

**Voices on Society**

# The art and science of delivery



**In honor of the 10th anniversary of the Skoll World Forum**

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# Contents

## Preface

- 05 Norbert Dörr | McKinsey & Company
- 07 Sally Osberg | The Skoll Foundation

## 1. Manage and lead

- 10 Kathleen McLaughlin, Jens Riese, and Lynn Taliento | McKinsey & Company
- 13 Tony Blair | African Governance Initiative
- 15 Sir Michael Barber | Pearson
- 17 Pravin Gordhan | Minister of finance, Republic of South Africa
- 19 Dambisa Moyo | Economist and Author
- 21 Shaina Doar and Jonathan K. Law | McKinsey & Company

## 2. Scale what works

- 24 Beatriz Perez and Guy Wollaert | The Coca-Cola Company
- 26 Nitin Paranjpe | Hindustan Unilever
- 28 Salman Khan and Jessica Yuen | Khan Academy
- 30 Michael Schlein | Accion
- 32 Yvette Alberdingk Thijm | WITNESS



**3. Issue focus: Health and hunger**

- 35 Muhammad Ali Pate | Minister of state for health, Nigeria
- 38 Jamie Oliver | Better Food Foundation
- 40 Julia Martin | Office of the US Global AIDS Coordinator
- 42 Andrew Youn | One Acre Fund
- 44 Steve Davis and Anurag Mairal | PATH
- 46 Feike Sijbesma | Royal DSM
- 49 Helene D. Gayle and Christina Wegs | CARE

**4. The future of delivery**

- 53 Jim Yong Kim | World Bank Group
- 55 André Dua | McKinsey & Company
- 57 Karim Khoja | Roshan
- 59 Patrick Meier | Qatar Computing Research Institute
- 62 Eoin Daly and Seelan Singham | McKinsey & Company
- 64 Richard McGill Murphy and Denielle Sachs | McKinsey & Company



# The art and science of delivery

Norbert Dörr | McKinsey & Company

**The public-policy world is bursting with ideas to improve governance, alleviate poverty, cure disease, and develop human talent around the world. Governments and philanthropies spend billions of dollars. In recent years, an explosion of creativity in social entrepreneurship has spawned hundreds of start-up organizations with innovative business models directed at specific social problems. And yet millions remain hungry, unhealthy, poorly educated, and unemployed.**

Some 1.3 billion people still subsist on less than a dollar a day, despite economic gains that have lifted hundreds of millions from poverty over the past quarter century. Clearly, we need to do a better job translating policies and programs into concrete, measurable results. In short, we need better delivery in the social sector. The book you are about to read addresses this basic problem.

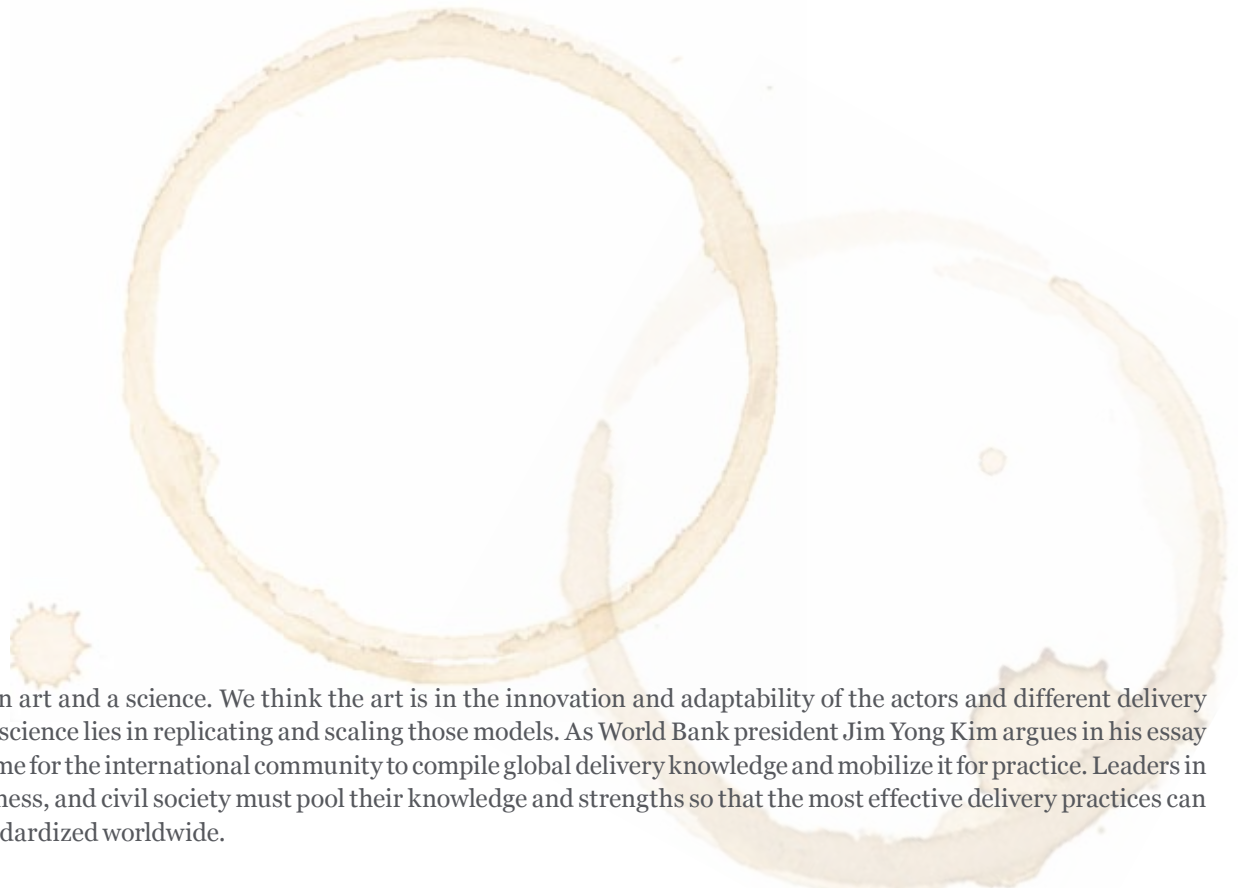
As the head of McKinsey's Social Sector Office, I oversee our global efforts to help the world's leading organizations address chronic, complex social problems. We advise governments, foundations, and commercial enterprises in several important areas, including economic development, education, global public health, social innovation, and environmental sustainability. Delivery is the crucial challenge in each of these sectors.

As I've witnessed firsthand since 2002, when I moved to Johannesburg to join McKinsey's sub-Saharan Africa office, the real challenge is rarely a lack of new ideas and innovative concepts. Nor is it the availability of funds. Rather, it's the difficulty of implementing simple, pragmatic, scalable solutions in a sustainable way. Still, in those same years, the continent made huge progress on many development fronts and has been the birthplace of some of the most innovative solutions to tackle delivery challenges. Cutting-edge technologies have leapfrogged those in advanced economies in the north, with inventions such as M-Pesa bringing modern financial services to millions of formerly unbanked citizens in Kenya and Tanzania.

In the essays that follow, McKinsey partners and authorities on international development present delivery models based on hard-won experience driving social change around the world. Our contributors include distinguished governance experts such as former UK prime minister Tony Blair, Nigerian health minister Muhammad Pate, and South African finance minister Pravin Gordhan. From the business world, we feature essays by leaders from The Coca-Cola Company, Hindustan Unilever, Roshan, and Royal DSM, all companies that have used their technology and supply-chain expertise to create successful delivery programs in the social sector.

We are also proud to include contributions from civil-society leaders such as CARE president Helene Gayle, WITNESS executive director Yvette Alberdingk Thijm, and food activist Jamie Oliver, as well as emerging social entrepreneurs such as Khan Academy founder Salman Khan and One Acre Fund founder Andrew Youn.

"The art and science of delivery" is a special, book-length edition of *Voices on Society*, a McKinsey print and online publication that features outside experts and McKinsey partners sharing their perspectives on the most important social issues of our time. We are publishing this book in honor of the Skoll World Forum on Social Entrepreneurship, on the occasion of its tenth anniversary. The Skoll Foundation has a distinguished record of promoting social entrepreneurship worldwide, and we are proud to feature in these pages many of the start-up organizations that it incubated.



Delivery is both an art and a science. We think the art is in the innovation and adaptability of the actors and different delivery models, while the science lies in replicating and scaling those models. As World Bank president Jim Yong Kim argues in his essay in this book, it's time for the international community to compile global delivery knowledge and mobilize it for practice. Leaders in government, business, and civil society must pool their knowledge and strengths so that the most effective delivery practices can be scaled and standardized worldwide.

This book is an effort to bring these stakeholders together in a conversation about the future of delivery. The needs are great—but so are the opportunities and the resources that we can mobilize if we all work together.

Sincerely,

A handwritten signature in grey ink, appearing to read 'Norbert Dörr'. The signature is stylized and fluid, with a large loop at the end.

Norbert Dörr | Global leader, Social Sector Office, McKinsey & Company



A person wearing a white helmet and a blue and white checkered shirt is riding a motorcycle away from the camera on a dirt road. The road is flanked by green bushes and trees. In the background, there are rolling hills and mountains under a blue sky with some clouds. The text is overlaid on the top left of the image.

# Change agents

## How social entrepreneurs deliver new solutions to global problems

Sally Osberg | The Skoll Foundation

**Imagine that you are a mother living in a village in rural Gambia. At least one of your eight children will probably die before reaching the age of five. It doesn't matter that there are vaccines or treatments for the disease that will take your child—measles, hepatitis, diarrhea, or perhaps HIV. What you know is that it's a ten-kilometer walk to the health clinic. When you arrive, you're likely to find a sign saying the nurse couldn't get there that day.**

Andrea and Barry Coleman, stars in the world of motorcycle racing, saw the problem when they went to Africa to support the work of children's charities. It wasn't lack of medicine or healthcare workers. Rather, what was missing were the parts, mechanics, and maintenance for vehicles taking workers and supplies to villages and clinics. The couple wept over wasted vehicles rusting behind health-ministry offices, then returned home and mortgaged their house to found Riders for Health, a reliable, scalable vehicle-maintenance system for healthcare delivery.

The story of Riders for Health is a story of social entrepreneurship. An opportunity, in the guise of an apparently intractable problem, attracted the attention of individuals of exceptional creativity, drive, and commitment, who brought about large-scale change by disrupting conventional wisdom and mobilizing a broad range of actors to deliver results. Similarly, large development agencies spent decades making loans to small businesses in an effort to combat poverty, with mixed results. Microfinance only took off, however, when a social entrepreneur named Muhammad Yunus figured out that lending very small sums directly to impoverished Bangladeshi villagers could help lift entire

families out of poverty. Years later, social entrepreneurs such as Jordan Kassalow of VisionSpring and Roshaneh Zafar of Kashf built on the microfinance model by using it to deliver other social goods, including eyeglasses, family counseling, and reproductive healthcare.

Innovators like these have long been part of the human-development landscape. Florence Nightingale revolutionized nursing in the 1800s. The Grameen Bank is nearly 40 years old. Today, conversations about the world's most vexing problems increasingly involve social entrepreneurs. That's because delivering results and impact requires new ways of framing problems, as well as the effective engagement of talent and resources from many disciplines. Social entrepreneurs are uniquely qualified for these tasks.

At the Skoll Foundation, we have spent more than a decade investing in social entrepreneurs who are disciplined in a particular way. We seek partners who are not just businesslike but who are also accountable both to their investors and to the populations they serve. Camfed, for example, is a nonprofit that provides educational opportunities to African girls living in poverty; it designed a governance model to ensure that its

commitment to every child in its programs is fulfilled for as long as it takes to accompany that child as far as she can go.

We also look for leaders who are driven to deliver impact. One such leader is Rupert Howes, who took the helm of the Marine Stewardship Council at a time when it wasn't delivering on its promise. By building partnerships with leading players in the seafood industry, Howes succeeded in persuading major fisheries to adopt and be certified for sustainable fishing practices. His work is one of many causes for celebration and hope in the world of social entrepreneurship. And there are other bright spots. Last year, for example, Landesa brought more than 3.4 million families secure rights to their land. Ceres helped convince 1,300 US companies to report their climate risk exposure. Half the Sky's model for child-welfare institutions became China's national standard.

Disruption, discipline, and drive are defining characteristics of social entrepreneurship. So is the ability to mobilize assets across an entire society. We look for master collaborators who can deploy advanced technology, such as Benetech's secure Web application for documenting human-rights abuses. Other solutions are as timeless as music. In Paraguay, a distinguished conductor and social entrepreneur named Luis Szarán formed an organization called Sonidos de la Tierra (Sounds of the Earth), dedicated to supporting music education and performance across the country. Sonidos de la Tierra has inspired new ways of thinking about development challenges, for example, by forming an orchestra of slum children who play instruments crafted from rubbish in the landfill where they work.

Socially entrepreneurial organizations are often lean but always high touch. They build networks of trust that inspire and support local leaders, first to transform their local communities and then to build broader social movements. In this way, One Acre Fund helps subsistence farmers in sub-Saharan Africa by providing seeds, fertilizers, and technical assistance to groups of farmers (often women) who are interested in working together to boost their incomes.

One Acre Fund provides agricultural education, capital, environmentally sensitive planting materials and fertilizer, and market-access services. The organization has found that the farmers who participate in its programs tend to become evangelists who pass on their new skills to many other farmers. Similarly, mothers2mothers teaches new mothers living with HIV how to prevent transmission to their children. It then recruits them as "mentor mothers" to pass the change along, in the hope of setting off a snowball effect and eventually eliminating mother-to-child transmission.

Although we don't yet know which of these organizations will have the kind of transformative impact that Muhammad Yunus and Florence Nightingale achieved, we have already learned much from their efforts. We hope this book will inspire and instruct with its diversity of experiences, perspectives, and opinions. We look forward to accompanying social entrepreneurs and other innovators on their journeys toward delivering impact and to continuing the conversation at Skoll World Forums in the decades to come. ■



**CHECKED**


# **1. Manage and lead**

**Kathleen McLaughlin, Jens Riese  
and Lynn Taliento  
Tony Blair  
Sir Michael Barber  
Pravin Gordhan  
Dambisa Moyo  
Shaina Doar and Jonathan Law**

# Delivery as a management problem

## Accelerating improvements in delivery at scale

Kathleen McLaughlin, Jens Riese,  
and Lynn Taliento | McKinsey & Company



Delivering social goods, as well as services and social change, in developing countries is a great source of frustration for governments and development partners.

Systems in developing countries—whether economic value chains, education, health, or other kinds of systems—are complex. Governments and development partners work with a fragmented, diverse set of stakeholders with variable capabilities and often conflicting goals. They typically must contend with a disparate, low-income (and often ill-informed) “consumer” base, a weak and costly supply-chain infrastructure, corruption, and political intervention. Organizations typically work within their corner of the system, unable to see it as a whole or to optimize that whole. In such a system, no one—not even the government—can act as a single point of control.

No wonder delivery is hard.

Yet such complex systems share another characteristic: they are adaptive, meaning leaders in the system learn from experience, share information, and can shape it through individual and collaborative actions. Over the past decade, the study of complex adaptive systems in a management context has identified a number of shaping actions that can accelerate improvements in system effectiveness and efficiency. By deploying such accelerators across the system, governments

and development actors are making marked progress in delivery, even in the most challenging environments.

### Accelerating improvement in delivery.

In 2011 and 2012, a team led by the chief minister of Punjab, in Pakistan, supported by the United Kingdom’s Department for International Development (DFID), worked to improve the province’s school system, resulting in an additional one million children enrolled and a reduction in daily teacher absenteeism by more than 50 percent. The number of schools with upgraded basic facilities (for example, toilets, drinking water, electricity, and boundary walls) rose to 91 percent from 69 percent. Some 180,000 teachers received training and follow-up coaching in the field to increase the quality and consistency of daily lessons.

This is just one of several recent examples where development actors collaborated with others to improve delivery at scale through systemic, managerial actions. Typically, such success stories have included some, if not all, of the following six accelerators.

**Catalyze joint ownership and action** among leaders representing a cross-section of the system. The aim is to raise their awareness that they are indeed the system's leadership team, lift their personal aspirations to leave a lasting legacy, build a shared mission and pursue collective goals consistent with individual leaders' goals, and actively build leadership skills through "field and forum" approaches, which combine learning through real work with coaching and classroom-style training.

The Sustainable Food Lab (SFL), for example, assembled more than 40 leaders from agribusiness, food manufacturing and retailing, grassroots farming, nongovernmental organizations, multilaterals, and government agricultural departments in a series of off-site sessions. The SFL worked with the leaders to help them realize that collectively they made up the leadership team of the global food system—or at least a sizable subset of it—across the entire food supply chain, from field to fork. They developed a shared intention to make the food supply chain more environmentally and socially sustainable, and they agreed to cooperate, as leaders of the system, to do so. Over the past eight years, the SFL has expanded to more than 75 members and jointly tackled major issues such as making fisheries more sustainable, helping small growers to access markets, and delivering food without increasing greenhouse-gas emissions.

Whatever leadership role is played by international-development partners, local stakeholders—particularly the local government—should ultimately take the lead in driving delivery-system improvements. Since the Paris Declaration,<sup>1</sup> the development community has accelerated country ownership, including enhancing political and institutional ownership, building local capacity and capability, and strengthening mutual accountability (for example, see Julia Martin's article in this volume describing the US President's Emergency Plan for AIDS Relief's progress and aspirations for country ownership of the continuing response to HIV/AIDS).

**Agree on a coordinated, integrated portfolio of initiatives** that addresses major delivery bottlenecks across the system (for example, supply-chain gaps, frontline skill issues, specific "customer" behavior, or financing) and reallocate roles and resources to relevant stakeholders. This requires increased transparency into stakeholder budgets and resources and a willingness to adjust roles and reprogram activity based on relative return on investment, rather than simply encouraging individual actors to pursue their own agendas.

For instance, in Ethiopia, the government collaborated with the Bill & Melinda Gates Foundation to identify bottlenecks in the agriculture system, from seeds to farmers to manufacturing to market to consumers. They worked together with international-development partners and local agencies to revamp priorities and investments, leading to a revised slate of initiatives they have agreed to pursue jointly.

The government of Tanzania, supported by DFID, recently set up "delivery labs" where stakeholders from the public and private sector convene to codevelop solutions to pressing delivery problems (see the article by our colleagues Eoin Daly and Seelan Singham in this book for a description of delivery labs in Malaysia). Such efforts produce not only creative ideas but also practical, detailed plans that enable successful implementation.

#### **Shift mind-sets and behaviors to enhance delivery.**

Behavioral psychology has made significant contributions to delivery. Behavior change communication (BCC), social mobilization, and related approaches have been used to improve outcomes by positively influencing patients, farmers, nurses, teachers, and others in the system. Governments and development partners can accelerate behavior shifts in two ways.

First, they can systematically identify and directly tackle the mind-sets underlying current behaviors across the delivery system. In Namibia, for example, health officials discovered pregnant women avoided visits for first-trimester antenatal care (ANC) primarily because they believed they were medically unnecessary and found the experience unpleasant and long (a typical visit lasted six to seven hours). Meanwhile, nurses drew their vocational pride from clinical expertise rather than patient satisfaction, so they felt little need to attract patients or improve their experience. Health officials realized they needed to shift mind-sets among both groups to sustain any improvement in delivery.

Changing behavior works best when four types of interventions are applied together:

- Create a "felt need" or conviction to shift behavior (typically the focus of BCC). In Namibia, health officials ran radio call-in shows to educate prospective fathers and mothers about the critical need for first-trimester care. Officials took ANC nurses on "learning journeys" to understand the experience from a patient's point of view.
- Revamp processes, systems, and incentives to support desired behaviors. Namibian health officials used lean-operations techniques to streamline clinic procedures, reducing ANC visit duration by 30 percent and freeing nursing capacity to provide better care to more patients. Shortened visits also attracted more women to go in for first-trimester visits.

