

the basics of CO-CREATION

moving forward to solve the world's persistent problems

A specialist in the field of co-creation and social entrepreneurship is Michel Barth, managing partner at Better Future. He identifies three levels in the realm of corporate social responsibility strategy where the government, the corporate world, social organizations like NGOs, and civilians interact. There is *co-existence* (each player is autonomous), *co-operation* (the different parties use each other to realize their own goals and to improve their performance), *co-creation* (players become partners who share the same higher purpose). Ultimate co-creation can lead to a social business enterprise, a joint venture that implements value adding solutions for the world's persistent problems. Here you will find the basic principles of successful co-creation in a nutshell.

The background of co-creation

For decades, governments have sent large amounts of money to developing countries and churches have taken their role through charity. Over the past years, civil society has become the fastest growing sector in the field of development aid, activating people to join forces in non-governmental organizations. Still, a majority of the world's population suffers from hunger, poverty, and inequality. In addition, climate changes and environmental issues need immediate attention as well. It's evident: governments, charity organizations and NGOs cannot solve these problems on their own.

NGOs discovered that a new approach towards the corporate world can increase their effectiveness. Involving companies on their mission takes development work an important step further. The economy of scale can lead to very productive circumstances. It entails new business models in which corporations become the key to NGO's capacity to deliver value and vice versa. Global issues as well as local needs profit from such partnerships.

The benefits of co-creation

For NGOs, a lot can be learned from the way business operates. It develops new competences. The scaling capacities and strategic planning of the corporate sector can increase the effectiveness and impact of NGOs.

For a corporation, a partnership with an NGO can help to manifest their social purpose, to also innovate the way of working, and to develop new markets. Working together with NGOs on social issues stimulates out-of-the-box-thinking. There is a "market" of five billion people with little finances but great needs. Building a social brand is not a luxury item: it is sustainable business that helps to relieve big problems. And if there is one important lesson to be learned from the crisis, it is that we need to work on social legitimacy.

An example of co-creation through social entrepreneurship

Danone, the French dairy multinational, and Grameen Bank, the micro-credit organization in Bangladesh, started a joint venture: a yoghurt plant. It produces an extremely nutritious yoghurt with extra vitamins and minerals; in Bangladesh many people lose their eyesight because of a chronic vitamin deficiency. A local joint enterprise distributes the yoghurt against an affordable price through Grameen Bank's village network. New jobs were also created. A true social business enterprise, dedicating all profits to the increase of social impact.

The four steps in co-creation

Co-creation is a delicate process that requires a significant effort. Both parties will need to invest a lot of time into the partnership. In our model you will find the four steps for successful co-creation.



Find Purpose

Coherence is not a given in a partnership between a corporation and an NGO. The first step to a long lasting partnership is identifying a (joint) higher purpose and aligned interests. NGOs have to take a new approach and adapt a somewhat commercial attitude. For a corporation this means, as in the Danone Grameen example, a full commitment to the higher purpose.

Build Trust

Secondly, both parties need to take time to really get to know each other. Overcome prejudice, learn how things work in the other organization, discover the strengths and weaknesses in order to make a solid business plan. Working together on the basis of trust is much harder than competing. In practice this is the most difficult part: managing a new role. It is all about inspiring people to take responsibility.

Experience

Third in the process of co-creation is to have everybody involved experience the needs of the target group and the challenges that lie ahead. This experience will help to reinforce the commitment and dedication throughout the layers of a company. Co-creation is more than just working together: having a real grasp on social issues creates solutions from the inside out.

Co-create

The fourth step is certainly not the last step. Creative ideas and smart innovations are the beginning of new things. Corporations and NGOs can develop new products and services, set new standards, and create new social business enterprises. The leverage on social issues, globally and locally, makes a real difference.

The cycle of successful co-creation

Co-creation becomes a sustainable cycle when the commitment towards the higher purpose grows, the parties get to know each other better and better, the experience becomes widespread, and the innovations keep revealing new markets. Companies and NGOs will gain legitimacy in civil society when building on credible economic and social dimensions. Moreover, the most effective way to tackle social problems is through co-creation. More social business enterprises will most definitely emerge in the near future.

Creating a world without poverty by Muhammed Yunus, Public Affairs, Jan 2008

Co-creating business's new social impact by J. Brugmann and C.K. Prahalad, Harvard Business Review Feb 2007

Please mail your comments to michel@betterfuture.nl