriculum Committee is working on introducing the industry partnership model to create statewide high school learning pathways, and investigating how they can also support primary school STEM education. This K-14+ STEM focus is mandated by the Governor's office to close the STEM skills gap and ensure Indiana citizens are skilled and job-ready, in order to fill the tech-related jobs local companies currently fill by hiring people from out-of-state.

When people think of public-private partnerships in the context of industry and academia, mentoring, job shadowing, internships, and guest speakers most often come to mind. These are all useful activities in helping students transition from an academic to a business environment. However, to ensure young people are prepared to live and work in a rapidly transforming digital world, educators and industry need to work more closely together to define the skills needed and create experiences that inspire students to pursue STEM careers.

### Skills Alignment

The market demand for competency-based education is growing rapidly. One opportunity for industry-educator partnership is collaborating on the rigorous design process needed to determine the skill competencies required by industry and the evidence that demonstrates student skill attainment of these competencies. Top industry certifications such as the Cisco Certified Networking Associate (CCNA) start with a job task analysis across companies hiring for that skill set. This creates a great starting place for the curriculum design process. In emerging technologies where no certifications currently exist, the industry panel engages with technology experts to define the skills needed, and with expert teachers to determine how to teach these skills effectively to secondary and post-secondary students. Some expert instructors become part-time activity authors, testers, and curriculum reviewers.

Many of the classroom instructors are early adopters, providing valuable feedback on what is and isn't working in the classroom. This curriculum development partnership also drives the professional development of the instructor base since most do not have prior experience with these emerging technologies and their associated learning tools. At Ivy Tech, SoIT instructors are requested to complete the Networking Academy's first CCNA Routing & Switching instructor training course, resulting in better support for their students and increased confidence in using the campus networking lab.



“Ivy Tech and Cisco have an incredible partnership built over two decades and it continues to evolve at the same rapid pace as the field of Information Technology. The School of IT often refers to the partnership as the ‘torchbearer’ of how a partnership between a large community college and a large tech company can transform lives and add the needed high tech skills to the local and state economy.”

—MATT ETCHISON,

Vice President of Information Technology—  
Workforce Alignment, Ivy Tech Community College

While the rigorous curriculum design process between industry experts and educators drives clarity on needed student outcomes, the ultimate benefit is to the students in their skill development, which results in employability, all while increasing employers' confidence in the hiring process. This is why Ivy Tech requires all SoIT Associate's degree students to take the industry certification associated with their program. Kyle Ramsey, an Ivy Tech Bloomington campus SoIT graduate, started his technology career as a Sales Engineer at Cisco in Indianapolis. After obtaining his CCNA Routing & Switching certification, Kyle became qualified to teach through the Networking Academy instructor professional development program. He also gained industry experience as part of the Dream Team program where Networking Academy students work alongside Cisco Engineers supporting IT conferences, the Olympics, and other large events. >>





### Rapid Pace of Change in STEM Fields

Change in industry happens far more rapidly than in education, especially today. Alternative approaches such as Massive Open Online Courses (MOOCs) provide quicker access to new ideas and skills, but rarely include a hands-on component, and have very low completion rates. Valerie Golay, the SoIT department chair for two Ivy Tech campuses, reports their in-person and live remote-access student completion rates tend to be higher than online-only classes, a very common challenge.

Keeping up with change is expensive and time consuming. Industry-education partnerships can help to alleviate the cost to academic institutions while adding value for industry. Student and instructor materials from the Networking Academy are available free online to participating institutions, updated regularly to keep relevant, and any needed Cisco software or hardware is free or deeply discounted, providing students and their instructors with hands-on practice.

Regarding professional development, Networking Academy training partners and early adopters often go on to train other instructors within their region. Free webinars and online instructor professional development sessions are also offered regularly. With over 8,000 instructors globally, this is a very important tool to scale learning outcomes!

### Deeper partnerships between educators and industry will generate three key benefits:

- 1 Help ensure students are learning in-demand skills that lead to their improved personal, family, and community economic empowerment.
- 2 Support educators in keeping abreast of the rapid pace of change inherent in STEM jobs today.
- 3 Enable flexible solutions that can work across education levels to meet different student outcomes.



“ The Cisco-based Network Infrastructure degree program has one of the highest completion rates of any offering at Ivy Tech Community College, and it’s graduates command some of the highest salaries upon entering the workforce. ”

—MATT ETCHISON,  
Vice President of Information Technology-  
Workforce Alignment, Ivy Tech Community College

### Flexibility

The Cisco Networking Academy has been refining its public-private partnership model with industry and educators over the past 20 years. The solution to closing the skills gap in STEM disciplines cannot be “one-size fits all” at any level, whether partnering with government entities or individual instructors. The flexibility of this partnership model has created STEM education solutions across diverse educational and training settings—traditional educational institutions, workforce retraining programs, community training centers, prisons, and military, among others.

Sometimes flexibility can be just a small change that makes a significant difference in outcomes. For example, Ivy Tech asked the Networking Academy to modify its completion certificates, adding “credential” in order to match the latest terminology used by their state education agency. This change is now helping students in Indiana and across the country to be more competitive in the hiring process.

Although many national programs are in place, such as at the technical universities across Mexico, Cisco finds that quicker and longer lasting outcomes are developed in partnerships at a regional level. This is due to greater ownership of the adoption decision and implementation process by educators, and stronger buy-in with industries that see a direct linkage to their hiring needs. The Ivy Tech SoIT has 14 Big Tech industry partnerships, the most of any college in the United States. They find developing deeper industry-education partnerships is helping to accelerate the achievement of Indiana’s in-state hiring goals, as well as creating brighter futures for its students. ■



# HELPING CHILDREN RUN WITH THEIR DREAMS.

John Deere is committed to the next generation of innovators. Through John Deere Inspire, we promote education in science, technology, engineering, and mathematics (STEM) to empower children around the world to reach their greater potential.

Our support of hands-on programs like FIRST LEGO® League, Project Lead The Way, and Introduce a Girl to Engineering Day challenges youth to hone their collaboration, problem-solving, and critical-thinking skills — so they can one day create solutions to feed, clothe, and shelter a growing population.

Learn more about how John Deere Inspire and our other citizenship programs improve living standards for people everywhere — visit [Deere.com/Citizenship](https://www.deere.com/Citizenship).



# MENTAL HEALTH CRISIS...

A Region Unites for Solutions

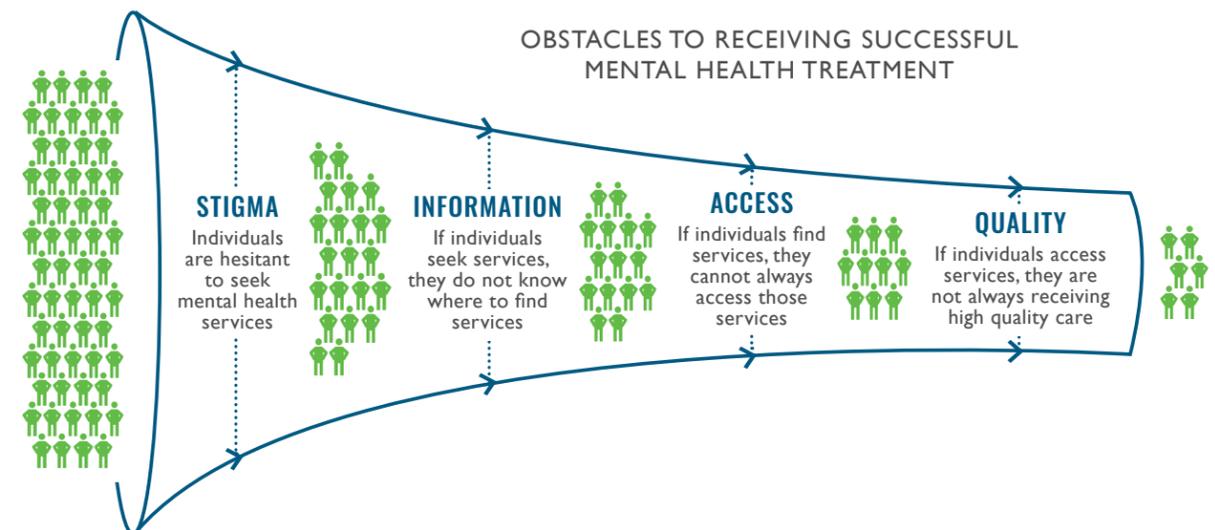
DR. MATTHEW J. SAMOCKI

**ONE IN FIVE.** That's the ratio of adults in America who experience a mental illness. Nearly one in 25 adults in America live with a serious mental illness. Perhaps even more startling, one-half of all chronic mental illness begins by the age of 14.