<sup>1</sup> The Paris Declaration was adopted in March 2005 at the High Level Ministerial Forum organized by the Development Assistance Committee of the Organisation for Economic Co-operation and Development. It set out five principles to enhance aid effectiveness, including ownership, alignment, harmonization, results, and mutual accountability.



- Equip people with the skills to support the new behavior. Nurses received supplementary training in management and patient interaction.
- Use role models to reinforce desired behavior. In Namibia, the local hospital chief would drop by the clinics first thing in the morning to encourage staff to arrive on time and to demonstrate higher-quality patient care through his own interactions.

**Engage the private sector** to inject new resources and capabilities into the system. Private-sector know-how in performance management, supply chain, lean operations, “design to value” (for example, low-cost design of products and services), information technology, and mobile communications has produced big improvements in delivery effectiveness, efficiency, and sustainability.

For example, in Senegal, healthcare facilities had contraceptive stock-out rates in the 80 percent range. Medical staff found it challenging to reliably forecast demand and order supplies, given their significant clinical workload and lack of inventory-management skills. In response, the government outsourced forecasting and ordering to private logistics providers, using a model known as informed push. Contraceptive stock-outs have been practically eliminated in two states, with plans to scale up the program nationwide.

In agriculture, private-sector-run “nucleus farms” are becoming popular, as they provide access to inputs, finance, training, and markets for neighboring smallholder farmers. Governments in Africa, often supported by development partners, now promote such approaches as a more effective way of increasing smallholder productivity than expensive public-subsidy or extension programs.

As we describe elsewhere in this volume, the keys to successful private-sector partnerships include the alignment of objectives, a mutually beneficial value proposition and clear exit strategy, and coordinated investment and action. Development agencies can help governments in defining and managing fair public-private partnerships as developing countries often lack experience and run the risk of being disadvantaged in dealing with companies.

**Deploy new technology** to drive major improvements in delivery. For example, M-Pesa, a money-transfer system launched in 2007 by the cellular-phone provider Safaricom, linked 15 million Kenyans to financial services in less than five years. M-Pesa not only reduces transaction costs in transmitting funds to families and small businesses but also enables a range of innovative services in health, education, agriculture, and finance to reach the poor at a lower cost. In agriculture, for instance, UAP Insurance and the Syngenta Foundation are offering farmers index-based insurance using M-Pesa to collect small premiums and issue payouts. The social enterprise KickStart uses M-Pesa

as a mobile layaway plan, collecting small installment payments from farmers acquiring irrigation pumps.

Technology also offers new opportunities to collect, analyze, and use data. In Nigeria, high-resolution satellite images and GPS are replacing hand-drawn maps for polio campaigns, enabling vaccinators to plan more efficient routes and reach areas they had been missing. In the Philippines, school officials and governments use GPS, mobile devices, and SMS to gather student-performance data from local monitors and then publish the information to increase school accountability.


**Establish “delivery units”** to drive coordinated execution of the integrated portfolio of initiatives in the system. Michael Barber and Tony Blair describe in this volume the genesis of the delivery unit in the UK government in the 1990s. Increasingly, such units are being established as part of broader systems to ensure timely, coordinated, effective delivery from the president’s office to the front line.

For example, the Ethiopian government created the Agricultural Transformation Agency (ATA) to coordinate and manage the portfolio of initiatives described above, as well as to provide hands-on support to the ministry of agriculture, where delivery capacity is constrained. Eighteen months into its existence, the ATA has more than 130 staff members, combining local talent with international experts who work as one team. The ATA found that Ethiopia had developed technologies for improving productivity that failed to reach farmers. The agency initiated the introduction of new planting technologies and practices to more than 75,000 smallholder farmers, helping to double productivity of the Ethiopian staple grain teff through improvement in the seed-planting rate. The ambition is to roll out the program to one million smallholder farmers in the next year and double overall national teff production in five years.

We call on governments and development partners to apply the above approaches in concert to tackle their most significant delivery issues. We have seen how such an integrative, holistic, and coordinated approach can accelerate improvements in delivery effectiveness and efficiency, even in complex systems.

To be sure, working in this way means overcoming orthodoxies. Governments should lead and take ownership of the effort. Ministers must strive to work across silos. Development agencies should have the courage to support new approaches and build appropriate capabilities. Finally, private-, public-, and social-sector leaders must overcome suspicions and work together in new ways. The stakes could not be higher. □

*Radha Ruparell, an engagement manager at McKinsey & Company, contributed to this article*



# Leading for results Effective governance requires clear priorities, great people, and the right systems

Tony Blair | Africa Governance Initiative

**An election campaign is poor preparation for government. Of course, you need to win the arguments to convince people that you have the right vision for the country. But the first lesson you learn as a leader is that making the case for change is a whole lot easier than making change the case. Once you get into office you are expected to quickly understand and marshal the tools of government to improve your country. As prime minister of the United Kingdom, and from my work today with leaders from every continent, I have identified three essential lessons about how to deliver real change in government.**

The first lesson is to prioritize ruthlessly. As a leader everyone you meet is looking to convince you that their issues should be at the top of your to-do list. But if everything's a priority, then nothing gets done. You need to pick a small number of priorities and maintain a laser-like focus on delivering them. In Rwanda, where my organization—the Africa Governance Initiative (AGI)—has been working since 2008, the country's impressive development progress has been driven by tight prioritization, first on the alleviation of poverty and now on specific sector reforms to move the country toward middle-income status by 2020.

President Paul Kagame has identified four priority areas critical to driving the country toward this ambitious goal: agriculture, energy, investment, and mining. Success in each area has been defined by clear, tangible objectives. For instance, with energy, the target is to increase the number of households with access to electricity from 14 percent in 2011 to 60 percent by 2017. To support this process, the Rwandan government set up a program called the Strategic Capacity Building Initiative, which links central government to ministries that are responsible for implementing each of the four priorities. The program also pairs international experts with their Rwandan government counterparts to ensure that the necessary skills are transferred to Rwanda in a sustainable manner.

This leads me to my second point. This might seem blindingly obvious, but it is crucial nonetheless: people matter. For your top priorities you need your top people—the ministers you can rely on to push through the necessary reforms. And in the bureaucracy, you should bring in people with the right skills for implementation. Traditional bureaucracies are built to advise, not to deliver change. So you need to shake them up by bringing in new skills and approaches, often from the private or volunteer sectors. As prime minister, I recruited people we knew had specific expertise at delivering particular reforms. For the same reason, my charity puts great emphasis on helping African governments attract the best talent from the international private sector and the global African diaspora.

My third lesson is that you need to build a proper system for implementation. While in office I quickly learned that if my government was going to deliver, I first had to change the system of government itself. This is why I set up the Prime Minister's Delivery Unit (PMDU) to coordinate, manage, and monitor activity on our priorities across government. We only achieved progress on the toughest issues after this system was put in place, allowing reform to be driven and monitored from the center. Take hospital waiting lists, for example. When I entered office in 1997, Britons had to endure waits of up to a year and a half for hospital appointments. By prioritizing the problem and managing it through the PMDU, we were able to restructure the lines of responsibility for cutting waiting times, address bottlenecks when they arose, and ensure that I could intervene when the system went off track. By the time I left office we had managed to get waiting times down from 18 months to 18 days.

Although elections don't prepare you for leadership, the lessons of how to implement change are clear—and they apply everywhere. Over the last few years, through AGI, I have worked with numerous African leaders. I have also worked with leaders in Latin America, Central Asia, Southeast Asia, and the Gulf through my consultancy, the Government Advisory Practice. Wherever we have worked, one thing is clear: citizens rightly expect government to deliver. They expect government to create opportunities for employment, provide high-quality health, education, and welfare services, and ensure safety and security. The solutions to these challenges look similar whether you're in Beijing, London, Monrovia, or São Paulo. All governments should take heart from this widening pool of knowledge.

We live in challenging times, but the challenges we face have never been more alike. □



# The origins and practice of delivery

## Creating sound policy is only the beginning; successful leadership requires relentless focus on implementation

Sir Michael Barber | Pearson

**In a recent speech, World Bank president Jim Yong Kim noted that delivery is a major challenge for leaders across the world. We need a science of delivery, he argued. No leader of the World Bank has ever made a more important case. And the good news is that the science he wants is ready to emerge. This is the story of how it began.**

In June 2001, Tony Blair was elected to a second term as the British prime minister. A few days later, he asked me to set up the Prime Minister's Delivery Unit (PMDU), tasked with securing the implementation and delivery of his domestic policy priorities. Delivery meant more than passing laws and writing speeches. It meant changing the facts on the ground and ensuring that citizens could see and feel the difference. Our task was to translate reform into results.

Over the next few weeks, a handful of colleagues and I developed a set of processes that, with refinement over the years, turned out to be a major innovation not just in Britain but globally. By 2005, most of Blair's domestic-policy priorities, ranging from healthcare improvements and crime reduction to railway performance, had either been delivered or were heading firmly in the right direction. Other governments began to take notice. Since then, there have been numerous attempts to emulate the work of the PMDU. Some have succeeded, while others have failed.

What were our techniques and processes? Among the attempts at emulation, what has differentiated success from failure? What PMDU put in place was deceptively simple. We asked five questions, repeatedly and persistently, until we received satisfactory answers.

### **Question 1: what are you trying to do?**

We asked this question to establish clear priorities (and therefore also to clarify what was less important) and ensure that each priority was paired with a clear definition of success. Our goals were intentionally ambitious; after all, Blair wanted

“step change.” We called them “targets,” a word that became controversial. The word is unimportant—what matters is the clear, measurable definition of success. We also decided to make the targets public, which is not necessary but is desirable in an era of transparency.

The result was a set of specific targets in the categories of health, education, crime, and transportation. They included reducing wait times for routine operations, improving the punctuality of trains, boosting literacy among 11-year-olds, and many more.

### **Question 2: how are you trying to do it?**

Once the targets were agreed upon, we asked the relevant departments to prepare delivery plans setting out how they intended to meet the targets. This alone was a revolutionary act; white papers, beautifully written and then shelved, were then the norm. We wanted real, coffee-stained plans that drove action. Above all, we wanted a trajectory. How would they measure progress over the period of time that would elapse between setting the target and hitting it? This simple request required officials to think systematically about the link between proposed actions and their impact.

Of course, even the best planned trajectories don't always turn out to be right. They do allow progress to be monitored. And when reality deviates from the prediction, they enable lessons to be learned.

### **Question 3: how, at any given moment, will you know you are on track?**

Crucially, we established routine ways to monitor progress.

We insisted on regular data collection so that officials knew whether progress was being made in close to real time. People often say that this sort of ongoing performance evaluation is not too difficult. This is never true. And yet the provincial government of Punjab, in Pakistan, collects data on performance from 60,000 schools every month, in a low-tech, affordable way. As a result, it has transformed performance.

We introduced quarterly monitoring meetings, which we called “stocktakes,” between the relevant ministers and Blair, advised by my team and me. In each stocktake, we examined the data, had an honest conversation, and made decisions, which again was revolutionary. Most governments spend their time running to catch up with crises and events. These routines changed all that. They put data rather than spasm at the heart of decision making. Punjab’s chief minister, Shahbaz Sharif, with whom I work now, has done the same, to good effect.

**Question 4: if you are not on track, what are you going to do about it?**

Once you have proper routines in place and working, problems are identified before they become crises. In my experience, problems can always be solved. Some problems are relatively simple to fix; others are much harder. For the latter, what matters is that you try something—and if that doesn’t work, try something else, and keep trying until you get a result.

When there is a problem, the first instinct in government (encouraged by the media) is too often to allocate blame rather than solve the problem. Always solve the problem first; if blame needs to be allocated, that can be done later.

**Question 5: can we help?**

The PMDU didn’t just monitor the performance of government. It also rolled up its sleeves and helped solve problems. When it succeeded, it congratulated the relevant department rather than taking credit for itself. We never yelled at people, *West Wing* style. Instead we built trusting relationships. We took the view that we shared responsibility for the outcomes.

And we developed techniques that could help solve problems—rapid reviews and delivery-chain analysis, for example. Crucially, we were persistent; we wouldn’t go away until a problem was solved. We were ambitious, too, however tough the present might have looked.

If successful delivery is so simple, why is it hard to replicate? Those that fail tend to see delivery as a passing management fad. They don’t make the commitment to change facts on the ground. They don’t make the routines work. They might listen to “experts” who use the buzzwords and promote the form of a delivery unit, but these people generally don’t understand the philosophy or discipline on which success depends. Successful leaders, such as former Ontario premier Dalton McGuinty, Malaysia prime minister Najib Razak, and Punjab chief minister Shahbaz Sharif, take a very different approach. They prioritize, they persist, and they appoint talented people to focus on delivery. They understand that while getting the policy right is hard, it is only 10 percent of the challenge. The other 90 percent is the blood, sweat, and tears of relentless implementation. They understand that delivering results is not about setting up a delivery unit; it’s about fundamentally changing how you do business.

As Jim Yong Kim says, delivery can become a new science. As more governments see the urgency of delivering results that go beyond the incremental, we can learn quickly what works and what doesn’t and unleash the science that will change millions of lives for the better. □



# Balancing act

## A conversation with South African finance minister Pravin Gordhan

Rik Kirkland | McKinsey & Company



**As South Africa's Minister of Finance, Pravin Gordhan must keep the country's fiscal house in order and ensure that the government can pay for the social services South Africa needs to develop. At this year's meeting of the World Economic Forum in Davos, Gordhan sat down with Rik Kirkland of McKinsey & Company for a wide-ranging conversation about taxes, spending, and delivery in Africa's largest economy.**

**Rik Kirkland: What is the role of government in setting a policy framework to deliver economic and social development in South Africa?**

*Pravin Gordhan:* In the first instance, delivery means more effective government in a context where you're also building state capacity. Until 1994, South Africa was a state that represented a minority and suppressed the majority. So pre-1994, the South African state and the South African economy were for the benefit of five million people. Virtually overnight we had to transform that state and begin to service all South Africans. That meant building critical institutions such as hospitals and educational institutions, as well as developing a tax administration. We also built institutions that support small businesses and provide infrastructure at a community level, which makes a difference to entrepreneurs accessing markets.

Over the past ten years, I think we've done a formidable job of providing a new policy framework, particularly on the tax side. We've also been very successful at building a modern treasury out of an old bureaucracy. Over the last six years or so, the South African treasury has been ranked first or second out of 100 countries in a global survey of budget transparency. In 2012, New Zealand beat us. Two years ago, we were first.

**Kirkland: What does it mean to have a modern treasury?**

*Gordhan:* It means that we have a very transparent system where information is shared publicly, warts and all. It's very easy

to access public financial data in South Africa. We've tried to create equally transparent and responsive systems throughout the government. In 1994, many of us walked into parliament for the very first time as part of the African National Congress. We transformed that institution from one that did not listen to people to one that did, and we put in place very transparent processes. For example, parliamentary committees can no longer opt to close their meetings and chase the press away as a matter of routine. Now we only have closed committee sessions if there's a very serious reason for them.

**Kirkland: What sort of institutional framework have you put in place to encourage economic development in South Africa?**

*Gordhan:* We also have very strong institutions for economic development. For example, we have the Development Bank of Southern Africa, which operates both within South Africa and across our region. We also have the Industrial Development Corporation (IDC), which plays a big part in supporting industry and business in South Africa. Nowadays the IDC's role is changing to make sure that it contributes to more job creation and investment in the right sectors, for example, renewable energy. We also have what we call state-owned enterprises, such as Eskom in the energy sector and Transnet in the transportation sector. We have a highly effective airports company that is able to take on contracts for the Mumbai airport and for São Paulo airport, as part of consortia that are transforming those airports as well.

**Kirkland: What are some of the key social challenges that you face?**

*Gordhan:* We've seen some improvement in our schooling system over the past ten years, but education is still a key challenge that we need to address. We're working on developing our teachers, as well as bringing in information and communication technology to more effectively train and



capacitate our young people. Our youth-unemployment rate is very similar to Spain's, about 50 percent. How do we give young people their first career opportunities?

Our goal is to use public-works programs paid for with government money to create jobs for people or give them opportunities to work more effectively. In parallel we want the private sector to buy in on the job-creation and job-opportunity agenda and create some incentives that will move things in the right direction.

**Kirkland: What about healthcare?**

*Gordhan:* We've done reasonably well at stabilizing our health system. We now have a 14-year plan to introduce a national health-insurance system and do it within a sustainable fiscal framework. In South Africa, there is a small group of people who can access health insurance from the private sector. But the vast majority of South Africans don't have that financial capability. One of our key objectives is to find a balance between access and quality where healthcare is concerned.

**Kirkland: How do you convince South Africans to pay their taxes?**

*Gordhan:* It starts with getting tax-administration personnel to embrace a service culture. Citizens and their concerns come first. Then it's about educating the public constantly about why they should pay taxes. That requires constantly improving our service and making it easier for people to comply. In the past six years, we've implemented electronic tax filing, and now 98 percent of taxpayers file electronically. We also have about 10,000 staff members who actually go door-to-door visiting people. They'll say, "Show that you registered for tax. Show us your last payment." But they do it in a very polite and cooperative way.

We also work hard to find the right balance between government and the private sector. Our approach there is to say, "We'll work with you. We'll help to solve your problems. If you transgress the law, we're willing to sit across the table and find the solution. If you don't want to take up that particular option, however, then we have a very effective court system that will take care of you." In that way we are able to demonstrate fairness, which actually helps to increase the credibility of government.



**Kirkland: How do you build the internal capacity that government needs to deliver better results in education, healthcare, economic empowerment, and other areas?**

*Gordhan:* I think it's a challenge. After the end of apartheid, so many activists who were in the anti-apartheid struggle became councillors at a municipality level or became provincial and national legislators. We've needed to give black people opportunities that they didn't have under apartheid. We've had to rebuild systems and sometimes invest quite heavily in information technology as well. And we've had to find people with the right expertise from communities that weren't represented in government adequately.

So we've adapted to a whole new system of governing. Our challenge is using the expertise that was already in government in a wise way, while creating a more representative bureaucracy as well. Some of that has worked. Some of it remains a challenge. Probably for the next 20 years we'll be continuing to train accountants and scientists and experts in fields such as energy, water, or wherever the need might be. I think we've reached an interesting level of competence within the state, but there are still areas with significant weaknesses that we need to remedy.

What is very important and increasingly challenging, for a state and society like ours, is to sustain activist leadership in the civil service, among politicians and, to the extent that's possible, in the business sector. We need leaders in all sections of society who can address various challenges and deliver on their immediate jobs, while remaining cognizant of our history and the social context we actually come from. We need to put in that extra energy, create that extra innovation, and ensure we deliver in a way that wipes out all the backlogs in our society. □

# Delivery lessons from China

## Public-private partnerships can help optimize supply chains in the social sector

Dambisa Moyo | Economist and Author

**We live in the age of the hyperefficient supply chain. Using advanced technology and worldwide logistical networks, multinational companies have perfected the art of shipping parts and finished products to all corners of the globe, quickly and profitably. So why does the social sector still suffer from a delivery problem? Why do so many governments and charities struggle to provide social goods such as nutrition, healthcare, and education to the populations that need them most?**

The absence of a profit motive is not a sufficient explanation. The US military is a nonprofit enterprise, yet it operates an efficient global supply chain that delivers equipment and personnel across vast territories at high speed. A more plausible argument is that social goods can be delivered more efficiently to the extent that the social and private sectors cooperate to achieve societal goals. In this regard, it's worth considering the alternative development model espoused by China, where public and private interests tend to be quite closely aligned.

Under private capitalism, the bedrock of many Western economies, there is generally a clear delineation between public and private sectors. Government is charged with delivering public goods such as education, infrastructure, and national security, providing regulatory oversight, and setting sound economic policies. According to neoclassical economic theory, meanwhile, businesses are supposed to maximize their profits by selling whatever goods the market demands for more than the cost of production.

Under state capitalism as practiced in China, the interests of the state and commercial sectors are far more closely aligned because the government controls much of the domestic economy through an extensive network of state-owned enterprises. In this system, the social and political goals of the government tend to

take priority over strictly commercial concerns. For example, the government can leverage the delivery expertise of a state-owned beverage company by instructing it to transport and distribute medicines in distant areas.

Both paradigms have their costs and benefits. While private capitalism has shown an unmatched ability to create wealth, it also tends to create extreme income inequality and a myopic focus on quarterly results at the expense of long-term growth. State capitalism gives companies the freedom to invest for the future rather than obsessing about immediate profits. On the other hand, China's large state-backed enterprises often use their privileged access to capital to crowd out private competitors that might generate far more value on a level playing field.

On the narrow point of improving the delivery of goods and services in the social sector, China's state-based model offers useful lessons on how a symbiotic relationship between the public and private sectors can improve delivery outcomes. But how do you encourage government and private companies to cooperate in the delivery of social goods if the state lacks the coercive authority that you find in state-led economies like China? At least two things need to happen for greater cooperation to occur.

First, there must be political willingness to accept that the delivery of many social goods and services—activities that have traditionally been the domain of governments—is best left to the private sector. Governments should be willing to cede more power to the private sector, particularly when there is evidence that market mechanisms can deliver superior outcomes. In essence, governments need to prioritize efficient delivery of quality public services, regardless of who provides them.

Second, we need better measurement and more transparency on outcomes (good or bad). Closer and higher-quality engagement between the public and private sectors will help highlight weaknesses and failures in existing delivery mechanisms, and could form the basis of lasting and impactful solutions from private businesses, which thrive by solving for inefficiencies.

Once policy makers subscribe to the benefits of closer public-private engagement to deliver social outcomes, governments have a range of policy levers at their disposal to influence the behavior of private companies. The promise of tax breaks and subsidies, for example, can induce the private sector to divert more of their financial heft and expertise toward the efficient delivery of social goods.

The good news is that there have already been a number of significant efforts to bridge government and private sector interests. Innovations involving public-private partnerships have been an important step toward linking the social motives of government with the efficient execution of the private sector. In this case, a government service or commercial enterprise is financed and operated through a joint venture between a public-sector agency and a private entity. Education voucher systems, where students apply state-issued financial credits toward tuition to attend private schools, are public-private initiatives that have recorded some success.

It's not hard, under a scenario of closer public-private cooperation, to envisage an integrated system where providers of medicines from the public sector would be alerted when delivery trucks were heading to remote areas of developing countries, and thus could plug into the network of the private company to transport much-needed medications.

If the idea of an immediate pivot to China's state-led model seems too extreme, the Nordic countries show that it is possible to foster greater cooperation between the public and private sectors and generate quality social outcomes, without an aggressive government diktat. Denmark and Norway have already licensed private firms to run public hospitals. All the Scandinavian countries have strong systems in place to measure performance of schools and hospitals. Importantly, the public sector is also highly transparent. In Sweden, for example, everyone has broad access to government records.

Clearly, private capitalism need not be jettisoned to achieve a higher level of public-private cooperation. However, public and private actors must be willing to combine forces and leverage their respective skills for the common good. If such an approach is harnessed, the private-capitalism paradigm could be substantially enhanced, and have a significant and positive impact on many social ills afflicting the world today. □



# The future city

## Delivering change in urban economies

Shaina Doar and Jonathan K. Law | McKinsey & Company

**No one knows the exact day or place, but sometime in 2008, a person moved into a city and established a milestone: the moment when, for the first time, more than half the world's population lived in urban areas. More than six billion people will live in cities by 2030, according to the United Nations, almost double from when that unknown person left home for the city.**

McKinsey has worked with cities around the world to create large-scale initiatives that help shift the trajectory of a city's economy. Delivery is essential to fostering sustainable and inclusive growth. It begins with a strategy that is rigorous, fact based, and market disciplined and builds from a city's existing assets. These are the competitive strengths that allow them to compete and lead in the global economy.

Successful implementation of an economic-growth strategy requires tapping into the talents of high-skilled workers, entrepreneurs, researchers, and visionaries and creating a base of effective anchor institutions and infrastructure. To do so, the community must be patient and resist the temptation to seek short-term, visible successes that may not build on the underlying economic strengths required for sustainability. Taking the long-term view also requires a commitment from the public, nonprofit, and private sectors alike. No economic development "playbook" can replace an understanding of local dynamics.

Here are some encouraging examples that illustrate how some cities are helping themselves through excellence in delivery:

**1. Identify high-potential economic clusters.** New York City is beginning to see results in its efforts to become an East Coast high-tech hub. Over the past decade, New York increased venture-capital activity by 2.8 percent a year, the only major US city to show such a rise. From 2003 to 2011, high-tech employment grew the fastest, 5.3 percent, of any of the 13 major industries surveyed. And digital leaders are buying in: Facebook, Google, and Twitter have all opened offices.

The key to this success is that New York's entrepreneurs, business leaders, and government have built on the city's intrinsic strengths and its foundation of existing industries. For example, entrepreneurs and businesses have leveraged proximity to the fashion industry to identify the trends that are contributing to the next wave of e-commerce (think of start-ups like Gilt). And it

is no wonder New York does well in ad tech and digital content, considering it is home to so many writers and artists.

The sector has also benefited from intelligent government support. The New York City Economic Development Corporation (NYCEDC) has developed ten incubators to give emerging businesses access to the services they need. NYCEDC has also financed a privately managed \$22 million fund aimed at early-stage technology start-ups, and it sponsors competitions and information sessions to identify and recruit talent.

While New York still has a long way to go compared with the competition in the Bay Area and Boston, the buzz is undeniable: there are twice as many members in New York Tech Meetup (23,000-plus) today than there were just three years ago. And the Cornell-Technion campus, a \$2 billion education-research institution designed to forge stronger links between entrepreneurs, academics, and the high-tech sector, may be a game changer. "The campus was set up specifically to increase the talent pool in New York City," Cornell president David Skorton told the *New York Times*, "to positively influence the New York City economy."



**2. Develop human capital.** Human capital is the single most important input for economic growth, but it must be properly developed and deployed. Getting this right requires paying attention not just to education and training, but also to what sectors are creating jobs. Chicago is learning that lesson. The city, which has been plagued with slow growth and low rates of entrepreneurship, suffers from several mismatches—between the skills of the unemployed and the jobs that exist: between where the jobs are and where the people are, and between training programs and employer needs. In short, Chicago is not using its human capital to the fullest.

Recognizing this, Chicago recently launched Skills for Chicagoland’s Future (SCF), a public-private partnership that aims to shrink the skills gap and help employers find trained workers. SCF has flipped the usual workforce model on its head by seeing employers as their customers and working to meet their needs. To make the right connection, unemployed people can use the program’s Web site to register their skills, and local training programs are tailored to specific employers. Matches are tracked.

The program is still new, and it is starting small, with a goal of placing 2,000 workers this year. But we believe that this is a move in the right direction.

**3. Improve innovation and entrepreneurship capabilities.** Buffalo was once, quite literally, powerfully innovative – it was a pioneer of electricity, tapping into the immense natural force of the Niagara Falls in the late 19th century. But in recent decades, it has lost its innovative verve. The region is home to an array of infrastructure assets and R&D institutions, particularly in health and life sciences. Yet local researchers earn fewer than 20 patents each year, and there were only 30 life-science start-ups arising from institutional intellectual property in the last decade.

Recognizing this, the city took stock of its strengths and weaknesses in a systematic way and created a long-term strategy for rejuvenation: the Buffalo Billion Investment Development Plan. One high-potential initiative is a \$50 million business-plan competition, the richest in the United States. While it will be supported by the public sector, successful delivery will require input from venture capitalists and entrepreneurs from within and outside the region. The idea is to get the word out

that Buffalo is open for business, change public perceptions, and attract talent and capital.

Executed well, such a competition can bring real results, as it did in Dortmund, an industrial German city with a history and economy similar to that of Buffalo (indeed, the two are “sister cities”). Dortmund’s business-plan competition, begun in 2000 and run by an independent entity, has generated 700 start-ups.

**4. Invest in the right infrastructure.** Density and transit-oriented development are sound principles for sustainable urban growth. Detroit might seem to be an odd choice to illustrate these principles, considering it is so strongly associated with the car. Moreover, Detroit’s economic challenges are well known. Its city center has been hollowing out, in part because of the absence of coherent transit-oriented development, and the state just sent in an emergency manager to oversee the city’s operations.

Based on research and experience working with cities around the world, we have seen that it is possible to implement large-scale initiatives that can shift the trajectory of a city’s economy. In this regard, it will be worth watching Detroit’s M-1 Rail Initiative, which is intended to stimulate development and foster a “revitalized, livable, walkable, and vibrant downtown.” The initiative is being financed by a partnership comprising the federal government, which has granted \$25 million (as of January 2013) for the initial 3.3-mile light-rail/streetcar route; the city, \$9 million; and the private sector, more than \$100 million, most of it from the Kresge Foundation, but with large sums from local employers. State and local governments have chipped in expertise and other kinds of support, such as land easements, construction coordination, tax credits, governance, permits, and the creation of a regional transport authority. The first passengers could board in 2015.

In sum, if any of this was easy, everyone would be doing it well. But it isn’t. In each of these examples, the public, private, and nonprofit sectors worked together, supporting one another’s efforts. They did so in different ways, with different players taking the lead. That makes sense; needs and capabilities vary. But the larger point is the same: sustainable growth requires participation across sectors to address a comprehensive set of economic drivers. ■

# 2. Scale what works

Beatriz Perez and Guy Wollaert  
Nitin Paranjpe  
Salman Khan and Jessica Yuen  
Michael Schlein  
Yvette Alberdingk Thijm

ENTERED



# Soda pop and vaccines Leveraging consumer supply chains to promote public health and economic uplift

Beatriz Perez and Guy Wollaert | The Coca-Cola Company

**Margaret Kungu, a wife and mother of three, is a mango farmer in Kenya. A few years ago, she was struggling to find buyers willing to pay a fair price for her fruit. At the same time, The Coca-Cola Company was importing a lot of fruit to Africa—an expensive and energy-intensive endeavor.**

So we teamed up with a prominent foundation and a leading development organization to launch Project Nurture, an \$11.5 million program to give smallholder fruit farmers in Kenya and Uganda access to funds and training to support more sustainable farming, record keeping, negotiating skills, and marketing. Today, Margaret has 2,000 mango trees on a 25-acre farm and is one of about 42,000 farmers that Project Nurture has trained to date.

Every week, Coca-Cola delivers to more than 20 million retail outlets in more than 200 countries. These deliveries don't just drive our business. They also provide opportunities to enhance the well-being of the individuals and communities we serve. Working to make a difference in our world is our responsibility and our privilege. That's because along with having one of the largest distribution systems in the world comes the responsibility to use this network to do what we can to generate positive social outcomes in a sustainable way.

That means we have to look at our supply chain differently. It's far more than a fleet of trucks and a distribution network from the bottling plant to store shelves. It's also a network of highly skilled individuals who are investing in their communities by working to address climate change and water challenges, creating economic opportunities for women, supporting physical-activity programs for millions, and volunteering as coaches, mentors, civic leaders, and much more.

A few years ago, a well-known philanthropist wondered how Coca-Cola could deliver beverages daily to remote African villages, while it took other organizations 30 days or more to deliver life-saving medicine to the same locations. The human

cost was incalculable. Doctors and nurses were receiving spoiled medical supplies and vaccines, the wrong medicine, or—in many instances—nothing at all.

In 2010, we helped create a public-private partnership designed to assist Tanzania's state-run medicine-distribution network in building a more efficient supply chain. We worked to improve the delivery of critical medicine to rural communities by developing training programs and helping to redesign planning and procurement processes. Working with our partners, for example, we collected data on the location and functional status of some 5,000 public-health facilities in Tanzania and fed it into an Excel-based tool that we developed to help optimize medicine-delivery routes.

The collaboration appears to be working. Data released by the Clinton Global Initiative in 2012 showed that average delivery times have fallen from 30 days to 5. Patients are getting the right vaccination 80 percent of the time, up from 50 percent two years earlier. We are now looking to expand this program to Ghana and Mozambique.

Programs like these are successful partly because we've realized that our supply chain includes everyone and everything that touches the product as it travels from bottling plants to consumers. Local distributors, for example, are often the most entrepreneurial forces in their communities. They create jobs, invest in new equipment, and support local ventures.

Providing opportunities that enable this entrepreneurial spirit was one of the big motivations behind our Micro Distribution Center (MDC) program, which provides training, loans, and



networking assistance to distributors of our brands. Today, the program supports more than 3,400 MDCs that directly employ more than 19,000 people, including many women. That's important because we consider women's entrepreneurship essential to building thriving communities, which in turn helps grow our business.

To a similar end, we established "5by20," a program designed to economically empower five million women entrepreneurs—distributors, retailers, artisans, recyclers, and others—across our global value chain by 2020. A great example is Preeti Gupta, who lives near the Indian city of Agra. Preeti and her husband borrowed money from a bank and from relatives to open a shop that sells grains, snacks, and beverages, along with other household goods.

We provided the Guptas a solar-powered cooler that can chill two cases of beverages. The cooler also has outside ports to charge solar lanterns and mobile phones, creating a literal lifeline to the outside world for a community that cannot depend on having electricity every day. Preeti can now offer her customers cold beverages, even when the power goes out. She can also keep her shop open after sunset and provide light for her children to study at night.

The value of our supply chain might best be understood in how we source and use one of our most important ingredients—water. We recognize that water is a precious resource, and

we've made changes in our operations to conserve it and set an aggressive but achievable goal to replenish it. By 2020, we aim to replenish 100 percent of the water we use in our finished beverages.

One of the ways we'll do that is by helping to provide safe water to millions of people. Through our Replenish Africa Initiative (RAIN), we plan to provide two million people in Africa with access to clean water by 2015. This \$30 million program will cover every country in Africa and include more than 100 projects in all.

RAIN-funded projects improve sanitation and hygiene, increase productive use of water, and protect watersheds. To date, RAIN has provided access to safe water to an estimated 1.36 million people in 28 African nations. In addition to the positive health implications, this has helped farmers increase crop yields and reduce their environmental impact.

We know there's more to be accomplished and so much more we can do together with our consumers, customers, and partners. To make that a reality, we'll continue to leverage our supply chain to drive our business while enhancing public health, building strong communities, and protecting the environment. That's the intersection of doing well and doing good. We're privileged to share this value with our consumers and communities. □

# Human capital

## We need business models that blend profit and sustainability

Nitin Paranjpe | Hindustan Unilever



**There was a time when the word “green” referred mainly to the environment. Today that canvas has grown to encompass a host of issues beyond resource utilization, including fairness, transparency, and equity. This green dynamo is gathering strength in the hearts and minds of millions, including many who are economically deprived and do not have access to better standards of living.**

The international community has struggled to address these widespread concerns. We hear plenty of rhetoric about the importance of sustainability but do not get nearly as much action. Many companies and sovereign nations have remained passive because they fear that action will cause them short-term, personal pain in exchange for nebulous and generalized gains sometime in the distant future.

This tendency has produced a widening gap between how businesses work and how society increasingly expects them to work. It's no surprise that surveys across the world indicate a rapidly declining public trust in business. The 2012 Edelman Trust Barometer reported that fewer than one in five respondents believe business leaders will act ethically when confronted with difficult issues. The Occupy Wall Street movement, which emerged from the heart of the capitalistic world, is another indicator of the deep divide that has taken root.

At Unilever we recognize that existing models of economic growth are becoming increasingly unsustainable because we lack the resources to power them endlessly. Yet we must grow to meet rising demand as millions of formerly impoverished

consumers start exercising their right to better living standards. Their needs cannot be brushed aside just because more developed segments of the global economy have overused or exploited the environment.

The answer lies not in condemning and slashing consumption but in finding new sustainable ways to meet demand. The new path must balance rising demand, scarce resources, and the growing power of consumers to hold companies accountable for their actions. The change will come sooner than we think. Who could have imagined that the frustration of a fruit-and-vegetable vendor in Tunisia would topple dictators in four countries? As our global CEO Paul Polman has noted, if national power structures can fall in a matter of days, brands and companies can disappear in nanoseconds.

Business leaders have every incentive to create sustainable growth models now. If we don't do it, we'll sink. Moreover, we believe companies that figure out how to grow sustainably will have a real competitive advantage. We have no reason to believe that pursuing sustainability is bad business. It can be a driver of huge success and simultaneously have a positive impact on people and the planet.



That's why Unilever articulated the Sustainable Living Plan, which committed us to developing a new model of business that would decouple growth from resource use and have a positive impact on society. The plan commits Unilever to growing our business while:

- Halving our environmental impact
- Encouraging a billion global consumers to adopt healthier, more hygienic lifestyles
- Ensuring that 100 percent of our agricultural raw material comes from sources that independent agencies have certified as sustainable

When these goals were first announced in late 2010, they generated great excitement within Unilever—but also a degree of nervousness and concern. Many of us wondered how we would get there. Others feared that these commitments would act as constraints that could compromise our competitiveness.

But our plan was public; the commitments had been made. This created a sense of urgency and a new mind-set. More than two years into the journey, we are convinced that it's indeed possible to do good business and also achieve our broader societal goals. Today, our teams are more energetic and enthusiastic than ever. We are selling more Lifebuoy soap than before while promoting good health. By fighting preventable diseases, we are giving our businesses a new sense of purpose and direction.

The success of Hindustan Unilever's Pureit range of water purifiers shows that it's possible to build an entirely new business segment by providing cheap, clean drinking water to millions of consumers who lack electricity or a flowing tap. Both Unilever and our customers profit as a result. The Shakti program is expanding our reach in the media-dark hinterland and also providing a livelihood to women who take our brands to remote villages, selling our products and building a new market.

But this is only the beginning. We need many more such examples, and we must find them faster while at the same time delivering growth that is consistent, competitive, and profitable. We can find the right answers. The question is whether businesses can find the right leaders to push for those answers. We need leaders with the courage and conviction to take bold action ahead of others. □



# Turning school upside down

## How to bring quality online education to a global student population

Salman Khan and Jessica Yuen  
Khan Academy

**From the outside, it is a nondescript building in downtown San Jose, California. But inside, 20 ninth- and tenth-grade students and seven educators are creating a new educational paradigm. Armed with individualized plans, students leverage Khan Academy, a pioneer of Internet learning, and other online resources to learn math at their own pace. They choose what topics they learn and when they learn them. Educators use real-time data to coach students and monitor progress, but students drive their own progress. When students get stuck they can attend a small group lesson led by a teacher, ask a peer for help, or connect with a teacher one-on-one. When they've mastered a set of concepts, students line up eagerly to prove their knowledge. (Yes, they are lining up to take tests!)**

While this may seem like an unusual approach to learning, it's a typical day in math class at Summit San Jose, a charter high school where a team of educators has constructed both a new classroom and a new model for teaching and learning math. At the heart of this model is a reimagined educational experience grounded in mastery-based, personalized learning. It mirrors our own objectives for education at Khan Academy.

Summit's focus on student-driven learning aims to accomplish two critical goals that formal education often neglects. First, students learn at their own pace, taking the time to fill in the holes in their knowledge to ensure a strong foundation. Second, they learn how to learn. According to research by the MacArthur Foundation, 65 percent of students starting grade school today will end up doing jobs that have not yet been invented. In the 1980s, the Internet was a distant concept for most of the world. Today it's a core component of many jobs. It has become clear that teaching students how to learn is just as

important as what we teach them. In a rapidly changing world, students who are equipped to learn new skills will fare best.

At Khan Academy we're focused on creating high-quality, comprehensive educational resources that individuals of any age can use to learn at their own pace and that schools like Summit can deploy to support student-driven classroom experiences. Khan Academy started out as a way for an eccentric former engineer to tutor his cousin remotely. Since those early days we've evolved into a free educational site featuring conversational videos across diverse topics—from math and science to art history and finance. We offer math problems with immediate feedback and step-by-step hints, and a computer-science platform that encourages experimentation and creativity. Although the site's offerings have changed considerably since the early days, our mission remains the same: to provide a free world-class education for anyone, anywhere. It is a lofty goal, but one that seems uniquely possible at this moment in history, as the costs of distributing content at scale continue to decrease.