**PROOF BY NUMBERS CAN GO ON AND ON**, but sadly, mental illness has gained a lot of mainstream attention in the past few years due to something more compelling than statistics: personal touchpoints. High-profile stories of deaths by suicide of Robin Williams, Kate Spade, and others. Public displays of meltdowns by young stars. Neighbors, friends, or family members facing their own struggles. Private battles with depression or other mental illnesses.

Add to this the difficulty of connecting those in need with quality treatment, and a terrific problem emerges. Just take a look at the Problem Pipeline below, which shows various obstacles that get in the way as people in need seek help for mental health issues. We lose them at each barrier, beginning with stigma. And we end up with only a fraction of people receiving high-quality care. There is little argument that we are facing a mental health crisis in our nation.

## Problem Pipeline



## Grief Fuels Action

In 2018, the Great Lakes Bay Regional Alliance Board created the Great Lakes Bay Region Mental Health Partnership in Michigan to address mental health in the region. A key driver and funder of this initiative is the Family and Friends of Chad William Dunn who, as a result of mental illness, died by suicide on July 29, 2013.

All who knew Chad experienced his passion for loving and living life to its fullest. Throughout his amazing but tragically abbreviated life, he encouraged everyone to do the same. When mental illness struck, Chad remained brave and confronted his illness with bold defiance. His compassionate disposition never wavered; even amid his own battle against bipolar disorder, he continued helping and caring about others.

Chad's diagnosis was shocking and terrifying to both Chad and his family, who had never experienced anything like this before. They quickly ran into the stigma surrounding mental illness and discovered that there is no clear route to comprehensive care. While Chad drew strength from the loving support of family and the few friends who were aware of his mental health struggle, plus mental health professionals, it was not enough to beat the enormity of his mental illness.

In the spirit of Chad's life, his family and friends were determined to channel their grief and use it as fuel to help open the doors to a brighter future in the fight against depression, bipolar disorders, and other brain illnesses. This commitment became the drive for the formation of the Great Lakes Bay Region Mental Health Partnership. >>

## There's Power in Collaboration

The Mental Health Partnership decided to tackle the mental health crisis in a unique way—through community collaboration. The first critical step was figuring out how to bring the many different stakeholders together to talk, to learn, to plan, and to solve. This led us to CollaborateUp, a process that does just that—brings people together around the tough issues they face in common to quickly create innovative solutions.

The Mental Health Partnership hosted a workshop titled Addressing the Mental Health Crisis in the Great Lakes Bay Region. PYXERA Global and CollaborateUp facilitated the event and worked closely with the Partnership to identify potential participants including representatives from health systems, higher education, community foundations, private sector companies, nonprofits, K-12 schools, mental health providers, government officials, concerned citizens, spiritual leaders, and some folks experiencing their own mental health issues. The participants were asked to roll up their sleeves, throw convention out the window, and brainstorm ideas to help connect people in need with quality mental health care.

The attendees divided into groups focused on five key target populations: youth, young adults, middle-aged/working adults, senior adults, and mental health providers. Each group investigated how to reduce stigma, make it easier to support those seeking services and information, increase access to services, and improve quality of care.

The groups came up with diverse solutions to explore and possibly implement. That's the next stage in this collaboration process—inviting resources across the spectrum to evaluate proposed solutions and, if found viable, hammer out plans to set them in motion. We are well underway with this work and have already made some great strides.

## Reaching Out

One of our early achievements was the implementation of a workplace Mental Health Program by a local, well-respected building contracting company. Working with a team of people who had attended the workshop, the company developed and implemented a program to address stigma, provide education and resources, raise awareness, and expand availability of mental health services through its Employee Assistance Program. The Mental Health Program has been very well received by employees; in fact, a number of them quickly reached out for counseling services.

Another major accomplishment is the development of a Mental Health Toolkit for use by K-12 schools. The kit is designed to raise awareness about mental illness and resources available to help, 24/7. It is estimated that 65,000 students will be reached through this campaign.

Mental illness is not just a medical problem. It's a social problem that requires all of society uniting in support of mental wellness.



## THE GREAT LAKES BAY REGION MENTAL HEALTH ECOSYSTEM



## Great Lakes Bay Region Mental Health Ecosystem

The Great Lakes Bay Region Mental Health Ecosystem shown above illustrates how each dimension of society plays a role in the solution. Our daily encounters—with our families, schools, organizations, workplaces, public entities, care providers, emergency personnel, entertainment, governments, and others—are all interconnected and carry influence, power, and opportunity for positive change.

This is an exciting time for the Mental Health Partnership and for the Great Lakes Bay Region. We are in the process of reaching deep into stakeholder populations to engage more people in the development of healthier communities. Change is afoot—important, creative, life-saving change. Ultimately, we are all part of that change. Together, we are the solution.

## About the Great Lakes Bay Region Mental Health Partnership

The Great Lakes Bay Region Mental Health Partnership is a collaborative initiative to address the mental health crisis in the Great Lakes Bay Region. The Partnership is working with community stakeholders and resources to ensure that everyone knows where to turn for help when struggling with a mental health issue, seeks help without fear of stigma, and receives prompt access to excellent care. Key supporters of the Partnership include the Family and Friends of Chad William Dunn, Central Michigan University College of Medicine, University of Michigan Depression Center, and The Dow Chemical Company Foundation. ■

For additional information, visit [greatlakesbaymentalhealth.com](http://greatlakesbaymentalhealth.com)





# ACCELERATING AN IMPACT INDUSTRY

Lessons From the Global Alliance for Clean Cookstoves

TED LONDON  
& COLM FAY

In 2017, the William Davidson Institute at the University of Michigan collaborated with the Global Alliance for Clean Cookstoves (the Alliance) to assess the lessons learned so far on the Alliance’s journey to accelerate the clean cookstove industry. This blog is based on the article “Accelerating an Impact Industry: Lessons from Clean Cookstoves” first published by the Stanford Social Innovation Review on June 1, 2018.

Announcing the launch of the Alliance in 2010 at the Clinton Global Initiative, then Secretary of State, Hillary Clinton, remarked that the Alliance would “work toward the goal of 100 million homes adopting new clean stoves and fuels by 2020. Our long-term goal is universal adoption all over the world.” By bringing together leaders from both the public and private sectors, the Alliance aimed to build a clean cookstove industry that could deliver this vision.

For decades, the development community has been investing in programs that seek to harness the power of business to address social challenges. Not only has this meant investing in private enterprises, but also investing in developing the policies, information, institutions, and infrastructure that define the industries in which these enterprises operate—what we call impact industries.

Of course, before the Alliance launched there were many efforts to invest in the clean cookstove industry. But like many impact industries, these were fragmented efforts that operated independently of each other and lacked an integrated vision. This resulted in a lack of investment and coordination, and market environments that make it challenging for enterprises to be profitable, never mind reach scale. Rather than being another independent effort, the Alliance was formed to be what we term an Impact Industry Accelerator (IIA)—an entity charged with catalyzing an entire impact industry.

## Clean Cookstove Industry

Almost three billion people around the world still cook over open fires or with biomass such as wood, charcoal, and dried animal dung. The stoves they use are inefficient and expose the user to a variety of toxic gases, chemicals, and airborne particulates. These pollutants cause a variety of health issues, including pneumonia and heart disease, and disproportionately impact women and girls, who do most of the cooking. Apart from health impacts, these inefficient stoves and biomass fuels have impacts on climate change and the environment.

The Alliance aims to better understand the links between improved cooking technologies, and changes in these negative outcomes. It works globally to advocate for improved standards for cookstoves and fuels, to promote investment in enterprises that provide them, and to educate and inform consumers about their benefits. At the country level it works with local governments, non-governmental organizations, and the private sector to develop and execute country-level plans to achieve these objectives.

## Four Stages of Acceleration

For this research we interviewed Alliance staff and partners in Washington, D.C., Kenya, and Bangladesh. In these discussions we talked about what the Alliance has done to accelerate the clean cookstove industry, but also things that the Alliance and other organizations have not addressed yet. This led us to identify four different, but interconnected stages of impact industry acceleration—accelerating investment, collective action, profitability, and impact. The Alliance didn’t implement these strategies sequentially, as there were overlaps and iterations. Indeed, the Alliance found itself investing in activities from all four stages at any given time, albeit at different intensities. >>

*“Inefficient stoves and biomass fuels have impacts on climate change and the environment.”*

“

*Almost three billion people around the world still cook over open fires or with biomass.*

”





## 1 ACCELERATE INVESTMENT

The Alliance did three key things to mobilize resources for the clean cookstove industry:

- Created a wide value proposition that allowed many different stakeholders to envision how to meet their specific aims (health, environment, women's empowerment) through the development of the clean cookstove industry.
- Developed an implementation platform that stakeholders could invest in that had legitimacy and could channel resources appropriately.
- Activated financial and non-financial support in the form of organizational commitments of funding, and access to data, tools, and intellectual capital.