We're also excited to work alongside innovative organizations like Summit Public Schools to rethink in-person learning. Many students tend to accept the basic tenets of the education system, assuming that any problems they face are due to their personal learning limitations, not the system itself. To deliver a different experience, we must challenge the usual assumptions we make about education.

In the traditional model of education, we assign students grades to indicate what percentage of the material they have mastered. If a student earns a B, we say "good job" and begin introducing the next concept to her, even though she may be still shaky at best on 20 percent of the content. Over time, this leads to "Swiss cheese" knowledge gaps. Each class moves at a fixed pace and, as a result, we force students to build on rickety foundations instead of giving them the opportunity to master concepts at their own pace. If contractors constructed multistory buildings this way—completing only 80 percent of one level before moving on to the next floor—the upper floors would obviously be unreliable.

Analogously, students may resort to pattern matching and memorization as they reach the upper levels of learning because they lack the foundational knowledge needed for true understanding. In the current model, students have a fixed amount of time to learn new concepts. We accept that their mastery will be variable: some students earn As, while others make Cs or Ds. But what if we inverted these assumptions and gave each student the time needed to master concepts so that all students earned As? How much stronger would their foundations be? How much more could they go on to learn?

When we think of education this way it seems clear that age or time should not dictate when a student should learn a given topic. Learning fractions may happen at 6 years old or 15 and

could take two days or two months. The important thing is that the concepts are mastered.

Learning at one's own pace is not a new idea. Until recently, however, the tools to enable differentiated instruction to meet student needs were scarce. Many teachers prefer to personalize instruction and spend one-on-one time with students. Yet in today's system it's a huge challenge for even the best teachers to cater simultaneously to the individual needs of the 30, 40, or 50 students in their classrooms. While technology can't solve all the challenges of personalized learning, we hope that institutions like Khan Academy can enable teachers and students to achieve more customized learning experiences.

While we recognize that there are no silver bullets in education, we are in the early stages of cultivating a global population of engaged, self-directed learners who will be ready for whatever the future may bring. The journey is long, but we are hopeful. We look forward to building better tools that can help more students around the world learn deeply, at their own pace, whenever they want and wherever they are.

*Khan Academy (khanacademy.org) is an educational Web site that provides free online resources across a wide variety of content as well as rich data about a learner's growth. Founded in 2009, it has reached more than 75 million learners worldwide. Founder Salman Khan further explores these ideas in his book, *The One World School House: Education Reimagined* (Twelve, 2012). □*





# Investing in inclusion

## How to deliver financial services to the world's poor

Michael Schlein | Accion

**Modern financial markets exclude billions of the world's poor. That's a failure of those markets—and a failure of imagination. A more financially inclusive world would give billions of people living in poverty access to a full range of important financial services, yielding a high rate of return by economic, social, and societal measures. The challenge is how to achieve this in a responsible, sustainable way that provides the greatest number of people with the financial tools they need to improve their lives in the shortest amount of time.**

That is precisely the mission of Accion, a global nonprofit dedicated to creating a financially inclusive world. We operate in poor communities throughout Latin America, Africa, India, and China and see firsthand how these services help transform lives, create opportunities, and build stronger, more resilient communities.

As nonprofits, Accion and our peers can take chances that the private sector cannot. Over our 50-year history, we have helped build 64 microfinance institutions in 32 countries that today serve millions. In the last few years alone, we have supported institutions in rural communities such as the Amazon and Inner Mongolia and expanded the array of financial services for the poor beyond credit to savings, insurance, and payments.

One point is clear: philanthropy, though critically important, is insufficient to achieve full financial inclusion. We need to harness the capital markets and create institutions that deliver both social and financial returns. Though we are a nonprofit, we work to build sustainable, scalable, for-profit companies dedicated to serving the financial needs of society's most vulnerable members: those living in poverty.

Today, traditional lending institutions largely ignore the poor. And some nonprofit organizations discount the for-profit motives of the private sector, seeing them as exploitative

and off-mission. Neither view is accurate. In fact, for-profit microfinance is sustainable, scalable, and socially progressive—complementing nonprofit services and creating an entire industry of institutions that can compete for clients, expand access, and accelerate innovation.

Twenty years ago, Accion helped create Bolivia's BancoSol, which today is one of the world's best-known microfinance institutions. Its creation as a commercial institution dedicated solely to serving the poor was controversial, unprecedented—and a rousing triumph. As the world's first for-profit bank dedicated to serving the poor, BancoSol tapped the debt and equity markets, attracting both foreign investment and expertise. It focused on strong management and operations, better governance, innovation, and improved responsiveness to clients. To date, BancoSol has loaned more than \$2 billion to more than 1.5 million clients. It has a 90 percent client-retention rate and a 99 percent repayment rate. Its success has spurred competition and innovation in what is now one of the most robust microfinance markets in the world.

Accion also helped build Peru's Mibanco, which launched in 1998. Today Mibanco has more than 400,000 active borrowers and more than 100 locations throughout the country. Mexico's Compartamos Banco, in which Accion was a major founding investor, is equally impressive. Its operations grew so quickly





and efficiently that, in 2007, it launched an initial public offering with a monumental response. Thousands of other microfinance institutions were inspired by Compartamos' success, which in turn creates more competition and better services for the poor.

Accion is proud to have helped launch and grow these pioneering institutions, which are models for the world and whose collective outreach has brought financial services to millions who would otherwise be left out.

For-profit microfinance is also promising for investors. Take Accion Investments in Microfinance (AIM), a for-profit equity fund created in 2003 to provide capital to microfinance institutions (MFIs) working in challenging markets where such funding was typically unavailable. AIM was designed as a “double bottom line” equity fund, one that measured success in both profitability and social impact.

Over the past decade, AIM has produced annual returns of nearly 16 percent, making it one of the most successful microfinance equity funds ever. In the process, it helped build some of the strongest MFIs in the world, including BancoSol, Mibanco, and the Accion Microfinance Bank—the leading microfinance bank in Nigeria. Before AIM's investments, those institutions collectively served a total of 386,000 borrowers and 245,000 depositors. Today, they reach almost 1 million borrowers and 1.2 million depositors who might otherwise have no access to financial services.

The future of financial inclusion goes beyond traditional microfinance. We also embrace venture capital and technical assistance for start-ups, with bold, disruptive business models aimed at helping those living in poverty. For example, Accion is investing in companies such as DemystData, which leverages big data—huge sources of information that can be analyzed to

help financial institutions broaden their outreach to poorer clients. Others, like Tiaxa, use mobile technology to make small “nano” loans over the phone, which can help reach people living in remote communities. Still others are pushing the boundaries of inclusion, offering financial products such as life insurance to South Africans living with HIV/AIDS—an idea that was unthinkable just a few years ago.

Although it is still too early to determine the impact of these brand-new companies, they have the potential to have a significant impact on the lives of our clients. We need to invest in more fast-moving, innovative ideas like these. Although the financial-inclusion movement is rapidly evolving, it remains young and has much to learn. Growing pains are normal, but they must be addressed head on to strengthen the industry and inspire the next generation of institutions that will create greater opportunities for the poor.

Accion's Center for Financial Inclusion is a good start. It brings together industry players to tackle common challenges and create the conditions to achieve full financial inclusion on a global scale. For example, the center's Smart Campaign promotes the protection of clients through greater transparency, prevention from overindebtedness, and the provision of means to address concerns. In just three years, its client-protection principles have been endorsed by more than 1,000 microfinance institutions in 130 countries representing more than 60 million clients.

By building competitive, commercially viable financial institutions that provide a healthy return on capital and by taking bold risks and investing in innovative ways to expand financial services to the poor, Accion and our partners are spurring new opportunities and sustainable progress throughout the developing world, and helping to bring billions more into the global economy. That is how change happens! □



# Your cell phone can change the world With proper authentication and distribution, citizen media can advance human rights

Yvette Alberdingk Thijm | WITNESS

**As the leader of WITNESS, a human rights organization that was rocketed into existence 20 years ago by a piece of media (a bystander's videotape of Rodney King being beaten by members of the Los Angeles Police Department), I firmly believe that visual media can accelerate social progress. We have proven that a personal, visual story is an effective human rights tool and has the power to change policies, laws, and behaviors.**

Personal, visual stories created with our partners in the Democratic Republic of the Congo helped put a warlord behind bars and caused a decline in the mobilization of children as soldiers in armed conflict. In those days, our tools of choice were a projector, a generator, and a white sheet on which we screened our films at community meetings. Today, our tools are smartphones running advanced software. As an entrepreneurial nonprofit that operates at the intersection of media, human rights, and technology, we have learned to adapt quickly when opportunities surface because of new technology or advances in digital-media literacy.

Our experience training grassroots activists in the use of video to achieve their social-change goals has shown that visual media must be infused with "superpowers" to live up to their potential as change agents. First, technology that can be used to authenticate digital-media records of human rights abuses is needed. Citizen-shot video sent to newsrooms, human rights organizations, and courts of law often lacks vital information needed to authenticate the story, such as who shot it, the surrounding context, and



reliable data that can answer the question, “Is this for real?” That’s why we worked with our software-development partners at The Guardian Project to create InformaCam, the first mobile app designed to authenticate digital media.

Second, there need to be policy environments where citizen media are valued and accepted. For example, the International Criminal Court is currently flooded with video records of atrocities in Libya and Syria, mostly shot by citizen observers on the ground. Yet the court still lacks a clear, consistent standard for accepting citizen media as evidence. To address this problem, we are promoting a metadata standard for video that we hope will incline courts worldwide to trust video evidence provided by eyewitnesses to human rights abuses.

Third, important stories must be preserved and distributed to the right people. In partnership with YouTube and Storyful, we’ve launched the Human Rights Channel, a customized space where citizen videos are curated and contextualized. We’ve also urged YouTube to incorporate functionalities that protect the safety and anonymity of all its users, including human rights activists. YouTube has taken steps to address these concerns in the latest release of its online-video editor.

The fourth superpower is digital-media literacy skills that help citizen witnesses use media more safely and effectively. There are many organizations working in this space, including MobileActive and Tactical Technology Collective. Here at WITNESS, we’re developing training materials such as tip sheets and short videos and making them available online.

Here’s why these super powers are so important: today, when a young citizen climbs on a rooftop and pulls out her mobile phone to capture video of security forces murdering her neighbor, her access to media doesn’t by itself create accountability or lead to a more just society. Quite the opposite: if she or the location from which she uploads the video is identifiable, that data may allow the regime to arrest or even kill her. In a country like Syria, the mere fact that she is holding a camera makes her a priority target for snipers with orders to shoot citizens who film.

If she’s lucky enough to survive and find a way to distribute the video, it might end up on YouTube or on a Facebook page. That piece of media may galvanize a public outcry against the atrocities

that are happening—on our watch and in real time—particularly if amplified and distributed by mainstream media outlets such as CNN or the BBC.

Even from that point, though, there are many stumbling blocks on the way to social progress. If our observer’s online video account is compromised, the results of her bravery may be lost forever. Her service provider might remove the video as a violation of its terms of service. The video could even be taken down at the request of a repressive government invoking one of the many laws that curtail free speech worldwide.

Let’s assume her video makes it to a platform where it can, theoretically, be seen by millions. How will the video emerge from the melee of visual images that hit our retinas every day? If we do see it, how will social progress happen from that moment on? The answer is not always clear. For example, the jury is still out on the impact of the infamous “Kony 2012” video, which exposed the numerous atrocities perpetrated by Joseph Kony, leader of the Lord’s Resistance Army in Uganda, and garnered millions of online views last year.

For any citizen video to achieve maximum impact, it needs to reach the right decision maker: a court, a body of the United Nations, or a mobilizing movement of young voters. Then it can change the hearts and minds of people with influence. When all these conditions are fulfilled, citizen videos can become powerful catalysts that move people to act, thus realizing their enormous potential as tools for human rights and social progress. ■

# **3. Issue focus: Health and hunger**

**Muhammad Ali Pate  
Jamie Oliver  
Julia Martin  
Andrew Youn  
Steve Davis and Anurag Mairal  
Feike Sijbesma  
Helene D. Gayle and Christina Wegs**

**BILLED**

# A healthcare vision for Nigeria

## We can save a million lives by optimizing the delivery of basic medical services

**Muhammad Ali Pate** | Minister of state for health, Nigeria

**In December 2012, I visited several rural communities in northwestern Nigeria to assess the impact of our renewed efforts to improve the delivery of basic health services. One of our stops was a settlement of Fulani nomadic pastoralists, located far from the nearest road in Katsina state. We drove several kilometers into the bush, following cattle tracks. The settlement comprised huts built out of corn stalks. There were several children running around barefoot, with goats roaming freely and a strong stench of animal dung. There was no water, no toilets, no electricity, no school, and no clinic nearby.**

In such an environment, every day is a struggle between life and death, particularly for children and women. There is a dearth of simple, cost-effective medical interventions that could save children from diarrheal diseases, malaria, or pneumonia. Women lack access to antenatal care and skilled attendance at delivery. The visit reminded me that despite recent progress toward improving health outcomes in Nigeria, more work remains to be done.

The death rate of children under five, for example, has been dropping at an annualized rate of 4.8 percent over the past few years. This rate will need to double for Nigeria to achieve the Millennium Development Goal of reducing child deaths to two-thirds of the 1990 rate by 2015. Every year, pneumonia, diarrhea, and malaria claim the lives of about 596,000 children in Nigeria. That's 55 percent of total child mortality; these diseases account for 16 percent, 19 percent, and 20 percent of all under-five deaths, respectively. This situation is clearly unacceptable because simple, affordable, effective remedies exist for all these diseases.

For each of the program areas, we estimated the coverage gap and calculated how many lives could be saved by closing the gap in each state of the federation. In the case of childhood pneumonia, diarrhea, and malaria, we learned that the proportion of children who receive appropriate treatment in

Nigeria stands at less than 30 percent for all three diseases (according to the 2008 Nigerian demographic and health survey). This poor coverage exists not only in the public health-services-delivery sector but also in the private sector, where more than 41 percent of Nigerians seek care outside the home for childhood illnesses. While there are barriers to appropriate treatment for each disease, there are also significant cross-cutting barriers that hinder access to treatment across all three diseases.

Significant inequities also exist in access to and utilization of critical-care services. When we compared the highest- and lowest-wealth quintiles, we found two- to threefold differences in access to medical treatment of fever, acute respiratory illnesses, and diarrheal diseases. The inequities are even more pronounced for other services such as full immunization coverage, antenatal care, and skilled birth attendance. The burden of morbidity and mortality from preventable diseases and conditions is disproportionately borne by the poorest members of our society. It follows logically that these illnesses may also contribute to further impoverishment.

### **Our healthcare vision**

We have outlined a vision for the Nigerian health sector that focuses on the ultimate goal of all healthcare activities—saving lives. Given the size of our population and the prevalence of





preventable diseases, it is clearly possible to save at least one million lives over the next three years by expanding access to well-known, cost-effective interventions.

This new approach requires shifting our mind-sets in two areas. First, we must focus relentlessly on the priorities and outcomes that matter. Second, we need to focus on delivery, which I define as the art of getting things done. We have identified healthcare priorities based on data from our latest demographic and household survey, as well as other tools. It is clear from the data that we need to focus on improving maternal and child health. We must expand access to immunization against polio and other diseases that can be prevented by vaccination. We need to stop mother-to-child transmission of HIV. We must expand our malaria-prevention and treatment programs. We need to deal aggressively with diarrheal diseases, pneumonia, and malnutrition. Finally, we must improve our healthcare logistics and supply-chain-management systems.

Several efforts will be necessary to improve delivery in all these areas.

#### Address demand-side challenges

Health programs that only focus on supply-side interventions—for example, medical professionals, commodities, and facilities—miss opportunities to close

what are often sizable gaps in demand for health services. We must unlock demand for maternal and neonatal health services. About 60 percent of pregnant women in Nigeria seek antenatal-care services. Only about a third of women give birth in medical facilities, according to Nigeria's last demographic and health survey. Meanwhile, unsafe pregnancy, birth, and postnatal care are among the biggest killers in Nigeria. By our estimates, more than 30,000 Nigerian women die each year due to complications from pregnancy and delivery. About 70 percent of these deaths are due to preventable and treatable causes.

Another 400,000 neonates die each year, also largely due to preventable causes. We cannot simply deliver health interventions and assume that women will use them. We must create incentives and reduce financial barriers so that women can access the services they need to keep themselves and their newborns healthy. In January 2012, the government of Nigeria, under the Subsidy Reinvestment and Empowerment Programme (SURE-P), launched a pilot conditional-cash-transfer program to offer incentives to pregnant women and new mothers to use maternal and child health services in primary health clinics. SURE-P will implement cash transfers in nine states across Nigeria's six geopolitical zones this year, representing the first demand-side health intervention at scale in Nigeria.



### **Deploy effective technologies**

Appropriate technology can dramatically increase the impact of our healthcare programs. Consider our emergency polio-response effort, in which we are deploying GIS/GPS technology to enhance data collection and focus our programmatic responses. We are using GIS technology to map and identify settlements missed by previous polio-vaccination efforts, improve polio surveillance, and track immunization teams in the field to ensure that they cover all households.

As a result, we are able to immunize many more children against polio. Despite the recent tragic killings of polio-immunization workers by gunmen in northern Nigeria, I am confident that this technology will play a central role in our effort to interrupt transmission of the wild polio virus in Nigeria this year and eradicate it by 2015.

### **Use data to drive fact-based decisions**

Good data are an absolute prerequisite of effective delivery. With timely, high-quality data, we can focus our interventions and guard against actions based on unrepresentative anecdotes. Our SURE-P maternal and child health program has a dedicated data-collection function that provides program managers with reliable and timely information. Each month, the program deploys monitoring and evaluation officers to primary health facilities to collect data. They report data to liaison officers in each state, who send data on to the central program team in Abuja. This provides crucial, regular insight into what's happening on the front lines so that the program team can identify issues that need further attention and intervention.

### **The road ahead**

To save as many lives as possible, we must improve coordination of healthcare efforts undertaken by various states and development partners, as well as partners in the private sector and civil society. We need robust data systems that can collate, analyze, and synthesize program information from various sources and feed it to decision makers. Given the scope of our ambition, we also need a dedicated team in the program-delivery unit with the right attitudes, skills, and mind-sets to drive results.

How will all this work deliver better healthcare to underserved communities such as the Fulani settlement I visited in December? We need to mobilize community leaders and civil-society organizations to increase demand for healthcare services. Local government officials must be equipped with planning information, sufficient vaccines, and essential therapies such as zinc/oral rehydration salts to treat diarrheal diseases. Local health workers and state officials must be provided with accurate information on service coverage and held accountable for achieving better healthcare outcomes. Finally, the federal government must support the states with technical assistance and medical supplies.

It is indeed possible to save millions of lives that might otherwise be lost to preventable causes. To succeed in this vital work, we must focus on outcomes, pay relentless attention to detail in implementation, and track results consistently. □

# How to create a food revolution

## Grassroots activism can inspire a global audience to live and eat better

Jamie Oliver | Better Food Foundation



**It's 2013, and we live in a world where the majority of us have a broken relationship with food. There are around two billion undernourished people but also more than one billion who are dangerously overweight or obese, and that number is going up. If you're reading this in the United States or the United Kingdom, then congratulations: you live in one of the unhealthiest nations in the world.**

The question is no longer how we got here, because any intelligent person with one eye on the media will know the answers. The question now is, "What can we do about it?" I don't pretend to have all the answers, but the people power of last year's Food Revolution Day is an example of what can be achieved by harnessing the passion and dedication of a small but growing handful of food ambassadors globally—more on this later.