## 2 ACCELERATE COLLECTIVE ACTION

Given the multitude of prior and current efforts to develop the clean cookstove industry, the Alliance had an important part to play in coordinating a collective strategy for action:

- Established a common vision and goals for the industry through the collaborative development of a global strategy and country action plans.
- Demonstrated the social value proposition through research into the impact of clean cookstoves and fuels to provide evidence for urgent action.
- Ensured quality and consistency through the development of product standards, testing, and certification that enabled consumers to compare across products and manufacturers.

## 3 ACCELERATE PROFITABILITY

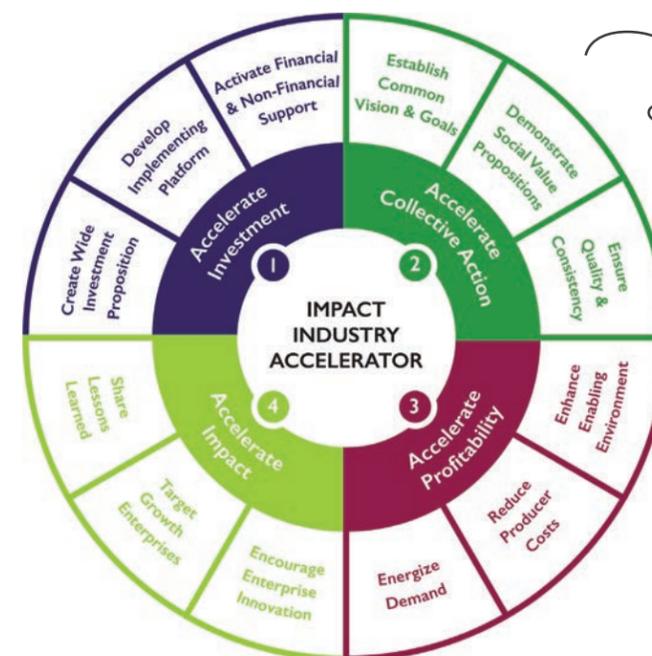
The Alliance aimed to increase access to clean cookstoves and fuels through healthy markets, and has done three important things to help enterprises achieve profitability:

- Enhanced enabling environment by advocating for improved policies and regulatory frameworks governing clean cookstoves and fuels.
- Reduced producer costs by engaging with institutions providing subsidies and institutional purchasing arrangements that reduce the cost of sales.
- Energized demand by investing in behavior change and awareness campaigns to inform customers about the dangers of household air pollution.

## 4 ACCELERATE IMPACT

To increase impact and scale, the Alliance has focused on key steps to encourage innovation, scale, and learning:

- Encouraged enterprise innovation through grant funding that supported research and development of new products and business model innovations.
- Targeted growth enterprises by providing access to scaling capital for those enterprises that demonstrated potential to scale.
- Shared lessons learned that enabled enterprises to implement best practices and increase their probability of success.



By 2017, the Alliance had experienced important successes in accelerating investment and collective action and its efforts focused on this latter stage. As it looked to the future, the Alliance sought to place greater emphasis on accelerating profitability and impact and the creation of a healthy market for clean cookstoves and fuels. However, this shift will likely require new thinking in terms of internal capabilities, as well as new external partnerships. This framework provides a roadmap for that transition.

### Roadmap for Clean Cookstove Industry Acceleration

While we developed this framework and roadmap for the Alliance, we think these principles can be of benefit to other IIAs in similar impact industries. Frameworks such as these can facilitate improved strategies and approaches that increase the probability that IIAs can turn their visions of impact into reality. ■

# Trends in Global Pro Bono

CATESBY WOLSKI

PYXERA Global's biennial Global Pro Bono State of the Practice report highlights relevant trends and best practices. Since the first Global Pro Bono (GPB) program launched in 2008, PYXERA Global has collected survey data from corporate implementers to build a robust understanding of the evolution of the practice.

This year, the eighth State of the Practice report draws on survey data from 26 companies, sixty-three percent of which belong to Fortune's Global 500. Presenting an overview of the current state of Global Pro Bono and trends driving its growth, the report is designed for companies initiating or advancing their Global Pro Bono practice to understand collective impact and appreciate the potential of Global Pro Bono to address the world's most pressing challenges.



## Why Global Pro Bono?

Today's talent pool is increasingly looking for more than career development—they expect the companies they work for to generate societal impact. Greater focus on impact investing and the expectations of financial executives like Larry Fink, CEO of BlackRock, have also encouraged companies to pay attention to environmental, social, and governance (ESG) indicators to inform long-term business strategy. Global Pro Bono programs are one way for companies to achieve sustainable social good, leveraging talent development and employee engagement to benefit local communities.

### TOP REASONS COMPANIES INVEST IN GPB

**82%** Generate sustainable social impact at local levels in line with their CSR strategy

**57%** Improve employees' leadership skills

**57%** Increase employee satisfaction and loyalty to the company

## TREND #2

### Sustainable Social Impact

For the first time, sustainable social impact has surpassed leadership development and employee engagement as the top reason companies invest in Global Pro Bono. Companies face mounting pressure to fulfill a social purpose not just through their philanthropic activities, but through all aspects of the business. Global Pro Bono programs are a powerful tool to demonstrate alignment with this social purpose while building the capacity of mission-driven organizations to provide services to their local communities. By integrating HR and CSR goals, Global Pro Bono not only drives companies' social impact strategies; companies are increasingly leveraging it to drive their business priorities. This year's State of the Practice found that 90 percent of companies designed their programs to advance their corporate strategy and 70 percent aligned their programs with their business strategy.

“We are most proud of the sustained impact that the program has had on our NGO partners' capacity to deliver on their missions. In addition, we are proud of the impact that the program has had on employee engagement, connection to the company mission, and pride in the organization. Participants frequently cite the program as ‘the best thing I've ever done in my career at the company.’”

—CORPORATE SURVEY RESPONDENT



## TREND #4

### Internal Stakeholder Alignment

While it is not the reason companies initially invest in Global Pro Bono programs, an unintended benefit is increased internal cooperation. Sixty-seven percent of corporate respondents agree that collaboration among internal stakeholders is the most significant effect of their Global Pro Bono program. This benefit is most pronounced for companies that choose to align their Global Pro Bono programs with their business strategy, which requires cross-departmental collaboration. These programs unite a company's social impact strategy, employee engagement, talent and leadership development, and business objectives, thereby facilitating synergies in strategy and innovation across function areas and departments.

## TREND #5

### Increasing Impact Measurement

When Global Pro Bono bridges CSR and corporate strategies, the importance of demonstrating impact through measurement and evaluation is elevated. Companies typically measure the impact of their Global Pro Bono programs through surveys of local host organizations and participating employees. Like traditional business reporting, this impact measurement empowers companies to make data-driven program improvements and amplify program outcomes to internal and external stakeholders. The State of the Practice found a 33 percent increase in the number of companies conducting social impact measurement of their Global Pro Bono programs from 2013 to 2018, in keeping with the growing importance of ESG measurement. As Global Pro Bono programs are increasingly considered an element of corporate strategy, reporting their impact is critical for companies to demonstrate the value they create for the community, for employees, and for the business.

Interested in learning about all five trends? Download the free report at [pyxeraglobal.org/sotp/](https://pyxeraglobal.org/sotp/)

# At 3M, Strong Leaders Rise from Heat Experiences

## Pro Bono Experiences Catalyze Vertical Talent Development

NATALIE LEGRAND

Heat forms, forges, and strengthens that which it does not burn—it's the ultimate metaphor for an effective form of leadership development. Similarly, manufactured heat experiences that draw employees out of their comfort zone can increase their ability to absorb information, react quickly and decisively, and thrive in increasingly complex global environments.

The laws of thermodynamics are certainly not lost on 3M, the Fortune 500 corporation with a long-standing reputation of commitment to improving lives through innovation and science. 3M even applies science-backed approaches to its leadership development with a program that emphasizes the vertical development of executives.

This methodology was developed by the Center for Creative Leadership (CCL), which has been ranked by the Financial Times as the top global provider of executive education. According to CCL, horizontal development relates to the acquisition of skills, competencies, and knowledge, while vertical development seeks to transform a person's worldview for greater empathy and adaptability in three phases: heat experiences, colliding perspectives, and elevated sense-making.

Through 3M's pinnacle leadership development program, Catalyst, participants undergo a year-long, externally-focused development journey. Catalyst invites senior managers to step away from their immediate responsibilities for a 10-day immersion as pro bono consultants in community-based projects designed to provide a series of heat experiences, putting their leadership abilities to the test in conditions outside their comfort zone.

Also known as Global Pro Bono consulting, these assignments call on corporate employees to use their expertise and professional skills to strengthen mission-driven organizations that are unfamiliar—in every sense of the word. It's a crash course in adaptation. By applying hard and soft skills in new contexts, this type of challenge drives vertical development.

Since the program launched in 2014, more than 70 percent of participants report stronger abilities in communication and innovative problem solving. Of 26 companies surveyed in PYXERA Global's 8th Global Pro Bono State of the Practice report, leadership development is among the top reasons companies invest in Global Pro Bono. According to one Catalyst participant, "the focus on developing our talent is a key pillar for 3M and I feel that the definition of development is not only specific to professional exposure but also personal enrichment. To me, this program delivers on both of those aspects."

### The Heat Experience

The heat experience relates to the challenge of operating in a new environment, serving on a pro bono consulting team of fellow 3Mers from across the company and around the world, and working in issue areas in which the participants may have little to no experience. Participants have worked with host organizations focused on issues such as waste management in India, air quality in China, and refugee integration in Costa Rica. In each case, the engagement demanded a quick and thorough contextual understanding of their local client's challenges. Participants learn first-hand to listen—and hear—the key stakeholders, such as the host client's board of directors, local government officials, and direct beneficiaries. These encounters result in proposed solutions that often challenge notions of how to drive change.

### Colliding Perspectives

Working on a team comprised of different worldviews, opinions, backgrounds, and training naturally exposes participants to radically different perspectives, which often 'collide' in this accelerated development approach. The program intentionally disrupts participants' habitual way of thinking, engendering curiosity, clarity, compassion, choice, and courage among the participating leaders. Eighty percent of Global Pro Bono participants report improved collaboration and cultural agility, as well as a new appreciation for systems thinking.

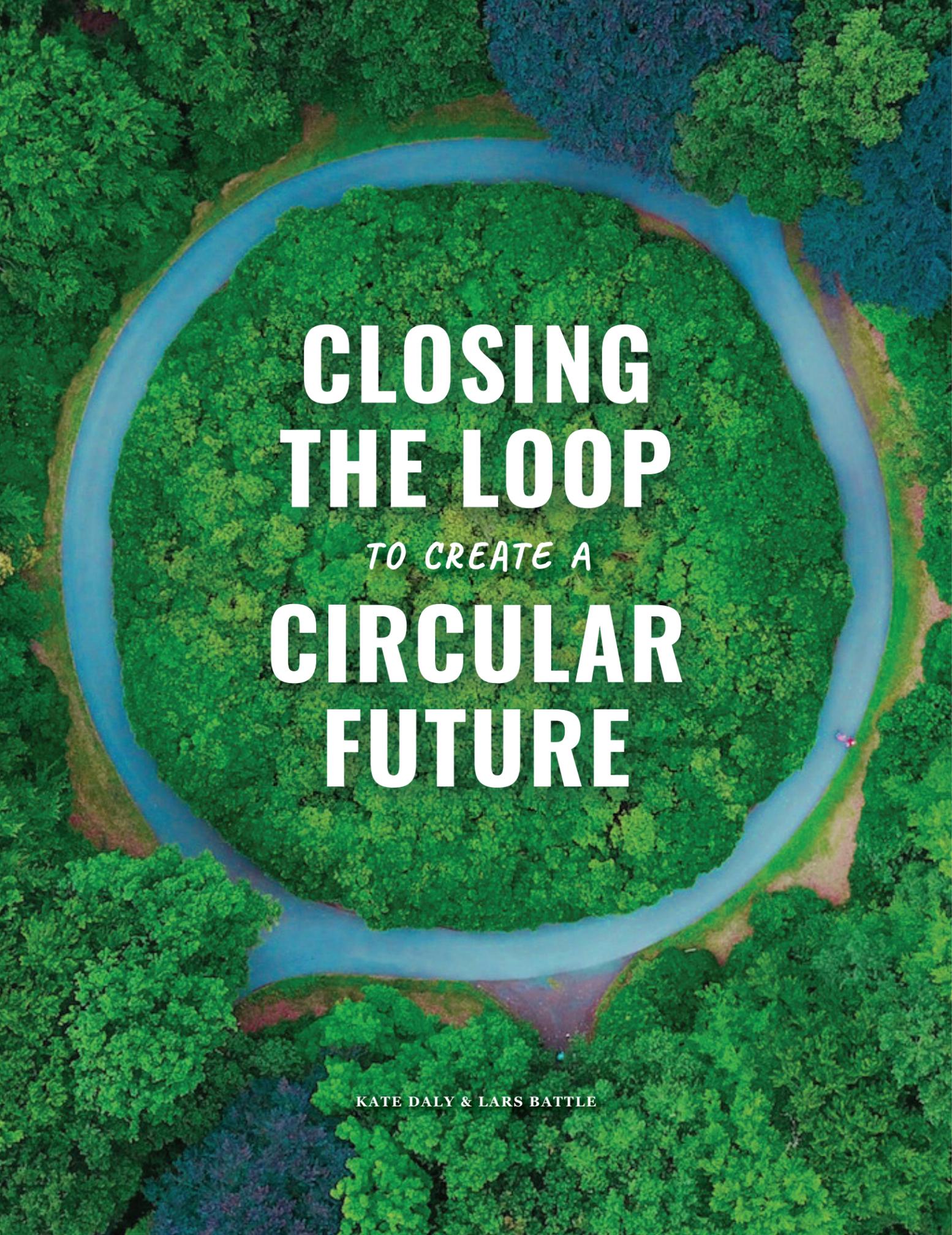
“ Participants return to their companies with a deeper sense of purpose, empathy, and agility and with a renewed capacity to collaborate, innovate, and lead strategically. ”

### Elevated Sense-Making

To make the most of the immersive 10-day experience, 3M also deploys on-site coaches to promote elevated sense-making, not only enabling the participants to be effective in new environments, but also creating an important space to process the experience for long-term learning. Coaching guides leaders to view a situation more fully, leading to the acceptance that there are often multiple paths to a problem's resolution.

3M's on-site coaching component is new ground in the Global Pro Bono space, an ingredient that deepens the participant experience, as expressed by one program alumnus who notes, "I'm very grateful for the large investment 3M Company has made in developing its high potential employees. This mind-expanding, life-enhancing experience will lead to very positive outcomes as we are energized to perform at a higher level for both our company and the larger community."

Like all Global Pro Bono experiences, 3M Catalyst pushes leaders out of their comfort zone and into the 'heat' zone—shaking loose preconceived notions and awakening skills to lead in complex environments. Participants return to their companies with a deeper sense of purpose, empathy, and agility and with a renewed capacity to collaborate, innovate, and lead strategically. At the same time, they leave their host organizations with new capabilities—a combination of requested deliverables and strategic recommendations. Both participants and hosts use the experience to move to their 'next level,' a crucible experience that is a win-win for all. ■



# CLOSING THE LOOP

TO CREATE A

# CIRCULAR FUTURE

KATE DALY & LARS BATTLE

## A Conversation with Kate Daly of Closed Loop Partners, Managing Director of the Center for the Circular Economy

With a population nearing 8 billion and an economy contributing to cascading impacts on the natural systems upon which our lives rely, the planet is buckling under the weight of humanity's influence. Fortunately, a movement is underway, calling on communities, companies, and governments to solve the waste challenge, eliminating the concept of solid waste altogether with a circular economy.

The investment firm Closed Loop Partners plays a central role in the transition to circularity, where waste is eliminated and materials are continuously cycled back into the economy through product and process innovation. Kate Daly, Managing Director for Closed Loop Partners' Center for the Circular Economy, provides a window into the transition.



### What is Closed Loop Partners and how do you see your approach leading to the needed change?

Closed Loop Partners is an impact investment firm that invests in the circular economy across multiple funding vehicles, driving a transition from our current linear take-make-waste economy towards a model of circularity that is regenerative and profitable. At Closed Loop we focus on touching each part of the value chain to have a holistic impact on the transition to circularity.

Closed Loop Partners is comprised of venture capital, private equity, credit funds, and an innovation center, focusing on emerging technology, new circular business models, and new circular business products. Our venture fund is focused on early stage businesses. Our credit fund, called the Closed Loop Fund, focuses on investing in infrastructure, and our partners/investors include all the major beverage companies and most of the major [Consumer Packaged Goods] companies: Coca-Cola, PepsiCo, Amazon, Walmart Foundation, and Unilever. The goal there is to accelerate improvements in infrastructure so that materials generated by these companies can be captured in the value chain and then brought back for multiple stages of their life as a valuable commodity.

I manage the Center for the Circular Economy, Closed Loop Partners' innovation center. We focus primarily on pre-competitive collaboration among major brands that are all trying to solve similar material challenges. They all need to identify ways in which their packaging or products can get through the infrastructure in a way that the lifecycle is extended and circular.

### Closed Loop Partners is seeing what's working and what isn't in the transition from the linear economy to the circular economy. What have you seen that gives you hope we can effectively make this transition?