Meanwhile, if you're a national government, apparently it's a hard question to answer. First Lady Michelle Obama has asked us to get off our sofas in her Let's Move campaign, and there have been other widely publicized health initiatives led by high-profile people—including myself. But as for an actual plan from any national government, we're still waiting.

I believe that even the best governments can only think short term—as far as the next election or, at best, the one after that. Big problems that will take decades to solve are overwhelming, and the likelihood is that by the time things get really bad, the other guy will be in power. So I'm pretty sure a lot of them think that big solutions can wait. They can't.

We're at a particularly dangerous time in the United Kingdom. The latest figures from our National Health Service show that two-thirds of adult men are now overweight or obese. More worrying still are the figures for children. In the United Kingdom, 22 percent of our kids are overweight or obese when they start school at age four or five; by the time they leave primary school at 11, that figure rises to 33 percent. What chance do these kids have of turning their lives around when two to three generations of parents have lost the ability to feed themselves and their families properly, using the basic life skills that our great-grandparents took for granted?

If we look to the future, we see projections of expanding waistbands, worsening health, poorer quality of life for billions of people, completely overwhelmed health services, and less productive workforces. Is this the future we hoped for? Of course not. But it is the future we deserve unless we take urgent action.

It's not too late to make a difference. There is a solution, and I think it's actually a pretty simple one that every single person reading this can get involved in right now. As a campaigner and a food lover, but most importantly as a father (and hopefully one day a grandfather), I cannot stand by and watch this global



health disaster unfold. That's why I believe passionately in food education and in the power of people and communities all across the world to get together to make positive changes.

I believe that every kid in every school deserves to learn the basics about food: where it comes from, how to cook it, and how it affects their bodies. These life skills are as important as reading and writing, but they have been rapidly lost over the past few generations. Food education should be a legal requirement in every country. I've always loved the idea that some of the most delicious food and, honestly, the happiest families come from some of the poorest countries. What truly makes them rich is their knowledge, and that's why it's a crime that any country involved in this current health epidemic doesn't have mandatory cooking lessons, decent food on offer for breakfast and lunch at school, and sufficient physical education. I know that with one e-mail, education ministries in many countries could get small chunks of food awareness wrapped around every single subject that's taught in school.

We've recently received some good news in the United Kingdom, where the government announced a new program of mandatory cooking lessons in school for kids aged 7 to 14. I'm waiting to see the detail, but in principle this is a huge and important step.

We know that cooking classes inspire kids. In 2011, the University of Southern California's Keck School of Medicine and Childhood Obesity Research Center evaluated some of the food-education programs we were running from our "Big Rig" mobile kitchen. Their study showed that the vast majority of kids grew more confident, were more likely to help make dinner at home (and so watched less TV while eating), and ate fewer meals in the car. Some 92 percent of the students felt that learning about nutrition was interesting, 82 percent agreed that they would try to cook the meals they had learned to cook at home, and 96 percent said they were happy they had taken the class.

Meanwhile, anecdotal evidence from the Ministry of Food centers that I launched in Australia and the United Kingdom suggest that the majority of adults who complete our healthy-cooking courses are saving money, losing weight, and gaining confidence—and often new friends—through the easily acquired knowledge of how to cook from scratch, as opposed to relying on prepared meals and takeout food.

A few generations ago, our great-grandparents knew how to stretch the family budget in tough economic times by buying cheaper cuts of meat, baking their own bread, and making the weekly groceries last. These days, too many families lack that knowledge. They end up spending more on supposedly cheaper, less nutritious prepared meals and bread full of additives. We need urgent action, and workplaces and communities can play a huge part. If your staffers can feed themselves properly and love cooking delicious, nutritious meals, then of course they'll

be healthier, more productive, and happier. Don't we all want employees who are fitter for business and take fewer sick days?

The sustainable transformation of individuals, families, and communities doesn't come from one action. Everything has to change, everyone must contribute, and everybody needs to be open-minded about change. It's not easy, but that doesn't mean individuals can't lead the way. Of course, governments and other large organizations need to step up, but there's no reason better food choices can't start with individuals—and be fun.

I believe big change happens when lots of people get involved. That's why I started Food Revolution Day last year. The idea is to set aside a single day each year for people worldwide to raise awareness about food education. It's not specifically designed to send a message to governments—most don't listen anyway—but to be the start of a grassroots movement. I believe Food Revolution Day can grow to become a catalyst for all those wonderful campaigners, chefs, teachers, doctors, parents, bloggers, journalists, and kids all over the world who want to eat better or who already know how to eat well and want to share their valuable knowledge.

Sharing is the key, whether you're a grandparent or parent teaching your kids, a chef or food educator teaching in your community, or even a good home cook who wants to pass on your knowledge to your friends at work. Big change starts with little changes on a local and personal level. Before you know it, you're part of something huge.

We launched Food Revolution Day on May 19, 2012. Amazingly, we sponsored 1,000 events, big and small, in 664 cities around the world, all hosted by passionate, brilliant people who cared. In San Francisco, a group of volunteers offered public tours of a local farmers market. Participants received valuable tips on how to buy and cook local produce. That night, the tour guides hosted an event at IDEO, a design and innovation consulting firm, that gathered a larger group of foodies and techies in the hope of forming lasting relationships. In Hong Kong, a group of local food bloggers and volunteers put together a successful cooking class, inspiring hundreds of local people. And in Milan, local Food Revolution ambassadors organized a huge range of events, from dinners to cooking classes.

One year later, we've made great connections and have begun to empower Food Revolution ambassadors across the world who care deeply about good food and want to share their knowledge with others. We now have ambassadors in 71 countries, and the number is growing. These are passionate folks who believe that food education can change lives for the better.

We're doing Food Revolution Day all over again on May 17 this year, and it's going to be bigger, better, and louder. We're going to keep on doing it until we're so loud that governments will have to listen. Please join us; you, too, can change the future. □

# How to win the fight against HIV/AIDS

## Coverage, quality, and country ownership are the key ingredients of sound delivery

**Julia Martin** | Office of the US Global AIDS Coordinator

Since its inception in 2003, the US President's Emergency Plan for AIDS Relief (PEPFAR) has been the dominant development and humanitarian assistance program for the global HIV/AIDS response. Its goal then was to provide an emergency response to the global AIDS epidemic that was wiping out a generation of individuals and reversing important health and development gains in Africa. Its goal now is to ensure that the results realized over the past decade are protected and expanded.

Scientific advances and their successful implementation have brought the world to a tipping point in the fight against AIDS. By expanding coverage of core HIV prevention and treatment services while maintaining the quality of those services, we will continue to drive down new HIV infections and sustain the lives of those already infected. By making smart investments based on sound science and shared global responsibility, millions of lives can yet be saved and an AIDS-free generation achieved.

Protecting results also means sustained action over time, for which "country ownership" is vital – meaning the countries who are at the front lines of the epidemic lead the response. Capitalizing on its mission-driven focus and strong disease-specific funding, PEPFAR is uniquely positioned to be an effective catalyst for country ownership by supporting local leaders as they work to treat existing infections and prevent new ones in their own countries.

Ten years ago, hospitals were completely overwhelmed by the massive volume of dying people. In the absence of antiretroviral treatment, very little could be done to save them. HIV affected the core of societies. It created millions of orphans, disproportionately affected women and girls, and threatened economic development. The founders of PEPFAR believed that with sharp focus, speed, and significant disease-specific

funding, the instability in Southern Africa caused by HIV/AIDS could subside.

HIV treatment was clearly central to the emergency-response equation, although many argued that it was impossible to deliver complex HIV treatment regimes safely in countries with inadequate public health systems. PEPFAR was launched as a proof-of-concept global health effort to show that comprehensive HIV prevention, care, and treatment could be achieved in disease-burdened countries with limited healthcare delivery options. We established treatment sites, set up supply chains, supported testing and counseling, and began to prevent mother-to-child transmission of HIV. Along with many other activities, these steps have saved millions of lives in the 60-plus countries where PEPFAR works.

The foundations of a response are now in place, and the pace of the HIV epidemic has slowed. PEPFAR has evolved to a natural next phase of helping countries build long-term, sustainable HIV responses. Investments in public health systems have created improvements in clinic infrastructure, healthcare worker training and formal education, laboratory capacity and



quality, supply-chain management, and health policies that allow for smart service delivery. These important investments have been prioritized for funding along with direct support for HIV prevention and treatment services.

From PEPFAR's perspective, country ownership requires a fundamental transition from aid to coinvestment. This involves a purposeful shift from a PEPFAR-led and funded program to an integrated program led by the host country. It requires a smooth transfer of the program's management, implementation, and ownership to the intended host-country recipient. The goal is to achieve a mutually beneficial technical partnership between PEPFAR and the partner country. It means relying more on host-country systems and organizations, emphasizing mutual accountability and transparency; improving coordination with other donors, nongovernmental organization, and the private sector; and making sure that PEPFAR investments are predictable and sustainable.

We conceptualize country ownership along four dimensions: political leadership, institutional and community ownership, technical capabilities, and mutual accountability, including finance. Country ownership is best advanced by progress along all four dimensions.

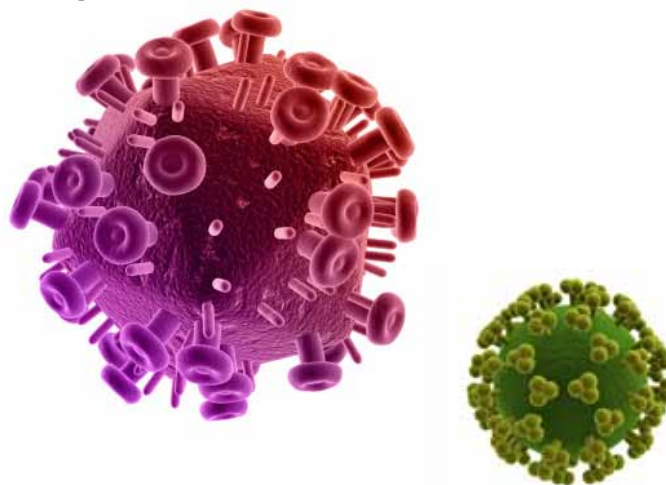
Strong political leadership allows sound, science-based health policies and strategic plans to be developed. Institutional and community ownership of an HIV response becomes the foundation for implementing HIV programs with significant impact. Technical capacity enables the delivery of effective, high-quality programs.

Finally, principles of mutual accountability and joint financing ensure that decisions are jointly owned, problems jointly solved, and successes jointly shared. If we advance in these four core areas, we can broaden the coverage of HIV prevention and treatment service, protect the quality of services, and sustain service delivery over time. Coverage without quality and coverage without durability will not lead to an AIDS-free generation. The combination of all three can.

Successful country ownership requires governments, communities, civil-society organizations, and businesses that can lead, prioritize, implement and be accountable for

a country's health response. Success can be achieved with the support of donors, including PEPFAR. Our global efforts to foster country-owned and country-led HIV responses demonstrate a fundamental shift in orientation toward achieving sustainable health outcomes by leveraging the country's ability to achieve better health and security for its own people. PEPFAR will continue to foster country ownership by investing in high-impact, evidence-based programs led by our partner countries. We will also maintain technical cooperation with all countries involved in the fight against HIV/AIDS.

Ultimately, a well-coordinated, country-led health response enhances efficient use of resources and contributes to the long-term sustainability of global health programming. Scientific innovation, combined with improvements in the delivery of effective services, have put the promise of an AIDS-free generation within our collective grasp. PEPFAR remains firmly committed to helping make an AIDS-free generation a reality. Reaching this goal, however, is a shared responsibility, requiring the commitment and leadership of partner countries and reinforced with support from donors, civil society, foundations, the private sector, and people living with HIV. □





## Ending hunger in Africa

We can help poor farmers double their harvests by eliminating distribution bottlenecks

Andrew Youn | One Acre Fund



**In theory, we ended poverty decades ago. Advances in health, financial services, and technology have illuminated a clear development path for the poor. Unfortunately, development theory alone never fed a child. The great challenge now lies in the hands of the entrepreneurs who must distribute these interventions across vast areas with no infrastructure.**

Advances in seed and fertilizer technology have helped double farm productivity in many regions of the world. Most African farmers still have not seen these benefits. For the 75 percent of Africa's poor who depend on agriculture for their livelihood, a doubling of the harvest would mean the difference between subsistence and profitability, hunger and surplus, and poverty and opportunity. Yet even the most basic agricultural technologies are not reaching a significant number of African farmers. There is a massive distribution failure.

One Acre Fund believes that the greatest humanitarian challenge of our era is to distribute life-changing technologies to the neglected rural areas where most poor people live. In agriculture, two primary barriers make distribution challenging. First, product distribution is difficult because the distances are vast and transportation logistics are often undeveloped. Second, rural areas operate in a total market void. Even where improved seed and fertilizer are available, fewer than 10 percent of farmers have access to credit, rendering the technologies unaffordable. And in the absence of training, farm inputs like improved seed and fertilizer are largely ineffective. These barriers make it difficult for new interventions to succeed.

One Acre Fund has developed a model for distributing agricultural technologies directly to Africa's poor farmers. We



have set up more than 800 rural market points that bring our services within walking distance of the people we serve. In Rwanda, for example, our market points will make our services available within walking distance to more than 50 percent of the population in the next four years.

We don't just dump off development technology and expect it to work. We provide small, \$80 loans that allow farmers to pay for our seed and fertilizer packages. We provide training, so that farmers actually realize improved productivity from these new technologies. And we help farmers to sell their surplus, so that they can move from subsistence to a commercial mind-set. Our market bundle produces hard results: on average, our farmers double their net farm profits within one planting season.

Since our inception in 2006, we have worked to scale our model as quickly as possible. In the past seven years, we have grown to serve 130,000 rural farm families across Burundi, Kenya, and Rwanda, with more than 600,000 children living in those families. Our local field staff is 1,300 people strong and drives our growth at a rate of 50 to 90 percent a year. Within the decade, we expect to serve more than 1.5 million farm families directly.

Across Africa, there is no shortage of opportunities for entrepreneurs as the continent continues along its explosive development path. In agriculture alone, we need thousands more businesses active in everything from agricultural-input manufacturing and distribution to business and consumer finance, weather and crop insurance, farmer training, market-price information, and crop storage. If you multiply those categories across two dozen different crop families in dozens of countries, it's clear that a breathtaking number of businesses must be created.

At the same time, we believe that the barriers to entrepreneurship are rapidly eroding. Although government is often seen as an obstacle to business formation, we believe it can provide great opportunities for social entrepreneurs, as well as for traditional for-profit businesses. By partnering with our host governments, One Acre Fund has seen significant opportunities to extend the impact of our work.

While many challenges remain, the possibilities are staggering. Along with our partners in government, civil society, and the private sector, we look forward to helping end hunger in Africa—not just in theory but in reality. □

# Translating innovation

## How to deliver new technologies for global health

Steve Davis and Anurag Mairal | PATH

**In the last several decades, the global health ecosystem has improved the health of millions of people by advancing technologies that are specifically designed to be affordable, accessible, and appropriate in resource-constrained settings. Many other innovative technologies, however, never achieve wide-scale impact. Why is this? While innovators have learned to incorporate needs-driven design into their technologies, they often lack the capabilities or means to overcome the many hurdles associated with the delivery and introduction of technologies in developing-world markets.**

At PATH—an international nonprofit health organization that develops and delivers high-impact, low-cost health solutions—we have found that well-designed technologies are just the beginning of effective solutions. For more than 30 years, we have used a multidisciplinary product-development process based on user needs, health-system requirements, and political and cultural environments. And we have learned that good design and development are only half of the battle. Success requires a concentrated focus on availability and demand. Our experience has shown that a range of complex factors—including individual opinions and behavior, engagement of the private sector, and public policy—can affect the uptake of a product. The technologies that achieve widespread adoption require effective delivery and generation of demand. When the global health community invests in downstream activities—such as strengthening or establishing distribution networks, navigating regulatory pathways, training healthcare providers, informing users, and advocating for policy change—success can be achieved.

Historically, there has been a significant gap between technology innovation and effective implementation. Stakeholders and decision makers do not always have the





resources, knowledge, or skill sets needed to overcome challenges inherent in low-resource settings. There are few viable business models that keep the products affordable and yet allow private-sector manufacturers and distributors to generate a profit. Moreover, global health markets are not predictable. Country governments face shifting priorities, limited budgets, and competing demands. Donors, who have been the primary source of funding for global health solutions, have traditionally supported the technology innovators and implementers but have not focused on the “translators”—the missing middle piece in a global health solution.

The environment is changing for the better, however. Participants in the global health ecosystem—donors, governments, nongovernment organizations, and corporations—have begun to focus on the challenges of translating innovations into viable solutions. Here is what PATH has learned about facilitating both availability of and demand for new health technologies.

Availability requires functioning distribution networks and regulatory approvals, both of which can be challenging. PATH has worked with private-sector partners, governments, and nongovernmental distribution channels to reach underserved populations. We have also worked with partners to help build evidence of safety, effectiveness, and acceptability of new technologies developed either by us or by our innovation partners. That evidence has been essential to obtaining approval from regulatory bodies.

This work is complex but has enabled the transfer of technology to manufacturing and distribution partners. For instance, PATH’s Woman’s Condom—a new female condom designed and developed by PATH and licensed to a Chinese manufacturer—was the result of a decade of work in design iteration, evidence gathering, and regulatory approvals.

Generating demand, especially for disruptive technologies for which the value proposition is not well understood, is another difficult piece of the global health puzzle. PATH and its partners have used a variety of promotional and communication strategies focused on health providers, community leaders, and end users to generate demand. Behavior-change communication—one of these approaches—has been useful in increasing the awareness of a new technology, transforming public perceptions and attitudes, and encouraging people to adopt healthier behaviors.

We can also boost demand for new technologies by carrying out economic analyses aimed at decision makers that demonstrate the benefits of these new technologies. Innovative marketing approaches, such as microlending, have been useful in some settings as well. For example, PATH’s Safe Water Project conducted a promotional campaign to help consumers realize that adopting a water-purification system in their home could help save their child’s life. In one country, PATH worked with microfinance partners to support purchase of the treatment systems. Both approaches led to a significant increase in product adoption.

For many technologies, generation of demand requires gaining the support of international stakeholders and country governments. To influence global and national policies and standards, it is necessary to demonstrate value by articulating the cost benefit, safety, and acceptability of a new technology. For example, it took PATH, the World Health Organization, and the United Nations Children’s Fund nearly five years to convince vaccine manufacturers to start using vaccine vial monitors (VVMs)—small stickers that adhere to vaccine vials and change color if the vaccine is exposed to heat. Since these indicators were introduced in 1996, more than four billion VVMs have helped ensure the effectiveness of vaccines administered in immunization programs and campaigns.

We are in the midst of a significant shift in global health: the global health community is working hard to make these successes more common. Donors and countries are demanding demonstrable impact. To achieve that outcome, we must invest as much in delivery as in the initial product design. To ensure that lifesaving technologies make a measureable impact on the health of the communities we serve, we must remain committed to translating innovation beyond design and development. □

*The following PATH colleagues contributed to this article: Steve Brooke, Michele Burns, Maggie Kilbourne-Brook, Neeti Nundy, Rachel Seeley, Jill Sherman-Konkle, and Gretchen Shively*



# A cure for hidden hunger

## Targeted micronutrient delivery programs can generate extraordinary social and economic returns

Feike Sijbesma | Royal DSM

**Consider this: while more than one billion adults globally are overweight and suffer from lifestyle-related diseases, two billion people go to bed every night suffering from hunger or hidden hunger, defined as a lack of essential nutrients. The effects of hidden hunger are rife in the developing world, where poverty and poor nutrition lock generations into a downward spiral of stunting, poor health, and economic hardship. The nutrition a child receives in the first 1,000 days after conception effectively determines whether it is blessed or cursed for the remainder of its life, irrespective of any future healthy diet.**

Malnutrition affects roughly half the world's population, with devastating physical, mental, financial, economic, and societal impact. We have reached two related conclusions at Royal DSM, a life-sciences and materials-sciences company with annual revenues of about €10 billion (approximately \$13 billion). First, we want to help end hidden hunger, an entirely solvable problem. Second, we understand that no single organization can achieve this goal by itself.

The social role of business has changed dramatically over the last century, given the vastly greater impact that companies now have on society and the world at large. With increased impact comes increased responsibility, rendering obsolete the old paradigm in which governments and international organizations were solely responsible for addressing social issues such as malnutrition. At DSM we believe companies have a responsibility to create value along societal, environmental, and economic dimensions, commonly known as People, Planet, and Profit.

However, today's global challenges are too large to be solved by any single organization or sector. In addition to malnutrition, they include ending poverty, improving public health, mitigating the unequal distribution and use of resources, addressing the threat of climate change, and developing alternative energy sources. The enormity of these issues will only increase as our population ages, becomes more urbanized, and swells to nine billion people by 2050. Public-private partnerships can magnify and accelerate the impact of the various partners, be they governments, companies, scientists, or NGOs. Building on core competencies to create shared value across a broad range of stakeholders is absolutely essential if we are to deliver value rapidly and at scale.

The 2008 Copenhagen Consensus meeting ranked micronutrient supplementation and fortification among the top three international development priorities. Combating malnutrition is not only a humanitarian imperative; it also yields enormous economic returns. Better nutrition can increase a nation's GDP by two to three percentage points. The Copenhagen





Consensus calculated that every US dollar invested in nutrition today would yield a return of at least \$30. As the world's largest manufacturer of micronutrients, DSM has embarked on a number of successful partnerships that we think are models for broader efforts down the road.

At the 2013 meeting of the World Economic Forum in Davos, DSM announced the extension of its six-year partnership with the World Food Program (WFP), the world's largest humanitarian organization dedicated to fighting hunger. Between now and 2015, we will work with the WFP to combat malnutrition and hidden hunger in the developing world. Together we seek to double the population that benefits from our work, from 15 million a year today to between 25 and 30 million by 2015. With the leverage provided by our WFP partnership, we believe that every DSM employee will be nourishing well over 1,000 people a year by 2015.

We need to ensure that hungry people receive not just food but also proper nutrition so that they can develop, learn, and contribute to their own societies. Our partnership with WFP has contributed to expanding the global food agenda from food security to food and nutrition security. Working in countries such as Afghanistan, Bangladesh, Kenya, and Nepal, we have improved diets by providing vitamins and other essential micronutrients. In the future, the partnership will target pregnant and nursing women, young children, and vulnerable households.

Working with the WFP, we have developed specific solutions for targeted populations. They include micronutrient powder sachets to enrich staple foods, and rice fortified with vitamins, iron, and zinc to prevent blindness. We have also developed healthy date bars and high-energy biscuits, all based on our proprietary food science. Throughout, we bring knowledge, proprietary science, nutritional ingredients and a worldwide presence to the table. The WFP and DSM often engage local food producers to make a biscuit or bar based on our ingredients and recipes. Leveraging the WFP's global distribution infrastructure, these nutritional products are delivered to needy populations in various ways. For instance, school-feeding programs encourage young children in countries like Bangladesh and Kenya to go to school where food is provided, instead of begging on the streets or working in factories or in the fields. These kids now receive nutritious meals while doing their schoolwork, a benefit that their parents rarely enjoyed.

In several countries, including Bangladesh, we provide MixMe sachets containing micronutrients that families can then mix into rice and other staple foods, and thereby have a healthy diet. We, DSM and WFP, have learned that it's essential to educate people on what these nutritional products are and how to use them. One example is the importance of hand washing before mixing to maintain adequate hygiene. From a nutrition perspective, it's even more crucial to ensure that the products are consumed at regular intervals throughout the week and shared equally within the family. We have learned that mothers in many





countries understand these realities far better than men do, which is why we have shifted from the so-called family head to women as our key partners in many programs.

In so-called food-for-work programs, meanwhile, farmers learn to increase crop yields by developing their land. These projects provide food aid to compensate for reduced yields during the first few years of land development. Properly executed, food-for-work programs can help entire societies to sustain themselves. The costs involved in fortifying rice, for instance, are very modest, adding two to five percent to current market prices. These costs are far outweighed by the personal, societal, and economic benefits, with reduced healthcare costs alone making the investment worthwhile. In short, rice can be transformed into a solution for malnutrition in the developing world.

Our fortified rice program taught us a valuable lesson. We developed Vitamin A–fortified rice kernels and mixed them with non-fortified kernels. The fortified and nonfortified kernels looked slightly different. We witnessed many people throwing the enriched kernels from their plates to chickens scratching around nearby. It was obvious that we needed to spend more time focusing on local needs and customs, as well as

educating communities about the health benefits of fortified rice. To our surprise, we were later asked to provide the differentiated rice kernels, because slightly more educated people wanted to show them off when inviting their families and friends over to eat healthier food.

Despite DSM's long track record of developing nutritional products that meet the needs of vulnerable populations worldwide, we understand there is no "one size fits all" solution to the problem of hidden hunger. So what is to be done? We hosted a high-level working session on this issue at the 2013 World Economic Forum, with input from the WFP, the United Nations, World Vision, Unilever, GAIN, and other key stakeholders.

We agreed that companies in the agriculture and food value chains should engage more widely, including at national levels, by bringing in their specific know-how, skills and competencies to address (hidden) hunger. Meanwhile, governments should foster multisector approaches linked to improvements in the agriculture sector, where significant gains can be made. We can only be successful if the entire food supply chain works together, from farming, fertilizers, fortification, food production, distribution, teaching, dealing with waste, and so on.

The transition from individual pilot projects to large-scale impact can be accelerated by setting up projects that provide an economic incentive for local people to make them self-sustaining. Nutrition security (a broader category than just food security) must be on the G8's agenda and feature prominently in the post-Millennium Development Goals agenda. Stakeholders must work harder and more effectively to raise the visibility of malnutrition as a pressing and entirely solvable issue.

This would help create broader awareness about the magnitude of the problem. It would also highlight the enormous humanitarian and economic benefits of addressing hidden hunger. In addition, we need to agree on how to measure the improvements we are going to make.

The hard truth is that a mother loses a child due to malnutrition every five seconds, somewhere on this planet. DSM is working in partnership with other organizations who share our belief that these deaths are needless and preventable. Especially because we cannot be successful, nor even call ourselves successful, in a world that fails. □

# Delivery starts with women

## We can improve healthcare outcomes by reducing gender inequality

Helene D. Gayle and Christina Wegs | CARE

**The brutal rape and subsequent death of a young woman in India at the end of last year was a shocking reminder of the violent subjugation that women continue to face around the world. Less shocking—but perhaps no less insidious—are the routine discrimination and less obvious violence that “keep women in their place” and deny them the opportunity to participate in the public and private decisions that affect their lives.**

Years of working with girls and women around the world have taught us that real change starts with addressing the pervasive gender inequality that undermines their health and well-being throughout life. To deliver healthcare and other social services effectively, we must enable poor and socially marginalized women to negotiate directly with healthcare providers and other officials. Only then can women realize their equal rights to high-quality, respectful, responsive services.

To be sure, transforming restrictive gender roles and addressing deeply rooted power inequities can be a slow and gradual process. But at the Cooperative for Assistance and Relief Everywhere, or CARE, we have learned that important shifts in gender dynamics can be achieved in a relatively short amount of time, and that these changes lead to concrete, measurable improvements in the lives of women and their families. Women-led social-accountability approaches, such as those described below, can and do result in measurable improvements in both equity and service quality.

Consider the case of Meeta, a young woman from Madhopur, India. For her, the ability to exercise her right to quality healthcare was powerfully constrained by inequitable gender norms that limited her freedom and life choices.

When staff members at CARE met Meeta in 2010, she had an infant in her arms, another child on the way, and a heavy load of daily chores. She was expected to subordinate her needs to those of her family members, and often did not get enough food or rest to meet the needs of her pregnant body. Meeta had been taught to be passive and ignorant about sex and her body in general. Her lack of decision-making power limited her ability to negotiate for family planning with her husband and put her at risk for forced sex. Restraints in her mobility and a lack

of control of household funds made it difficult for her to seek health services.

CARE invited Meeta, her husband Ramkishore, and other couples in the village to join a series of maternal-health meetings. These meetings helped couples learn how to protect the health of mothers and infants. They also provided a safe space to discuss how men and women were sharing decision making and work in the household. For Meeta and her husband, these meetings helped them to start sharing household responsibilities in a more equitable way, including decisions around family planning. This was a profound change—not only for Meeta but also for her husband. In their village, men seldom helped around the house and often taunted other men who did. Ramkishore even became an activist in the community, organizing theater performances and film screenings to foster dialogue about how gender inequity affected women's health and well-being.

These maternal-health meetings, which benefit many in Meeta's community, were built using learning and evidence from the Inner Spaces, Outer Faces Initiative (ISOFI), a groundbreaking research project implemented by CARE from 2007 to 2009 in two districts in the Indian state of Uttar Pradesh. ISOFI complemented prenatal and maternal-care services with women's empowerment efforts that challenged existing gender norms.

Women learned to protect their health and know their rights. They discussed the gender discrimination they faced at home and in the village. Couples and new parents came together to openly talk about gender and sexuality. Public ISOFI events used theater and puppet shows to spark dialogue about gender-related discrimination in India. ISOFI even worked with





healthcare providers to help them recognize women's rights and increase their willingness to address gender and sexuality with their clients.

Researchers found that many couples who were part of ISOFI saw real changes in their lives and health. Compared with women who received only traditional health services, those who were part of ISOFI were significantly more likely to have the freedom to go out alone, to have their own money to spend, and to believe they had the right to refuse unwanted sex. Power dynamics and communication patterns also changed.

Couples involved in ISOFI were more likely to discuss sexuality and to make household decisions together, such as decisions about how to manage household finances. The proportion of women using family planning rose sharply, from 7 percent among women who did not take part in ISOFI programs to 35 percent among women who did.

In addition, the number of women delivering their babies with a trained provider—one of the most critical factors in keeping both mother and child safe—more than doubled. These increases were much greater than those among women who only received standard health services. In short, as women became empowered, they were more likely to seek and use reproductive healthcare.

Research confirms what CARE has learned through programs like ISOFI: increasing access to family planning and improving the health of women and their families will require much more than training clinicians or getting supplies to the right places. Real change will come from empowering women to make autonomous decisions about their health and sexuality.

Take the example of a CARE child-nutrition project in Bangladesh, Strengthening Household Ability to Respond to Development Opportunities (SHOUHARDO). In addition to feeding children, the program gathered women in 408 villages and 20 urban slums to explore gender-related barriers that limited their freedom and choices. These barriers included restrictions on their mobility and decision-making power along with the prevalence of child marriage and gender-based violence.

The women in these villages worked together to make important changes. By negotiating with the men in their villages to address and reduce harassment, noticeably more girls and women were able to walk freely in the community. They also collaborated with local police to prevent illegal child marriages. Researchers evaluating SHOUHARDO were able to quantify women's growing influence in their communities and families. For example, they found a 46 percent increase in the proportion of women who participated in decisions about how to spend money from loans and savings.





So what does empowering women have to do with child nutrition? A lot, it turns out. SHOUHARDO reduced the proportion of young children with “stunting”—a measure of shortfall of growth due to malnutrition—by an astonishing 28 percent in just four years. And empowering women played a critical role in enabling change. We found that women who took part in the empowerment sessions were better nourished and taller than those who received only food rations.

By empowering women we enable them to claim their right to respectful and responsive care. In the Peruvian highlands, CARE helped indigenous women identify barriers to seeking life-saving emergency obstetric care. Notably, these barriers included discriminatory treatment by providers. Both women and healthcare workers learned about women’s health rights. Clinics improved the quality of their care and their referral systems and also adopted more culturally respectful treatment protocols. For example, clinics hired Quechua-speaking staff, began to offer bilingual information for both women and their family members, and provided traditional birth options such as “vertical births.”

The results were striking: the number of women seeking life-saving maternal care increased, and maternal deaths fell by a remarkable 49 percent in just four years. In another part of Peru, CARE helped establish a cadre of “social monitors” who visited hospitals and pharmacies to monitor care. Women’s satisfaction with the quality of maternal care increased dramatically, as did their use of these services. In a single year, the number of women delivering in health facilities jumped by 33 percent.

So as we reflect on the “art of delivery,” let’s challenge ourselves to think beyond just strengthening healthcare systems and services. If we want to improve healthcare delivery, we must tackle not only the technical and logistical barriers that hinder women; we must also challenge restrictive gender norms and empower all women to claim their right to responsive, high-quality healthcare. ■

# 4. The future of delivery

Jim Yong Kim  
André Dua  
Karim Khoja  
Patrick Meier

Eoin Daly and Seelan Singham  
Richard McGill Murphy and Denielle Sachs

DELIVERED

# Toward a Global Science of Delivery

## It's time to compile global delivery knowledge and mobilize it for practice

Jim Yong Kim | World Bank Group



**In the past quarter-century, the world has made unprecedented gains in reducing poverty and expanding opportunities for human beings to flourish. Sustained economic growth in countries like China and India has lifted hundreds of millions out of absolute poverty and transformed global economic prospects. And progress reaches far beyond the powerful middle-income states. In sub-Saharan Africa, a dozen countries have seen their economies expand by more than 5 percent annually over the past decade, despite the global crisis.**

In many settings, development is working. Yet the gains have left too many behind. An estimated 1.3 billion people still survive each day on less than the price of a daily newspaper. And progress in critical areas remains fragmentary. China leads the world in key aspects of green development. Yet the recent pall of pollution over Beijing's streets reminded us that in China and across the world bold advances on some fronts are weighed down by outmoded approaches that cannot be sustained.

Even when governments have robust development policies in place, results can be frustratingly inconsistent. Moreover, we are often unable to account for this inconsistency. We're at a loss to explain why a given development program succeeded brilliantly in one setting, while a similar strategy in a neighboring country cost more and delivered less.

For countries, the inconsistency in development results carries a high price. It makes prioritizing and sequencing development interventions even more difficult. And it means that, too often, investments in development don't bring the returns that policy makers want and that citizens expect.

In the private sector, competition eliminates firms that fail to execute. For successful companies, a deep understanding of delivery is essential because it affects their bottom line. Many of us working in development have envied Unilever's ability to deliver its personal-care products reliably to the remotest African villages—where essential medicines and schoolbooks are often missing from the shelves.

The hallmark of delivery excellence is consistency. Companies achieve this through a relentless focus on the details of execution, along with a capacity to adapt as conditions change. Development agencies need to learn from the seriousness with which the most successful private companies have tackled delivery.

In the years ahead, allying the strengths of the public, private, and civil-society sectors will be critical to getting delivery right and achieving development goals. Development agencies don't assume that state action alone will bring prosperity. World Bank Group economists recently showed, for example, that nine out of every ten jobs in developing countries are created



in the private sector. On the other hand, governments set the rules. They offer a framework for communities to decide how “prosperity” ought to be defined. They mandate that essential public goods like health and education must be delivered to all citizens alongside power, water, and other tangible commodities.

Over the past few centuries, evidence-based delivery systems have revolutionized our lives. They have shown us what can work. The problem is that we still lack a framework for systematically understanding what does work in a given time and place, and for holding officials accountable to that standard. Now development agencies can fulfill their public trust by creating a science of delivery that will compile global delivery knowledge and mobilize it for practice.

An effective science of delivery would ensure that all schools learn from the schools where children learn best. It would mean that people don’t just receive healthcare but actually become healthier, while high-performing hospitals and clinics serve as models and resources for practitioners elsewhere. Such a science would nurture the vibrant communities among implementers across countries and regions, in all development sectors. These communities would enable joint problem solving and would continuously link local action to global evidence.

I see four dimensions to the emerging science of delivery:

- First, it will support frontline implementation by collecting local experience and feeding that knowledge back into practice.
- Second, it will teach delivery skills based on the experience of the most successful practitioners.
- Third, it will incorporate prospective research (“clinical trials”) to spur innovation and evaluate new interventions.
- Fourth, it will develop theoretical and analytical frameworks that can help explain and adapt successful approaches to solving delivery problems.

Building the science of delivery will be a collaborative process. People have argued for decades that the top-down transfer of technical know-how from wealthy countries to poor ones often falls short. Delivery knowledge will flow in all directions, especially along horizontal, south-south pathways.

The science of delivery will take time to create, and it will never really be complete. At the dawn of the modern era, the British physician Thomas Sydenham dreamed of a system that would “reduce all the species of epidemics into classes, according to the variety of their appearance... explain their peculiar signs, and point out a proper cure for each.” By working together to describe individual cases, the medical profession developed an extensive library of standardized case notes and other mechanisms for communicating results. These exchanges paved the way for the advances of bacteriology, immunology, and surgery, and later on, the dramatic mortality declines that are the emblem of development.

Such a “clinical” approach has great promise for all public goods and services—a fact that has not escaped practitioners. Disciplines like education, disaster risk management, and police services have all begun to develop systematic, evidence-based approaches to the collaborative improvement of outcomes.

To fulfill their public trust, development agencies must help governments and citizens understand not just how much has been spent but also what has been paid for. Where outcomes are inadequate in the public sector we must collaborate on the development of better solutions. A global science of delivery offers the most promising way to achieve our common goal: reducing poverty and increasing prosperity for all members of the human community. □

# College for all

## How open online courses are changing higher education

André Dua | McKinsey & Company

Something big is up in higher education thanks to the advent of “massive open online courses” (MOOCs) that can reach millions around the world. What most people—including university leaders—don’t yet realize is that this new way of teaching and learning, together with employers’ growing frustration with the skills of graduates, is poised to usher in a new system of credentialing that may compete with college degrees within a decade. This emerging delivery regime is more than just a distribution mechanism; done right, it promises students faster, more consistent engagement with high-quality content and measurable results. This innovation therefore has the potential to create enormous opportunities for students, employers, and star teachers even as it upends the cost structure and practices of traditional campuses. Capturing the promise of this new world without losing the best of the old will require fresh ways to square radically expanded access to world-class instruction with incentives to create intellectual property and scholarly communities—plus university leaders savvy enough to shape these evolving business models while they still can.

Consider the first of the two converging trends. As is well known, frustration with the performance of traditional institutions is mounting. Only six in ten students at four-year institutions are graduating within six years today. Most employers say graduates lack the skills they need. Tuition has risen far faster than inflation or household earnings for two decades.

Meanwhile, the online revolution in learning is exploding. Coursera, a for-profit venture that taps professors and lecturers from 62 universities, including Princeton, Stanford, the University of Michigan, and the University of Pennsylvania, boasts many courses with 50,000 to 100,000 users who pay nothing for access to the best professors in the world; overall, the company has more than 2.7 million registered students (most of them overseas) who take at least one course. A nonprofit partnership between Harvard and MIT, edX, offers online versions of courses featuring video lessons, embedded quizzes, instant feedback, and student-paced learning. Udacity’s introduction to computer programming course has already been taken by a staggering 200,000 students worldwide.

The key question is how quickly these MOOCs will offer not just a breakthrough mode of learning for the enterprising and the curious but also bona fide credentials that students seek because employers value them. Some early signs: Coursera recently announced that five of its courses have been approved for undergraduate credit by the American Council on Education. Colorado State University’s Global Campus has started giving credit for the introductory computer programming course offered by Udacity if the student passes a proctored exam, even

though Stanford (where the company’s founders teach) does not itself offer credit for the course. Once a sufficient infrastructure of credible exams and assessments around MOOCs is in place—and edX and Udacity students start taking proctored exams at hundreds of regional test centers—we’ll enter a new world.