For me, the hope comes both from the emerging innovation and the global commitment that we are seeing from government and corporations.

In terms of the first, we are seeing incredible innovations every day, whether at a lab scale, like nano-cellulosic material that can act like plastic but that is made of cellulose, or more fully developed business models based on service products and/or leasing rather than ownership, which are aligned with consumer preferences and the need for convenience. >>

What's critical is understanding the way people engage with consumption, and asking ourselves, "Is this delivery system the way it needs to be? Instead of sachets of personal care products, could we use vending machines where you can bring your own receptacle and get these products as you need them in a way that is absolutely affordable?"

We are also witnessing incredible, creative entrepreneurship every day through our investment pipeline. We are seeing the amount of regulation in Europe that creates stable, predictable expectations for global brands; this means that risks can be mitigated in advance and that there is an understanding of the terrain.

In the United States we are still in early days and it remains to be seen, state by state, and city by city, what approaches will achieve zero waste goals. It gives me a lot of optimism that we are starting to see the efforts of cities. To date, the circular economy in the US has primarily been led by global brands and NGOs. But each year, more US cities announce their zero waste goals and some of those cities have large circular economy hubs, for example in Phoenix and Charlotte. In the absence of the funding, regulation, or political will in much of the US, cities play an even more important role in the transition to circularity.

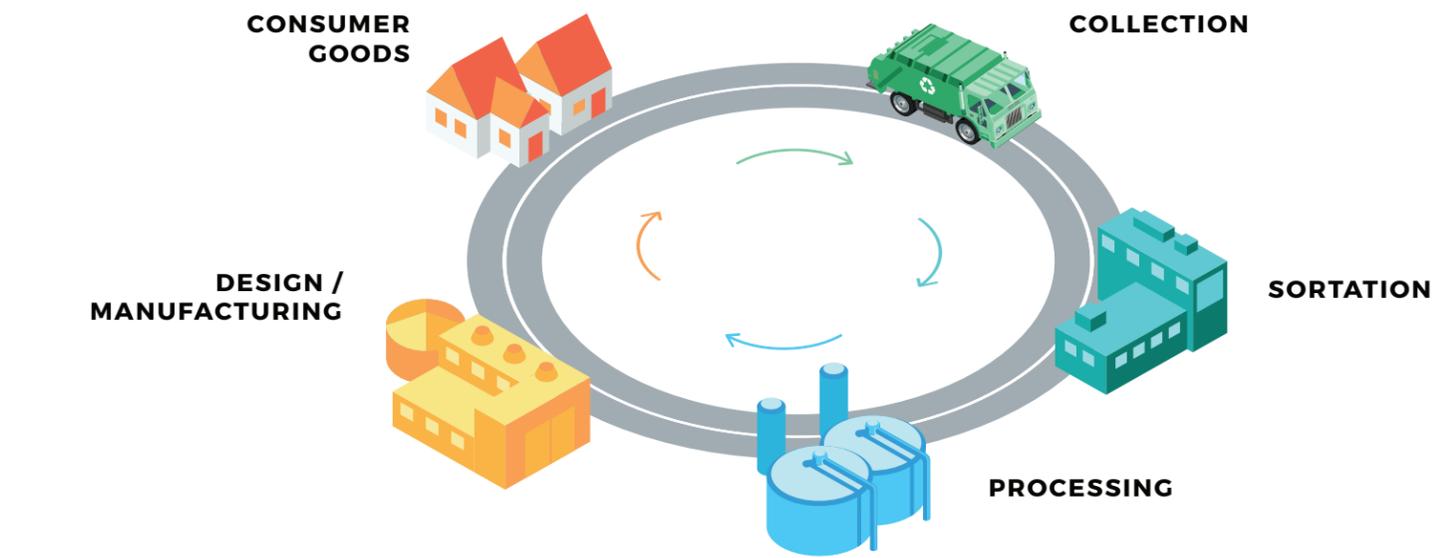
### What do you see as some of the biggest barriers to accelerating this process?

Capital investment is critical, both for infrastructure and emerging technology. This is what we hear across sectors: there are barriers because of a need for early-stage as well as late-stage capital. That really drives a lot of our work in supporting infrastructure and new technology through investments.

We need investments at every stage of the life cycle of a material. Not just investing in the exciting new alternative material, but always having an astute understanding of how that material will be treated at its end of life or how the circular business model works to allow for the return of that material. How will the reverse logistics actually work on the ground? How do we make sure that we're investing appropriately among different types of technologies, some of which are not unique to the circular economy—like reverse logistics—but that are needed in order to drive circularity? Reverse logistics, digital identity, even block chain to some extent—a lot of these solutions are going to be critical in helping to drive circular goals but aren't necessarily under the same umbrella as emerging circular companies. We need to be strategic in these capital investments to make sure we're identifying all the pain points throughout the value chain.

### There is so much excitement around the potential of the circular economy, whether it's in the private sector, social sector, or in government. What prompted this?

The private sector, of course, is playing a critical role, especially in the United States. Global consumer brands in particular are setting ambitious goals for post-consumer recycled content and recyclability, because they are facing stricter regulations in Europe, including the ban on single-use plastics.



CIRCULAR SUPPLY CHAINS REDUCE COSTS, PROVIDE PRICING STABILITY AND PROTECT OUR ENVIRONMENT\*

As the impacts of climate change accelerate and the negative consequences of our linear economy become more apparent, the risks to supply chains increase. Risk mitigation is a huge part of what companies are assessing, as they rethink their business models and material production.

In the public sector, municipalities are facing increased costs to landfill an ever-increasing volume of packaging, electronics, and clothing that we all throw in the garbage. These increased risks and costs are among the factors driving circularity as the economically viable long-term approach, because it enables a reduced dependence on virgin resources and reduces the amount of resources lost to our leaky linear system.

### You convened leading retailers in the 'NextGen Cup Challenge' to develop fiber cups that are truly circular and scalable. As many participating retailers are direct competitors, what were the barriers to collective progress?

NextGen has been such a positive experience, and through it we reinforced the belief that pre-competitive collaboration is one of the key tools for the transition to circularity. In the NextGen Consortium, we're not driving toward one solution, but rather focusing on ecosystem innovation.

This generates options for all the competitors to pursue, if they want to introduce innovation into their supply chain and retail stores. So rather than saying that we're driving toward this one solution—this is THE cup that everybody would use—we're promoting innovation and identifying multiple technical solutions at different stages in development as well as the time required to commercialize. That opens the space for competitors to really work together to identify which of the solutions works best for their own business model, as opposed to an effort where all these competitors have to drive toward one shared solution. A diversity of solutions has really been a key to get past some of those challenges that might exist with competitors working so closely together.

### Can you share one or two specific highlights that have emerged from the challenge thus far?

We were very excited about the 12 winners we announced earlier this year, and the range of innovations we saw in the 480 responses to the NextGen Cup Challenge. There was the mix of innovative new liner systems within the paper cup itself, and three of our 12 winners are reusable cup models, which really shows how these brands are moving toward innovative delivery systems. Right now, we are working closely to identify opportunities to get some of these new technologies, new materials, and new delivery systems piloted in retail stores and start that really exciting, innovative, and experimental process of seeing what works and what doesn't.

### What has been Closed Loop Partners' strategy for and lessons learned from managing partnerships among diverse stakeholders?

What a lot of Closed Loop's partners and investors, global brands in many cases, have in common is that after point of sale, they lose track of their products and how they interact with the infrastructure that exists for collection and conversion, feeding back into the value chain. What we've found is that, whether it's a plastic beverage bottle, fiber cup, or cardboard box, strengthening the infrastructure and systems overall contributes a larger benefit to the whole ecosystem. This is something that is really tangible for many of our investors and partners.

In managing the partnerships, we look at the holistic value to the system and how each of our partners play a role in enhancing and accelerating improvements in that system through our work. It has been very rewarding to see that regardless of type of material, the companies we partner with are really looking at improving the infrastructure holistically. In terms of our partnerships and pre-competitive collaborations, we are seeing many shared challenges, and brands are recognizing that these cannot be solved on an individual basis. Through collaboration we can together achieve holistic solutions to systemic challenges that result in positive impacts that cut across sectors, brands, and products. ■

\*Image courtesy of Closed Loop Partners

# MAKING FINANCIAL ACCESS UNIVERSAL:

THE GATES FOUNDATION, INDIA WAY

**DR. PAWAN BAKHSHI  
& SHAKTI SARAN**

In 2013, two years prior to the adoption of the UN's Sustainable Development Goals (SDGs), the World Bank launched its Universal Financial Access (UFA) program. UFA was a necessary precursor to the SDGs simply because, without inclusive finance and growth, the 17 Global Goals would remain lofty and unattainable.

Mirroring this development reality, the Bill & Melinda Gates Foundation took a strategic approach to empowering the poorest of the poor. Reducing wealth disparities begins by removing social, regulatory, and technological barriers to financial inclusion. Over the last several years, the Gates Foundation has made significant contributions to achieve this objective.

In this wide-ranging interview, Shakti Saran, Senior Fellow at PYXERA Global, speaks with Dr. Pawan Bakhshi about the Foundation's strategy for and accomplishments in India.



Vijay Kumar Choudhary, deposits money in his SBI EKO mini savings account at an EKO Customer Service Point in Harola village locality of Noida, a suburb of Delhi. His wife, Sanju Devi looks on. Together they run a clothes ironing shop nearby. Migrants in Delhi, Vijay & Sanju are saving to build a house in their home village in Bihar, for which they remit money on a regular basis.

## Why is the provision of financial services for the poor important to the Bill & Melinda Gates Foundation?

The guiding principle of the Bill & Melinda Gates Foundation is that "all lives have equal value." We believe a significant driver of inequality and poverty is financial exclusion. Over 1.5 billion people worldwide lack access to basic financial services, such as savings, payments, insurance, and credit.

Without formal financial transaction histories, they're cut off from potentially stabilizing and uplifting opportunities like building credit or getting a loan to start a business. Buying insurance in cash is virtually impossible and saving in cash is full of risks. Financial exclusion makes it virtually impossible to break the shackles of poverty.

Most poor people live very active financial lives. Though they transact in small amounts, the number of transactions they make is quite large. They buy food; pay doctor's bills and school fees; have multiple sources of income; and borrow and lend money through complex family and social networks.

To get by, the poor can be very creative about pooling together informal financial tools. But they mostly rely on cash and illiquid assets like jewelry and livestock—and on such uncertain intermediaries as couriers, off-the-books lenders, extended-family connections, and even organized-crime syndicates. As a result, they face constant risks, limitations, and hidden costs.

Needless to say, this can kick the ladder out from under anyone trying to escape poverty. That's why the Bill & Melinda Gates Foundation has made financial inclusion a priority.

Our Financial Services for the Poor (FSP) program supports private-sector and government partners in a shared effort to give the world's poorest people access to financial tools that they can use to build better, more prosperous, and more secure lives for themselves, their families, and their communities. >>



Q&A

## What are your focus areas for India and key accomplishments to date?

We are focused on supporting approaches that can provide financial services to the broadest number of people. These solutions must be very affordable for the poor so that few, if any, barriers stand in the way of their use. Because we are focused on scale and cost, we believe that digital technology is essential to reaching the goal of universal financial inclusion.

Digital technology can help reduce transaction costs to near zero and make it possible for businesses to reach far-flung populations in completely new ways. It can enable the poor to use, store, and manage their money more easily and safely. It can also equip governments to improve the efficiency and scope of social welfare programs.

We believe that providing poor people with reliable access to a range of safe, affordable financial tools and services can be one of the most powerful ways to help them build better, healthier lives. The Foundation's Financial Services for the Poor program works to broaden the reach of low-cost digital financial services for the poor. Our strategy is aimed at supporting what we believe are the most catalytic approaches to financial inclusion, helping to drive the development of digital payment systems that can help spread use of digital financial services quickly.

*Didi, of the Jharkhand State Livelihood Promotion Society (JSLPS), uses her tablet to take a photograph in Hutar, Jharkhand, India.*



We support efforts by the Indian government to digitize government payments to poor households and encourage new digital differentiated banking models. We also work to identify gaps in digital financial inclusion efforts, and we work with private-sector providers to design digital financial products that meet the needs of poor households.

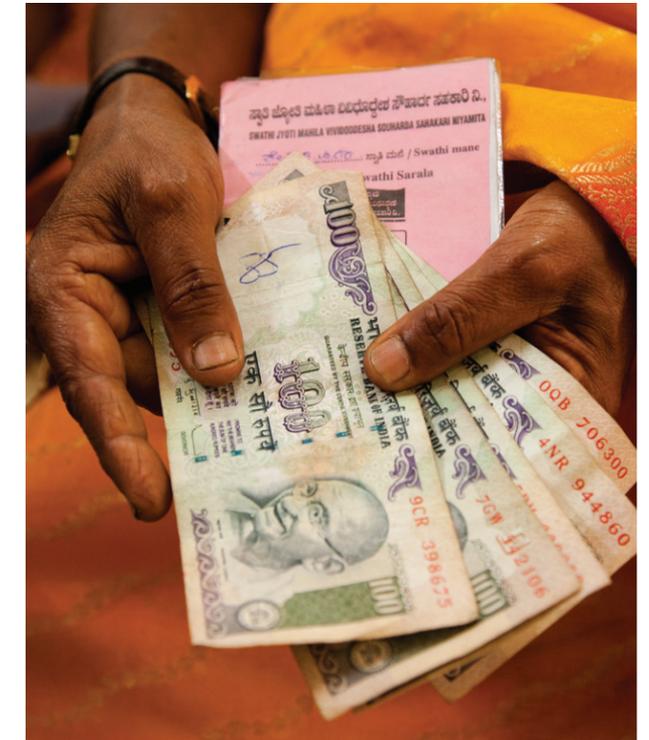
## Last year, JPMorgan partnered with the Gates Foundation and the Michael & Susan Dell Foundation to set up the Bharat Inclusion Initiative at the Indian Institute of Management Ahmedabad. How will this foster fintech innovation for low-income and unbanked individuals?

The Bharat Inclusion Initiative (BII) has been set up in partnership with the Bill & Melinda Gates Foundation and other like-minded donors to boost inclusion of the underserved by leveraging innovative technologies. It is a unique program creating an end-to-end ecosystem to train and nurture aspiring entrepreneurs who are building ventures to catalyze financial inclusion. The initiative will support entrepreneurial activities right from the idea stage to the scaling up stage through a series of accelerator programs, focused research, training workshops, and pilot partnerships. The program also works with regulators/policymakers to help entrepreneurs understand and navigate the changing regulatory and policy landscape in the financial services domain. We hope that through our early demonstrations and by helping to bridge the policy and infrastructure gaps, we can catalyze the private sector to serve the poor.

In addition to supporting the entrepreneurial ecosystem, BII is also actively building and disseminating knowledge in nascent spaces such as open banking, insurance, goal-based savings, and participative finance, among others, thereby surfacing high impact, viable use cases that can further enhance financial inclusion. The program also chronicles and shares stories of the "People of Bharat" to bridge the empathy gap between the next billion users and the accompanying ecosystem that will be required. Overall, the program aims at positively impacting the lives of at least 20 million low-income individuals in the next 3–4 years by helping them use asset-building products and build resilience.



*A local resident receives financial services at a Madhya Bihar Gramin Bank customer service point at Dulhinbazaar near Patna, India.*



*A community member arrives with her passbook and money to deposit in the micro-finance room of the Swathi Mahila Sangha, a female sex workers' community-based organization in Bangalore.*

## How do you measure the impact of your work in financial inclusion? What specific results have there been?

As per the World Bank's latest FINDEX report, 82 percent of men and 79 percent of women have a formal bank account. However, only 61 percent of men and 53 percent of women use them regularly. The focus now is to encourage the regular use of these accounts. We believe that a pro-poor payment system can foster competition in the financial sector, driving innovation and accelerating the development of digital financial products and services customized for the needs of low-income communities.

Unified Payments Interface (UPI) in India, launched by National Payments Corporation of India (NPCI), is a shining example of what a low cost, real-time, interoperable payments system should look like. With UPI, India now has the payments highway in place. In March 2019, 799 million financial transactions were conducted using UPI. India also has a dynamic banking regulator that has been open to experimenting with differentiated banks. India's Aadhaar initiative is another example of how digital ID can be used to help low and middle-income (LMI) segments

get visible to those interested in serving them. Public and private sector entities are beginning to use these public goods to drive usage of digital financial services across population segments.

We also believe that the country's private sector has an important role to play. Banks can view new payment providers not simply as competitors, but as partners that will bring millions of new consumers into the financial system—creating new potential customers for the entire financial sector. Fintech and telecom firms need to anticipate rapidly evolving regulations and adapt their business models to new opportunities. Companies in all industries would do well to consider how best to accommodate the financial and personal needs of a vast population that is only beginning to enter the formal economy. This requires creative approaches not only to pricing and distribution but also to more human elements, such as user interface design, marketing, packaging, behavior change, and the potential for product reuse and adaptation. >>

**How have your financial inclusion interventions empowered women? What challenges do you face in making women's empowerment more pervasive?**

Evidence from nearly 100 emerging economies shows that increasing women's participation in the economy leads to other gains at home, at work, and in society at large. Our focus in financial inclusion is to ensure women have more access to and use of digital financial services, such as bank accounts and digital payment systems, so that they are able to make their own decisions about spending, saving, taking financial risks, and building their own and their families' financial futures.