In this world, students will be able to routinely credential themselves via such courses and assessments as a way to bolster their resumes. When assessors persuade employers that these credentials are reliable predictors of workplace success, employers will be in a position to act like Colorado State does today. That is, they’ll have the confidence to give job candidates “credit” for work done outside the officially accredited institutions of higher education. Once this challenge to the monopoly of today’s accrediting institutions begins, a big chunk of higher education may become vulnerable to the kind of disruption the music industry experienced a decade ago, as centrally controlled and distributed albums gave way, thanks to technology, to customized playlists assembled by individuals. Substitute “degrees” for “albums” and “self-selected credentials employers value” for “playlists” and you have a feel for what may lie ahead.

This won’t happen overnight, but it won’t take forever, either. If a nontrivial portion of higher education is destined to be challenged this way in the next decade, what will it mean for society? And what should universities do? The answers depend largely on what online business models and incentives evolve to govern the roles of teaching talent, colleges, assessment firms, and other key players across the education landscape.



Today these business models truly run the gamut. On one end are graduate schools that charge full freight for online degrees, like the University of North Carolina at Chapel Hill's Kenan-Flagler Business School, where tuition is more than \$90,000 for an online MBA, or USC, which has reported more than \$100 million in revenue from its online offerings. Traditional undergraduate schools like Penn State (via its "World Campus") and the University of Massachusetts are likewise offering degrees online for roughly the same (relatively low) price they charge for in-state, on-campus tuition. Some for-profit providers focused on adult learners charge brick-and-mortar tuitions despite having substantially lower costs. On the other end of the spectrum, online learning platforms like Coursera, edX, and Udacity may be fueling an expectation that education should be "free," with students paying over time for the proctored exams or certificates that prove their value to employers. Maybe that's a promising model, but the notion of free could as easily prove a risky path that undermines the economics of creating new courses. That's why MIT's president, L. Rafael Reif, suggested recently that online students should pay modest fees to help the physical university sustain its mission.

As these early offerings suggest, the emerging system won't be all bad news for traditional institutions. There are new revenue streams to capture, such as fees for certificates with the university's brand on them or payments to collect when other institutions grant transfer credit for courses they've offered via MOOCs. There are huge overseas markets to serve, where US education brands are highly coveted. And there are employers to work with to ensure students acquire essential skills. Beyond this, of course, there's the thrill of making access to high-quality education available on a previously unimaginable scale—a vision that California governor Jerry Brown has started stressing. Still, university leaders seeking to fulfill their mission in an era of unprecedented change would do well to develop some guiding principles to shape their response.

To start, it's not sustainable for universities to slash the cost of delivering education through online innovations, yet pass on little of the savings to students through lower tuition and fees. For various reasons, that's what is happening on some campuses today. Yet unduly high prices for online students are at odds with the mission of broadening access, especially as state budget cuts push tuition out of reach.

On the other hand, it's equally important that education not be seen as a free good, because it will always take big investments to attract and retain the talent needed to develop world-class courses and materials. Unless meaningful revenue streams are associated with new online platforms—from textbooks, tutoring, proctored exams, per-degree fees, or creative alternatives not yet imagined—the model will prove self-defeating. There must be incentives to create compelling content if schools are to deliver the best teaching to anyone on the planet.

The good news is that universities are well positioned to develop new models that combine lower costs, higher quality, and better alignment with employer needs. That's because they have the intellectual property, the brands, and the tradition of public service needed to integrate these interests sustainably.

While no one can predict the future, it seems likely that we are heading toward two versions of hybrid learning experiences in higher education. The first would still be campus-centric, with technology allowing a more efficient and effective reengineering of the learning experience, with lectures moving exclusively online, and with class time reserved for small-group problem solving and conversation. The other hybrid mode would be digital-centric (and much less costly), with a core online component supplemented perhaps by self-organized study groups, as we see happening already in MOOCs. Some digital-centric options may be associated with traditionally accredited college brands; others may live purely in the world of alternative credentials. Students from wealthier families and those with adequate financial aid may prefer the residential experience (and the lifelong personal networks that come with it), but the cost-value equation will shift so rapidly in the years ahead, and employers will develop so great a stake in the new system they help design, that it seems likely that millions of students will flourish without ever setting foot on traditional campuses.

Undoubtedly, there will be tumult as we navigate this new world. But if we get it right, the prize—with regard to broader access, improved employability, and deeper learning— involves untold benefits for students and society. □



# Mobile Afghanistan

## How a national telecom network delivers social goods

Karim Khoja | Roshan

**Roshan is Afghanistan's largest telecommunications provider. Nearly a decade ago we entered war-ravaged Afghanistan with the ambitious goal of harnessing the power of mobile technology to catalyze reconstruction and economic development. Thirty years of conflict had decimated infrastructure, created chronic security risks, encouraged corruption, and left most Afghans in abject poverty. Once renowned for its thriving cultural and literary traditions, Afghanistan was now 70 percent illiterate. Among the working population, few potential employees had the education and skills necessary to support a viable business enterprise. Despite these obstacles, we viewed Afghanistan as an untapped reservoir of human potential.**

Roshan is part of a new generation of companies that are redefining the concept of a social enterprise in emerging markets. This approach derives from our majority investor, the Aga Khan Fund for Economic Development (AKFED), which fosters entrepreneurship and builds economically sound enterprises in the developing world. We are pioneering a business model in Afghanistan that breaks down the traditional distinctions between profit and nonprofit and between social contribution and commercial success. Tapping the tremendous economic potential in emerging markets such as Afghanistan requires companies to jettison the old paradigms of corporate philanthropy and social responsibility, where social benefit is often disconnected from commercial operations and realities. If the goal is both social impact and profit, then they are inseparable.

Roshan began by making an investment that is the foundation of any successful enterprise: skilled employees. If we were to succeed in leveraging mobile technology to leapfrog decades of traditional infrastructure development in just a few years, Afghans would need the capacity to take on significant leadership roles. Each interviewee, many of whom barely knew how to turn on a computer, had a role to play in shaping this new landscape. Our role was to galvanize the entrepreneurial spirit of the Afghan people and supplement it with extensive training in technology and management. Today, 93 percent of Roshan employees and 52 percent of senior management are Afghan nationals.

Investing in the future of Afghanistan has been crucial to the success of our business. In 2003, most Afghans did not have

access to a mobile phone. Today Roshan serves more than 6.5 million customers. Through our nationwide network we provide mobile telecom access to 21.5 million Afghans (71 percent of the population).

Connecting Afghans to one another and to the world through mobile technology has become the foundation for a new economy. Both directly and through the multiplier effect, Roshan has created more than 30,000 jobs in Afghanistan. New complementary businesses, from kiosks selling mobile-phone SIM cards to public call centers serving remote villages, are providing legitimate opportunities for economic development and the growth of a new middle class.

Mobile products and services are creating an ecosystem that supports public institutions and helps entrepreneurs build new businesses. Through M-Paisa, Roshan's mobile-banking service, the Afghan National Police are now receiving their monthly salaries via mobile phone. Before mobile money, the intermediaries responsible for transferring the cash pocketed up to 30 percent of a police officer's salary. Police officers now receive their rightful salaries. We believe that this motivates them to achieve the mandate of public safety and allows them to take pride in being part of a transparent government institution.

Mobile financial services also allow a talented village seamstress to obtain a microfinance loan, enabling her to purchase another sewing machine, employ other women in her village, and provide for her family instead of relying on aid or depriving her children of basic education. She has now broken the cycle of generational poverty in her family.

With the rise of “impact investing” in emerging markets, a model that was once considered audacious is beginning to catch on. To Roshan and other AKFED companies it is simply common sense and business as usual. Rather than hindering financial returns, social enterprise offers a huge competitive advantage in the unpredictable global economy. Instead of relying only on profits generated by wealthy consumers in developed nations, truly innovative companies are inventing new wealth and fostering human potential in rapidly growing emerging markets.

The metrics prove that impact investing works. As the largest communications provider in Afghanistan, Roshan generates 6 percent of the country’s GDP. Our social impact and profitability are mutually reinforcing. To date we have paid \$350 million in taxes and invested \$550 million in infrastructure. In addition to cell towers and transmission lines, Roshan has constructed and financed playgrounds, sports facilities, e-learning centers, and schools all over Afghanistan. In 2012, we built 57 wells that deliver clean drinking water to our customers in the most remote regions of the country. We also served half a million meals to children who work in the streets and are attending school part time. These activities deliver tangible change and improve the well-being of entire communities.

The telecom sector is developing products and services that link education, healthcare, business, and technology to support Afghan youth as they develop into the leaders of the future. For example, partnerships with Vodafone, Cisco, and Netlink are bringing more and better technology to Afghanistan, amplifying the younger generation’s interest in technology and IT entrepreneurship by providing students with laptop computers and connecting medical professionals to teleconsultation networks that link rural hospitals to medical centers of excellence. As one of the few business success stories in Afghanistan, the telecom sector has attracted \$2 billion in foreign direct investment for reconstruction.

As we approach our tenth anniversary in Afghanistan, our model will be put to an important test. With the partial withdrawal of foreign troops expected in 2014, the Afghan people are already capitalizing on this unique opportunity to define their country’s identity and future. We believe that Roshan’s model of meaningful social contribution combined with commercial success will continue to play a vital role in shaping the future of Afghanistan. □



# Crisis maps Harnessing the power of big data to deliver humanitarian assistance

Patrick Meier | Qatar Computing Research Institute

**Crisis-mapping technology has emerged in the past five years as a tool to help humanitarian organizations deliver assistance to victims of civil conflicts and natural disasters. Crisis-mapping platforms display eyewitness reports submitted via e-mail, text message, and social media. The reports are then plotted on interactive maps, creating a geospatial record of events in real time.**

The first generation of these humanitarian technologies was powered by free, open-source software produced by organizations such as InSTEDD, Sahana, and Ushahidi. For example, Ushahidi (the name means “witness” or “testimony” in Swahili) developed an interactive-mapping platform linked to a live multimedia inbox and used it to document violence that erupted in Kenya after the disputed presidential elections of 2008. Eyewitnesses sent reports of ethnic attacks and other violent incidents to the Ushahidi Web site via e-mail and text message. Ushahidi then plotted the location of each incident on a Google map, creating a public record of events.

The Ushahidi platform was later used to crowdsource a live crisis map of the 2010 earthquake in Haiti. In the days and weeks following the earthquake, eyewitnesses submitted a large volume of text messages, tweets, photographs, video, and Web-based reports to the Ushahidi in-box. Once these reports were manually collated and plotted on the Ushahidi platform, they became a live crisis map of urgent humanitarian needs. For example, the map showed exactly where victims lay buried under the rubble of collapsed buildings, and where medical supplies needed to be delivered. The US Marine Corps, one of the first responders to the earthquake, has stated that the map helped them save hundreds of lives. The Ushahidi platform has since been used in response to dozens of other disasters worldwide.

The pioneers behind the first wave of crisis-mapping technology were typically gifted hackers from the dynamic

open-source community. Creating the next generation of these technologies will require additional skills in data analytics, artificial intelligence, machine learning, and social computing. This kind of expertise exists today in world-class research institutes staffed by experts who have the wherewithal to carry out cutting-edge R&D in multiple areas of advanced computing.

To understand what the next generation of humanitarian technology will look like, it helps to understand the limitations of today’s crisis-mapping platforms. I served as director of crisis mapping at Ushahidi, where I led a number of major crisis deployments, starting with the Haiti earthquake. Within a few hours of the earthquake, I started mapping Twitter and other social-media traffic related to the disaster and building the code that would allow our system to accept text messages about the quake. A few days later, hundreds of texts from disaster-affected communities in Port-au-Prince started landing in the Ushahidi in-box. Each incoming text had to be manually categorized and geotagged. For example, texts about earthquake victims buried under rubble were tagged as “trapped individuals” and georeferenced to the locations where individuals were thought to be buried.

We quickly realized that our platform was not equipped to handle this high volume and velocity of urgent information. For example, we had hundreds of volunteers available to process text messages, but our system could only accommodate a half-dozen volunteers at any one time. To handle the huge number of





text messages pouring into Ushahidi's in-box, we had to work outside our platform. We customized a third-party ticketing system to track incoming texts. That system allowed many more volunteers to categorize and tag urgent text messages at the same time, but it meant that we had to manually import messages from the Ushahidi platform and then export them back to Ushahidi after processing. While not ideal, this was the only working solution that we could rapidly deploy. Yet even with this approach in place, the backlog of unprocessed text messages grew larger with every passing day.

Fast-forward to the Japanese earthquake and tsunami in 2011, when eyewitnesses and other observers posted more than 300,000 tweets every minute during the disaster and its aftermath. In the fall of 2012, Hurricane Sandy struck the eastern seaboard of the United States, eliciting more than 20 million tweets. Welcome to the world of big (crisis) data, in which disaster-affected locations are increasingly becoming digital communities, thanks to the proliferation of social media and smartphones.

After three years with the Ushahidi team, I began to look for a new home where I could help create the next generation of humanitarian-technology solutions. I found this home at the Qatar Computing Research Institute (QCRI) in Doha. QCRI was launched two years ago to carry out world-class R&D in multiple areas of advanced computing, including big-data

analytics, distributed systems, and social computing. As a member of the Qatar Foundation, QCRI's mandate includes social impact. I was brought on as director of social innovation and given the task of harnessing the world-class expertise at QCRI to address major humanitarian challenges. We have 80 researchers on staff and may double our team in 2014, and again in 2016. My colleagues come from both industry and academia, hailing from institutions such as Microsoft Research, IBM, Yahoo Research, MIT, Georgia Tech, and the Max Planck Institutes.

One of my first moves at QCRI was to set up a crisis-computing team. Our first order of business? Finding a solution to exploding Ushahidi inboxes. After months of data-driven research on the operational value of Twitter for crisis response, plus conversations with the United Nations Office for the Coordination of Humanitarian Affairs, we decided to create a "Twitter Dashboard for Disaster Response." We are developing Twitter "classifiers," algorithms that can automatically identify relevant and informative tweets during crises. Individual classifiers will automatically capture eyewitness reports, infrastructure-damage assessments, casualties, humanitarian needs, offers of help, and so forth.

Our initial results have been promising, with accuracy rates ranging between 70 to 90 percent. This means that our algorithms are able to tag at least 70 percent of tweets correctly.

We believe we can improve these accuracy rates, but there's a catch. We optimized our classifiers for the type of disaster they have been "trained" on. In other words, an automatic classifier for infrastructure damage developed using historical Twitter data from the 2011 New Zealand earthquake will not work very well for Twitter data from Hurricane Sandy.

My colleagues and I have therefore been collecting multiple Twitter data sets from different disasters. This been challenging, because Twitter's current terms of service, like those of many social-media firms, are naturally written for commercial uses, and prohibit direct sharing of datasets. Of course, we can't collect every single tweet for every disaster from the past five years or we'll never get to actually developing the dashboard. Besides, some of the most interesting Twitter data sets have emerged from recent disasters. Before 2010, for example, US users dominated the Twitter platform. Twitter's international coverage has since increased, along with the number of new Twitter users, which almost doubled in 2012 alone. As Twitter becomes a larger and more global platform, its value as a data source for crisis mapping will increase.

Our dashboard will include a number of predeveloped classifiers based on as many data sets as we can get our hands on. The dashboard will also allow users to create their own classifiers on the fly by leveraging real-time machine learning. Assume, for example, that an earthquake strikes Indonesia and that no classifiers exist for a disaster of this kind in that country. Using our dashboard, users can train the algorithm to recognize tweets about, say, infrastructure damage. This simply entails the manual tagging of 50-plus tweets about infrastructure damage to teach the algorithm what to look for. The new classifier will then automatically tag new tweets accordingly.

The classifier will not identify every tweet correctly. But the beauty of this technology is that it continues to learn and improve over time, as users "teach" the classifier not to make the same mistakes. And once the disaster-response efforts in Indonesia are over, this new classifier joins the library of existing ones for use by humanitarian organizations in similar future crises.

Ultimately we envision these classifiers as individual apps that can be created, dragged, and dropped on an intuitive, widget-like dashboard with multiple data-visualization options. The dashboard will be freely accessible and open source. We also plan to develop classifiers for other languages besides English, including Arabic, French, and Spanish. Although we hope to have a working prototype soon, for now the entire project is experimental. That's one of the biggest advantages of working at a well-funded advanced research institute such as QCRI. We have the luxury of leveraging world-class expertise to carry out basic research in the hope of solving major humanitarian challenges. Onward! □

“We are developing Twitter algorithms that can automatically identify relevant and informative tweets during crises.”

# Delivery 2.0

## How governments can deliver better, faster, cheaper, and more visibly than ever before

Eoin Daly and Seelan Singham | McKinsey and Company



**A South American government cut hospital waiting lists by 80 percent. An Asian country reduced street crime by 35 percent in a single year. Another Asian country increased tourism by 70 percent.**

These are all real-life examples of governments going beyond what might be called Delivery 1.0 (delivering outcomes) to Delivery 2.0 (delivering better, faster, cheaper outcomes, and being seen to do so). In each case, governments made progress from already well-designed and well-executed delivery programs.

**Here are six lessons from our experience of these and other delivery programs.**

### Define your priorities

The key is to focus on the value actually delivered to the population. The best approach is to choose three to six priorities (no more) and then stick to them for two or three years. Avoid the temptation to add more and more goals; that only divides attention and increases the chance of failure. Choosing a small number of goals also goes a long way toward securing the support of senior civil servants, who often complain, with good reason, about having a never-ending list of priorities.

Next, establish numerical metrics for each priority. These must measure outcomes, not inputs. For example, don't target higher technology spending or more police officers, but a specific decrease in crime or improvement in education. These targets should be published, as should progress against them, both in absolute and relative terms (in the form of rankings). The UK government has done this, in the form of public-service agreements.

How ambitious should such targets be? They must be ambitious enough to represent real improvement and to force changes,

yet modest enough to be achievable and build momentum. One approach is to create a portfolio of goals, at varying levels of aspiration.

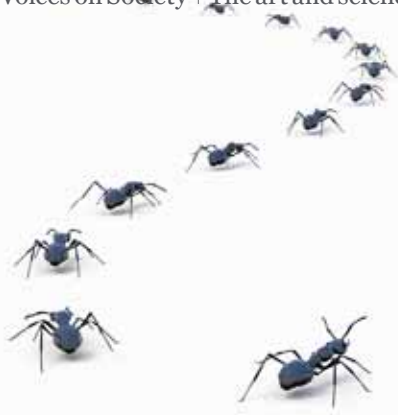
### Create 'delivery labs'

Many outcomes require a number of government agencies to work together toward a common goal. This is notoriously difficult to pull off in a world of silos, disparate agendas, and competition for funding. Governments typically respond by setting up committees or task forces that tend to represent their own interests. Little progress is made in meetings, and even less between them. What can be done?

One proven approach is the "delivery lab," which brings together 20 or 30 people from all appropriate departments to develop solutions in a full-time, six- to eight-week process. The lab's task is to define targets, set priorities, develop delivery plans, get stakeholder approval, and figure out funding. It's important that this be a full-time commitment: the magic of the lab is its intensity. Only then can the participants focus on the problem and work out the answers. Labs also create a link between planning and implementation, because the people involved return to their organizations and take responsibility for bringing the plans to life.

Four elements characterize successful delivery labs—a clear mandate from the top; a successful leader who has great access; good personnel, including members of the private sector, where appropriate; and a connection between policy makers and end users (for example, between ministers of education and classroom teachers).





### **Increase the pressure to perform**

It's a cliché, but it's true: what gets measured gets managed. Performance improves when it is managed. Internal performance management should begin by assigning accountability for outcomes to individuals. Once accountability is established, performance dialogues—regular conversations about each goal—are essential. One prime minister reviews the progress of six priorities every week; every six months, he holds a face-to-face performance dialogue with each minister.

These conversations must be based on standardized, clear management data (ideally available online) that can be reviewed and managed in real time. And the dialogues must be reinforced by rigorous evaluation and consequences (good and bad). Many governments are constrained in this regard; they may not be able to reward great performances with bonuses or condemn bad ones by firing the perpetrators. But they can publicly acknowledge outstanding people, promote highfliers faster, and move laggards to lower-profile roles.