Given India's diverse demography, a deliberate focus on enabling financial inclusion for women is a key priority. Economic empowerment programs like increasing women's access to financial services have huge spill-over effects. Directly, they reduce poverty; indirectly, they encourage women to expand their sense of self and challenge the unwritten rules that say they are inferior to men. The existence of this infrastructure is helpful, but it is simply not enough. There must be continued investment in helping the poor, especially poor women. Leveraging this infrastructure is key. To this end, the Gates Foundation announced a \$170 million global investment last year, which, amongst other interventions for women's economic empowerment, will also include our work on increasing the access and usage of financial services by women.

In India, as a part of this endeavor, we are working with governments and financial services providers to share existing research and commission new research that highlights the importance of considering and intentionally addressing the constraints under which women operate while they design and implement their programs and products. For instance, social cash transfer programs, when directed into women's bank accounts, have shown the promise of increasing measures of empowerment like their labor force participation, and we are conducting further research in this area to support program implementation that works for women. Similarly, we have supported the development of prototypes for financial products that address constraints that low-income women face. We are continuing to integrate a gender lens across all our current and future work to be more intentional about how our work impacts women's usage of financial services.

The other areas for this investment will go towards better understanding of how ownership of assets like land might play a role in diversifying women's economic options, connecting women to new market opportunities to increase their profits

and incomes, and elevating and expanding self-help groups, which are critical platforms for bringing women together and building up their collective knowledge, economic power, and voice. We are funding both programmatic initiatives and research.

**With your experience as an economist, knowledge management specialist, m-commerce pioneer, and as a consultant, what do you see as the scope of innovation in financial services for the poor in the future? Is the peak behind us?**

I do not see the peak behind us. I see clear progress, but I also see clear opportunity. Over 25 years of progressive leadership roles in the private sector across multiple domains have strengthened the idea that use of technology in the development sector is imperative. The funny thing about technology infusion in any sector is that it has completely disrupted the sector, bringing in efficiencies for the organization and making it easier for the consumers to interact with the businesses. The financial sector is probably one of the last sectors to have courted technology in such a significant way. The implications of this is that access is becoming easier for poor and rural customers—customers are able to buy from multiple product providers, specialist financial service providers can reach out to willing/potential customers, and back-office operations are becoming more efficient. This is leading to major cost reduction, thereby including those low-income consumers who would not have been profitable for financial service providers otherwise. This innovation will accelerate digital transactions and further fuel innovation in financial regulation in areas around KYC/AML/CFT (Know Your Customer; Anti Money Laundering, Combating Financing of Terrorism) norms, data protection, ownership and usage, customer protection, grievance redressal mechanisms, among others. I believe that this is just the beginning of the innovation cycle and the best is yet to come. ■

*Images courtesy of the Bill & Melinda Gates Foundation India*



# Corporate Champions for Education

*Creating Opportunities for an Inclusive, Digital World*

**Corporate Champions for Education** is a Global Pro Bono program for skilled business and operations professionals from various companies, across industries.

Participants will be placed as short-term (4 week) consultants with nonprofit organizations in emerging markets that focus on improving education for children, youth, and/or adults in order to give them the skills to actively and successfully participate in the digital economy.

SAP's support means that companies of all sizes can participate in this type of global program; the cost is \$16,000 per person, inclusive of travel and accommodation.

**Global Pro Bono programs provide a 'TRIPLE WIN'**

- 1 Unparalleled global leadership development for participants
- 2 Skilled consulting to build capacity in host nonprofits
- 3 New insights, engaged employees, and well-deserved CSR reputations for the participating companies



For more information, please visit [pyxeraglobal.org/corpchampion](http://pyxeraglobal.org/corpchampion) or email [corpchampion@pyxeraglobal.org](mailto:corpchampion@pyxeraglobal.org)

# A STRATEGIC CSR JOURNEY

*Toyota Financial Services — Aligning Business and Social Goals*

**ELENA SACCA SMITH & JOHN HOLM**

For more than 35 years, Toyota Financial Services (TFS) has made it its business to help its customers achieve their dreams. Through flexible financing and leasing, comprehensive vehicle and payment protection plans, and well-rounded insurance offerings, TFS has helped make driving and owning a Toyota vehicle possible for so many.

And now, TFS is taking that same kind of problem-solving and innovation to a new level: serving the customers—and TFS employees—of tomorrow.

The TFS CSR team has re-positioned itself as an innovation lab, aligning their approach to creating sustainable social impact to business goals and seeking out increased opportunities for partnership between business units and the CSR team. By explicitly tying their corporate social responsibility (CSR) efforts to their business strategies, they are ensuring the next generation has the skills and capabilities to enable them to reach their dreams.

PYXERA Global’s John Holm recently had a conversation with TFS’ Elena Sacca Smith, Group Manager, Corporate Social Responsibility and Corporate Communications regarding TFS’s approach to strategically aligning social needs with business goals for greater opportunity and impact.

**TFS has been a leader and innovator in the automobile financing space for some time. Given past successes, what was the motivation to explicitly link CSR activities to business operations?**

As a company, giving back to the communities where we work, live, and serve as a financial services institution has always been of great importance. We’ve been named one of the most community-minded companies in the United States for five consecutive years by the Civic 50, and we’ve seen great engagement from our team members, 59 percent of whom participated in community activities in the last year. While we recognize we’ve been doing a lot of good work—true to our “Kaizen” philosophy of continuous improvement—we knew we could do even more.

In 2017 we expanded our focus to incorporate CSR into business operations. We gathered input from internal departments, our partners at Toyota Motor North America, and our non-profit partners. When we studied the landscape and consulted with strategic advisors like PYXERA Global to evaluate best practices and lessons learned, we knew we had the opportunity to increase the good we do by tying our activities directly to our strategic areas of business for a more unified approach.



**What were the approaches and specific actions you took in refreshing your CSR platform?**

First, we evaluated the cumulative impact of our CSR activities and explored how we could improve on our work with community partners. Like all companies, our resources are limited, so we looked to organizations with complementary missions and capabilities that would have the greatest impact

on the two categories which are most strategically aligned to our business: financial inclusion and workforce readiness. We also partnered with PYXERA Global to review our existing CSR platform to assess not only social impact but also the business impact from our CSR initiatives. We held in-person meetings and interviews to discuss current programs and goals and then designed a Project Impact Framework to help us categorize existing and future CSR projects into one of three categories—conventional, strategic, or Shared Value. We’re now using the Framework to examine each project in terms of the potential social impact; the potential for return on investment to our business; alignment to our impact categories; and ultimately the rationale to continue deploying funds and resources in the project for the future.

With PYXERA Global’s help, we also developed Common Performance Indicators to pilot, increasing our ability to measure program impact across all CSR activities.

**What were some of the barriers you overcame to be successful?**

Our journey is just getting started. One of our biggest barriers has been how the leaders in our company view CSR as mere philanthropy. While it’s in our DNA to give back to the community, we need to learn that what can be great for the community can also have a positive impact on our business, which is the idea of Shared Value.

In addition to working with leadership to drive purpose, we’re also looking to the rest of our team, socializing the idea of Shared Value. During one of our last Innovation Fairs—an internal competition for Toyota employees to submit inventive business ideas—we introduced a community component that opens our CSR ideation to all departments. We found that while the Shared Value category wasn’t initially on the Innovation Fair application, many employees were submitting ideas that already aligned community needs with business opportunities. It was the perfect time to recognize these ideas and start to really define what was already happening organically with such a community-minded culture at TFS.

One of the participating teams was awarded for their proposal that supports environmental goals while reducing operational costs. It was a team that envisioned hybrid vehicle batteries being put to use well after their life with a vehicle had ended, to perhaps serve as a power generation station to an area after a natural disaster. This would also save Toyota the cost of recycling the batteries. The CSR department will fund this pilot program, and successful results will help build a foundation for future programs. >>

## You have longstanding relationships with Junior Achievement, Boys & Girls Clubs of America, and the Girl Scouts. How will the new CSR strategy impact your collaboration?

For many years we've engaged these existing partnerships on various levels, all with the underlying goal of making a positive impact on the lives of children. While our collaboration has included an array of programs and approaches, we have increasingly sought to incorporate our impact categories for CSR into programming to better align with the business, with a focus on workforce readiness and financial inclusion. Through mentorship, scholarships and internships, and other educational programming, we are preparing underserved children, teens, and young adults for higher education. Our goal is to ensure they are financially capable and ready to make a difference in their local communities when they enter the workforce.

For example, Toyota became a founding partner of Boys & Girls Clubs of America's Great Futures movement and the Signature sponsor of their Youth of the Year program. In our partnership with Girl Scouts USA, we are implementing a new monitoring and evaluation approach that enables us to move beyond counting the number of children served, number of volunteers engaged, amount of dollars funded, and other statistics. Rather, we're seeking to understand if and how the programs we support are moving the needle on the change needed to close the gender gap in financial education. Girl Scouts USA conducted a study revealing that 92 percent of girls lack confidence in the financial decisions they will need to make in the future. We are looking to see how we can improve on not just the number of financial workshops we hold each year, but how we're helping build girls' confidence and financial understanding over time.

## How has your focus on impact measurement changed the way you evaluate programs?

We remain committed to these important partners, but with our recent work in impact measurement and evaluation, we are now positioned to see the reach of past efforts and areas we need to target to create a legacy of change. We can now look at each strategy through a new lens, thinking beyond outputs to measurable, long-term outcomes.

As a team, we're feeling more equipped to articulate our fundamental goals to our partners based on expected outcomes.

With the benefit of the impact measurement component, they are able to advance their own missions using storytelling and targeted capacity building, among other tools, more effectively. They can also use these measures of success to pivot from activities that are generating limited results in favor of those that are truly contributing to enduring progress.

Our new measurement strategy will help us and our partners to better communicate the impact that their programming and the partnership has in the communities. This can help them pursue new or additional funding from their partners by showing the return on investment and their program impact.

## What's next?

We now have an even better opportunity to create sustainable change, building the capacity of our partners, and strengthening our own team in the process. We're forging new paths with our existing partners and will consider new partnerships with a different level of scrutiny and intent. Our journey continues with a focus on developing strong outcomes with real, tangible results and looking both within our own strategies as well as externally with our partners for the most meaningful approach.

We're in the process of introducing these concepts to our partners and illustrating the importance and impact they will have. We are developing strong outcomes based on the work and value our partners bring. We know that this requires sustained effort, but we also understand the tremendous value and opportunity this direction brings.

When we are able to seamlessly blend our business objectives with our social strategy, when those values overlap and business operations support CSR activities and vice versa, we will have accomplished our vision of true alignment, which we expect will not only increase our value as a company, but also provide a model for real social progress.

## About Toyota Financial Services

Toyota Financial Services helps millions of Toyota customers drive the vehicle of their dreams, thanks to their flexible financing and leasing, comprehensive vehicle and payment protection plans, and well-rounded insurance offerings. Their goal is to deliver exceptional customer service that matches the exceptional quality of Toyota vehicles. With over \$120 billion in managed assets—through financing, leasing, and protection plans—it is one of the largest automotive finance providers in the world. ■



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Our 3M Impact programs empower 3Mers to lend their business skills, experience and energy through skills-based volunteering that leave lasting effects on local communities.

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# THE TIME FOR BUSINESS TO ACT IS NOW



On the 25th September 2015 in New York a document entitled *Transforming our World: The 2030 Agenda for Sustainable Development* was endorsed by the 193 countries of the UN General Assembly. The Agenda set out 17 Sustainable Development Goals (SDGs) and 169 targets covering a range of issues facing humanity including action on ending poverty, combating hunger, universally improving health and education, making our cities more sustainable, tackling climate change, and protecting our oceans and forests.

NEIL GAUGHT

Unlike the Millennium Development Goals that came before them, the ambition and universality of the SDGs meant that every country on the planet, developed or developing, stands to benefit. Delivering on the goals—we were assured by the authors of the agenda—would create a fairer world, one where reduced poverty, improved health, and better education would create greater wealth that would be more evenly distributed.

Fast forward exactly three years to the day (September 25, 2018), in the very same city just a few blocks to the north and west from that milestone event. A small gathering on the fringe of Climate Week NYC co-hosted by French bank BNP Paribas and SparkNews' fabulously well intentioned Positive Innovation Club are the recipients of some rather sobering views. "We've achieved almost nothing," announced Jeffrey Sachs, renowned professor of economics and since 2017, special advisor to the UN Secretary General on the SDGs.

In an impassioned speech, Sachs explained: "Markets don't do social justice." Not only do markets not do social justice, they actually undermine any attempt to do so. "We simply can't help ourselves—we're completely addicted to wealth and it's destroying everything."

It is a bleak analysis and one that he wasn't alone in sharing that evening. Before Sachs took to the floor, Jean-Louis Chassaude, CEO of French utility multinational Suez, had voiced his own frustrations. In a reflective speech littered with questions seemingly directed as much to himself as anyone else, he rounded off with a stark assessment of the situation. "What do we do?" he asked. "How do we move from A to B? How do we close down our cash cows? Companies cannot and will not move alone. It's a simple question of supply and demand; if there is a need, companies will meet it. They will not change."

Intrepid pilot of the Solar Impulse, Bertrand Piccardo was a little more optimistic. In his speech, he offered up a whole range of examples of disruptive technologies that are

changing the world for good. The breakthroughs he underlined were coming from businesses. "Businesses can understand that growth can be achieved in a sustainable manner and some can even see beyond the short-term when necessary but the argument needs to be logical not ecological to get them to change," he said.

*“Not only do markets not do social justice, they actually undermine any attempt to do so.”*

The real problem is simply that too many businesses don't know how to change. Besides, while pressure is indeed growing on businesses, there is still no real sense of urgency to change their mindset. Understanding this, Chassaude cut right to the heart of the matter: "We need to accelerate the activism of customers to focus minds." >>

At the second London Core Dinner Debate hosted by my partners, Innate Motion, a couple of weeks later, I asked the guests what they thought about Chassaude's remark. Nick Davies, a dinner co-host and the CEO of neighbourly.com, an online giving platform, welcomed customer activism but added, "Businesses also need to do much more to educate their customers."

Participants included senior representatives from M&S, Sodexo, The Climate Group, Global Partnership for Sustainable Development, JCDecaux, Suntory, Santander, EDF Energy, British Airways, HSBC, Kering, and the University of Plymouth. Many shared Nick's view that businesses should do more to educate their customers but the reality is that it's tough to get air-time in cultures where one-eyed senior executives are totally consumed by achieving short-term financial targets. "It's difficult for sustainability experts who tend to use complex technical language to explain things and on the other hand, it's also tough for marketing and brand people who are easily cast as being 'fluffy' to get anywhere with decision makers." Clearly, this was a familiar sentiment.

"What we need is more programs like David Attenborough's BBC series 'Blue Planet II.' We've been banging on about sustainability for 30 years and then suddenly this program comes from nowhere and the impact is instant. People leaving plastic packing on the floors of supermarkets, overnight banning of plastic straws and cups, plastics companies literally going bust—it's been remarkable," said one guest.

"David Attenborough can capture the whole nation's attention with his Blue Planet documentary and suddenly we have real momentum behind anti-plas-

*“ We need to accelerate the activism of customers to focus minds. ”*

tic activism. Yet, the core message of the documentary," argued one expert, "was actually about climate change itself." She went on, "How do we make this more visual? We have consistently been informed and educated about climate change; from geography at school, to news channels and reports. Why is it so hard to relate to? Why are we not fearful? How can we understand the urgency of these implications? Is it because climate change appears hypothetical, because we cannot see it for ourselves? What will it take for us to act?"

Several of the guests cited the progress in their supply chains. Growing consumer demand and persistent pressure has shifted the position of many companies from one of compliance to the wholehearted pursuit of a sustainable agenda. "When I look at what we have done in our supply chains, I can see we are making real progress," said one. "New efficiencies, innovations, opportunities to collaborate, benefits for multiple stakeholders, and enhanced reputation are all positives we can point to and talk about—but sustainability is not consistent across the entire business; it's not joined up with our core business strategy."

At both the New York and London events, there was a sense of frustration that I had not experienced quite so tangibly before. That frustration needs to change quickly into urgency was brought sharply into focus when the Intergovernmental Panel on Climate Change (IPCC) published its report last October 8.

Businesses have the resources and are in a unique position within society to take the lead. We cannot wait or rely upon cautious, popularity-seeking governments to make the right decisions quickly enough. As Unilever has shown, it's entirely possible for businesses to redefine their purpose and organize themselves around a Single Organizing Idea (SOI®) that will accelerate the opportunity for a sustainable future, both for themselves and their stakeholders. For some businesses, this means making fine words of intent real. For others it means taking the good work they are already doing in their supply chains and applying the logic of sustainability across the rest of their business. But for most, it means starting from scratch and identifying and defining a Single Organizing Idea that will accelerate a sustainable future.

*“ Businesses have the resources and are in a unique position within society to take the lead. We cannot wait or rely upon cautious, popularity-seeking governments to make the right decisions quickly enough. ”*

What the IPCC report makes clear more than anything else is that climate change is not the next generation's issue. It's ours and it's our businesses that need to change by putting sustainability at their core. The time to act is now. ■



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