### **Establish small, high-powered delivery units**

Many governments are setting up delivery units to work through the relevant public-sector agencies. Some delivery units struggle. Others are very successful. Three things make the difference:

- A clear, unwavering mandate from the top echelon of government. This mandate should specify the unit's role and remit and confirm that it is focused on the government's top priorities.
- A successful, dedicated leader with top-level access. Effective delivery units are generally run by people who have a track record of delivering big results fast. Whether they are from the public or private sector, they need to be familiar with how government works and have peer relationships with ministers and heads of departments.
- A few good people. Members can be from either the public or private sectors; the important thing is that they are driven, effective problem solvers able to collaborate with the civil service.

### **Ensure visible sponsorship from the top**

The head of government should play an active, visible role in setting aspirations, making decisions, and removing obstacles to success. That means setting aside a sizable amount of time—at least eight hours a month—to Delivery 2.0 initiatives.

Top-level sponsorship signals the importance of the program to the rest of the government. Ministers and civil-service leaders take notice. And this sponsorship should be sustained so that when the initial excitement of the launch fades, the work continues. One prime minister chaired a two-hour performance review of priority areas, involving all senior officials, every two weeks. This had an enormous effect on the success of the transformation program.

### **Engage stakeholders**

From the outset, a government must make its priorities clear to all stakeholders. It should begin with, and persist in, reinforcing a single narrative that includes the case for change and the projected benefits. This is only the beginning. Stakeholders need to be part of the action from beginning to end.

Soliciting early input can help them get involved and stay involved. One Southeast Asian government invited the media, the opposition, and the public to a series of "open days," in which the proposed targets were discussed. Twenty thousand people attended.

It's important to acknowledge stakeholders—for example, by recognizing effective players or by hosting events with groups such as police officers or teachers to thank them for their work. Involving the public can also be effective. Initiatives such as volunteer policing can engage the public in the fight against crime.

Even in the best of times, making government work effectively is difficult. Objectives are not always clear, and they change with new leadership; different departments operate like silos; and it can be difficult to mobilize an entrenched civil service that may be focused more on policy than outcomes. But difficult is not the same thing as impossible. We have seen governments around the world use Delivery 2.0 to meet their challenges—even in times of crisis. ■

# The fireflies next time

## The rise of social entrepreneurship suggests a possible future for global capitalism

Richard McGill Murphy and Denielle Sachs | McKinsey & Company

**As the first Internet stock bubble neared its popping point in 1999, IBM chief executive Lou Gerstner famously dismissed the dot-com start-ups of his day as “fireflies before the storm—all stirred up, throwing off sparks.” The Internet would truly achieve its disruptive potential, Gerstner argued, when thousands of big institutions around the world started using the new communication and technology platform to transform themselves. He was right. Although many of the dot-com players did not survive the 2000 market crash in technology stocks, they were indeed harbingers of a coming business revolution.**

Nearly 15 years later, we see a new set of fireflies before a different storm. This time, an explosion of creativity in social entrepreneurship has unfolded against the backdrop of a crisis in global capitalism. Barely half of Americans polled in 2010 by GlobeScan said they believed in the free-market system, down from 80 percent in 2002. A large majority had lost trust in government. The most recent Edelman Trust Barometer found that trust in business has been below 50 percent for 8 of the past 12 years. Throughout Europe, only small minorities said they believed in free-market capitalism.

Meanwhile, social entrepreneurs are developing innovative business models that blend traditional capitalism with solutions that address the long-term needs of our planet. They are tackling chronic social problems, ranging from healthcare delivery in sub-Saharan Africa to agricultural transformation in East Asia and public-school funding in the United States. Social entrepreneurs are working in close collaboration with local communities, incubating groundbreaking (and often lifesaving) innovations; modeling synergistic partnerships with governments, companies, and traditional charities; and building business models that deploy technology and enable networking to create wins for investors and clients alike. “Social entrepreneurs are mad scientists in the lab,” says Pamela Hartigan, director of the Skoll Centre for Social Entrepreneurship at Oxford University. “They’re harbingers of new ways of doing business.”

We believe this collaborative approach offers intriguing hints about how enterprises of all sizes can deliver value for

themselves and society. Below we suggest four ways in which social entrepreneurs are showing the way forward.

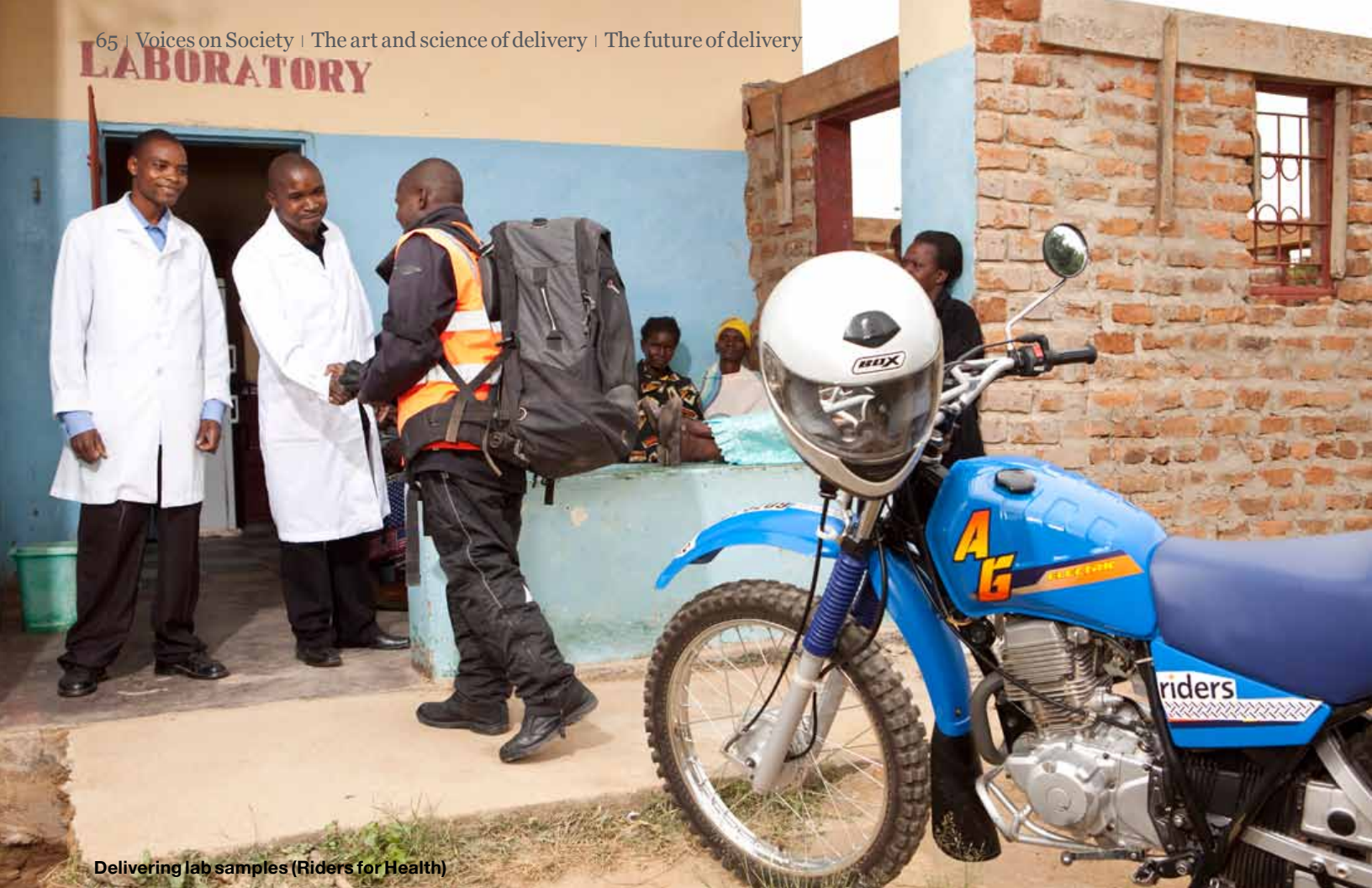
### Using profit to fund purpose

Many of today’s leading social entrepreneurs have created organizations that are neither businesses nor charities, but rather hybrid entities that generate revenue in pursuit of social goals. While not entirely new (the Girl Scouts have been selling cookies for many years), this desire to blend purpose with profit has more recently been formalized in structures such as the US “benefit corporation” (B Corp), a corporate entity legally required to create benefit for society as well as its shareholders.

While B Corps are still rare, many nonprofit organizations generate revenue to advance the parent organization’s social goals. VisionSpring, for example, is a social venture that provides eye tests and glasses to lower-income customers in more than 20 countries, including Bangladesh, El Salvador, India, and South Africa. Initially, VisionSpring distributed its eyeglasses through a dedicated sales force of microentrepreneurs. Like many business owners before him, founder Jordan Kassalow soon learned that pushing a limited range of products through a single sales channel was a tough way to make a living. “There wasn’t enough money coming in to support our operations,” he says. “We realized we could either be a really nice, perpetually subsidized nongovernmental organization, or—better yet—change our business model so we wouldn’t need subsidies.”

Today VisionSpring operates vision stores that generate income via programs in which higher profit margins on more

# LABORATORY



Delivering lab samples (Riders for Health)

expensive glasses subsidize basic eyewear for the poorest customers. Kassalow also distributes eyeglasses and vision testing through large organizations like BRAC, a philanthropy in Bangladesh with a huge existing network for distributing healthcare services. VisionSpring calculates that one pair of its glasses increases the average recipient's labor productivity by 35 percent, which works out to \$216 in additional income over two years—a 20 percent rise. Kassalow plans to continue operating on a nonprofit basis while working toward profitability in every country where VisionSpring operates. (All profits are poured back into the organization.) His El Salvador unit is already profitable, and he expects VisionSpring's India operations to achieve profitability by 2015.

Kassalow's blended approach to value creation is increasingly common. Living Goods, for example, is a US-based nonprofit that sells essential products such as fortified foods, pharmaceuticals, and high-efficiency cookstoves through an Avon-like network of microfranchisees in Uganda. According to founder Chuck Slaughter, this model provides a modest income to the franchisees while helping to fund his operating costs. "Avon has five million agents," he says. "My thought was if you can make that kind of money selling discretionary stuff, imagine what you can do selling absolutely essential, life-changing goods."

Similarly, Riders for Health is a UK-based organization that sells logistical services to health ministries in seven African countries. It runs a fleet of some 1,500 vehicles that deliver medical services to between 11 million and 12 million rural Africans. The organization funds its operating expenses in part by charging local health ministries a cost per kilometer that covers fuel, maintenance, replacement parts, and logistical costs. Originally founded to service health-ministry motorcycles in Lesotho, Riders for Health now operates in several African countries and has added a slew of logistical services to its product mix. The organization maintains ambulances and hospital generators, transports medical samples from rural clinics to labs for analysis, and manages compliance programs for patients taking medication. "We don't charge profit of any kind," says cofounder Andrea Coleman. "But from the beginning, our mission has been to earn as much money as possible from different income streams."

## Delivering individualized products that marry need and want

Successful social ventures leverage their small scale and intense customer focus to create products and distribution models that precisely match the needs and desires of the communities they serve. In this sense they are modeling a much broader economic trend. In a 2010 McKinsey Quarterly article, Shoshana Zuboff argued that the capitalist mode of production was going through a historic transition from mass





Digging a well in Guatemala (Water for People)

consumption to the wants of individuals, a phenomenon that she called “distributed capitalism.” Obvious examples include various personalized shopping experiences enabled by interactive technology, also known as mass customization.

While we often associate distributed capitalism with digitized consumer transactions, the concept has broader application in the world of social entrepreneurship. Caerus Associates, for example, is a small consultancy that uses a combination of big-data analytics and local community knowledge to assess development trends, often in societies suffering from violent conflict. In an article that appeared last year in McKinsey’s special volume on social innovation, Caerus founder David Kilcullen explained how his social venture advises governments, corporations, and local communities on what he calls “designing for development.” The main idea here is that development programs must be designed with input from local actors because they call the shots on the ground.

Education delivery is another area where we can see the principles of distributed capitalism at work. In Bangladesh, a social entrepreneur named Mohammed Rezwan operates a fleet of solar-powered floating schools that provide mobile education to rural schoolchildren who are often isolated during the monsoon floods. Rather than building a school and asking children to show up, Rezwan brings school to the children, when

and where they need it. Similarly, Pakistan’s Pehli Kiran School System is a network of schools for the children of impoverished migrant workers living in illegal settlements, or *katchi abadis*. Local authorities frequently raid and dismantle these settlements, forcing the families to move. Pehli Kiran schools move right along with them, with the goal of ensuring that students can continue their education no matter what happens to their homes.

Or consider how two social entrepreneurs have managed to customize the delivery of agricultural-development services in rural Myanmar. Jim Taylor and his partner Debbie Aung Din operate Proximity Designs, a social venture that develops innovative, low-cost products designed to raise agricultural productivity. Proximity Designs employs ethnographers and product designers who work closely with subsistence farmers in the countryside to develop products like solar-lighting systems and foot-operated irrigation pumps.

Proximity Designs funds its operations in part by selling the products through a network of for-profit agricultural supply dealers in small towns in Myanmar. To ensure that farmers can afford to buy its goods, Proximity Designs also developed a financing program that advances small loans at modest rates. “We look through the lens of what impact we can have,” says Taylor. “One farmer I met had piglets that were like children—





Farming in Myanmar (Proximity Designs)

they wouldn't sleep at night unless the lights were on. He used to stay up all night with a lit candle because he was worried about burning the house down. Now that the farmer has our solar lights; the pigs are happy and he gets to sleep."

It would be difficult to gather such granular insight from a product design lab in, say, California. By virtue of their small size and engagement with the communities they serve, social ventures like Proximity Designs are well positioned to deliver products that meet both the needs and the wants of their clients.

## Crowdsourcing the solution

In a 2008 article, communications scholar Daren C. Brabham defined crowdsourcing as "an online, distributed problem-solving and production model." Today we see crowdsourcing applications in many different realms, from open-source software development to financial-prediction markets and funding for creative projects through Kickstarter and similar sites. Crowdsourcing has been a particular boon to social entrepreneurs, who can use it to create disproportionate impact with modest resources.

Charles Best is the founder and CEO of DonorsChoose.org, a Web-based platform that raises money to fund class projects in American public schools. Individual donors contribute an average of \$50 apiece to projects that typically cost about \$500. DonorsChoose.org vets every project, pays all project

costs directly, and makes sure that the teachers write thank-you letters to every donor. Best covers his operating costs by charging each donor an optional 15 percent administrative fee. "We're one of the few charities that doesn't go hat in hand seeking donations," he says.

Best crowdsources quality control as well as fund-raising. He used to hire college students to vet all the projects, which he says was costly and often ineffective. Today he uses a network of trusted teachers who have already received DonorsChoose grants and volunteer their time to make sure that all new projects deserve funding. This year, DonorsChoose expects to receive at least 150,000 project submissions from public schools all over the United States, and it plans to disburse about \$50 million in grants, 85 percent of them to teachers working in high-poverty schools. Best's organization has been entirely self-sustaining since 2010. Since inception, a total of 145,000 teachers at nearly half the public schools in America have received grants through the site.

In recent years, we've also seen a boom in prize competitions that crowdsource solutions to difficult social problems. Information technology and social media now enable cheap and easy collaboration. For social ventures, this dramatically expands the pool of potential problem solvers and lowers the cost of developing solutions. Ashoka's Changemakers initiative, for instance, is an idea factory that encourages social entrepreneurs



Glasses boost productivity (VisionSpring, photo by Esther Havens)

to develop concepts that transcend the competition itself, essentially building a marketplace for innovation in an issue area in just a few months. Changemakers judges are also potential investors. By requiring participants to post their ideas and selecting a relatively large pool of finalists, Changemakers and similar competitions can help match competitors to new funding.

## Working themselves out of a job

One important test of any social venture is whether it can create sustainable impact beyond its own projects. Some of today's most farsighted social entrepreneurs have created business models that allow them to effectively work themselves out of a job by creating sustainable, lasting change in the communities that they serve.

I-DEV International, for example, is a New York–based impact investment firm that's in the business of what it calls “market-based sustainable development.” In Peru, I-DEV helped impoverished farmers build an international business out of tara, a native tree species whose fruit had historically been consumed locally for medicinal purposes. However, plant researchers had developed new applications for tara in the global food, pharmaceutical, leather, and pet-food industries. I-DEV helped some 200 Peruvian farmers to organize a farming co-op that today is the largest and most successful supplier of unprocessed tara in Peru.

The co-op generates nearly \$4 million a year in revenue for its members. I-DEV is currently gathering investors to help the farmers build a tara processing plant. Managing director Jason Spindler says the deal will be structured as a joint venture in

which the farmers take the majority stake while I-DEV and equity participants are minority shareholders. “Nothing we do is for charity,” he says.

Other social ventures scale innovation by partnering with local governments. Ned Breslin is the CEO of Water For People, an international nonprofit that works with local communities to install water pipes, latrines, and other sanitation infrastructure in Africa, Latin America, and South Asia. His goal is to ensure that nobody in a district where Water for People works will ever need sanitation assistance from another international development organization.

To do that, Water for People mobilizes local authorities from the community level all the way up to the national government. It insists that all levels of government invest their own money alongside Water for People. The local communities are also asked to participate as investors, and their contributions must take the form of cash rather than sweat equity. Breslin maintains a low public profile for his organization, with the goal of ensuring that communities and local governments get the credit for improving sanitation and therefore feel ownership in the programs. “What we're really challenging is the endless project-by-project approach of philanthropy,” he says. “The point of our investment is not to do another project. It's to get the water flowing at scale so they never need another project.”

## Social entrepreneurs and capitalism

Despite their early successes, social ventures in this new generation are still entrepreneurial start-ups. Some may survive and grow into major organizations. Others may disappear. Regardless of their individual fates, we believe these organizations demonstrate a way forward for the capitalist mode of production, one in which economic and social value creation are no longer seen as antithetical.

Social entrepreneurs are part of a broader conversation about the relationship between business and society that has been gathering steam since the Great Recession. In a recent Harvard Business Review article, McKinsey global managing director Dominic Barton argued that global capitalism was at a turning point. “We can reform capitalism, or we can let capitalism be reformed for us, through political measures and the pressures of an angry public,” he writes. Barton suggests that capitalism should return to the values of its founding philosopher Adam Smith, who believed that business and society were profoundly interdependent.

Similarly, Harvard Business School professor Michael Porter argues that capitalism has betrayed its promise by focusing on the narrow equation of value with short-term economic returns. Porter urges companies to think in terms of “shared value,” which involves generating economic value while at the same time creating value for society by addressing its needs and challenges.





Meanwhile, the author and consultant Dov Seidman makes a business case for ethical capitalism. Globalization, he argues, has made it increasingly difficult for companies to offer unique value propositions based on their products and services alone. At the same time, the ubiquity of electronic communication and the rise of social media have created a transparent business world in which bad behavior is more difficult to hide than ever before. As a result, ethical behavior has become a point of competitive differentiation. Companies that “outbehave” their competitors will eventually outperform them as well.

We can cite many examples of large organizations that are already putting these principles into practice. Elsewhere in this volume, leaders from The Coca-Cola Company, Hindustan Unilever, and Royal DSM explain how their companies blend profit and social purpose by deploying advanced supply-chain technologies that deliver lifesaving goods and services to some of the world’s poorest people. Meanwhile, the social ventures that we have profiled in this essay are testing many ideas about the proper relationship between business and society, some of which may eventually scale up and become standard practice for organizations of all sizes. While the solutions are diverse, most are based on the working assumption that profit and purpose need not conflict.

Social ventures that create new value chains while generating profit in pursuit of social goals are a direct challenge to Milton Friedman’s dictum that the social purpose of a business is to generate profit for its shareholders. With public cynicism about business at record levels, we may well see more organizations following their lead. ■

# Contributors

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