

G20 Inclusive Business Workshops

Regional Workshop Asia
16 April 2013, Mumbai – India



© GIZ / Markus Kirchgessner

Workshop Report

G20 Inclusive Business Workshop Regional Workshop Asia 16 April 2013, Mumbai

Authors:

Rainer Agster, Anais Mangin, Mirko Zürker - adelphi

June 2013

TABLE OF CONTENTS

INTRODUCTION	3
Context and objectives	4
Overview of workshop proceedings	5
WELCOMING AND INTRODUCTION	8
PLENARY SESSIONS “ENVISION”	8
Keynote Speech	8
Winner Presentations	9
WORKING GROUPS “EXPLORE”	11
Working Group 1: New technologies and business model innovation	11
Working Group 2: Financing inclusive business innovations	13
WORKING GROUPS “EXECUTE”	15
Working Group 3: Managing innovation: from continuous improvement to radical innovation	15
Working Group 4: Open innovation: new management paradigm?	17
OUTLOOK	19
POLICY PANEL DISCUSSION in the framework of the Sankalp Unconvention Summit	20
Building an innovation ecosystem for inclusive business models: a case for private-public actions?.....	20
IMPRESSIONS	22
APPENDIX	23
Agenda	24
List of participants	28

G20 Inclusive Business Workshop Asia

16 April 2013

INTRODUCTION

The first regional G20 Inclusive Business Workshop was held in Mumbai, India, at the Renaissance Mumbai Convention Centre Hotel on April 16 2013. This event followed the opening workshop of the G20 Inclusive Business Workshop series in Berlin in September 2012. It was organised in the framework of the **Sankalp Unconvention Summit 2013**, a leading Asian social enterprise platform that took place in the same venue on April 17-18.

The G20 Inclusive Business Workshop Asia convened around 70 high-ranking participants from across the private, public, financial and academic sectors and provided a unique multi-stakeholder forum where four winners of the [G20 Challenge on Inclusive Business Innovation](#) met with CEOs and directors of leading inclusive businesses, representatives of development agencies and governments, investors as well as other experts in the field of inclusive business models. The workshop's focus was on the topic "Scaling Impact through Innovation" and explored successful strategies to foster innovation within inclusive business models.

Through the workshop's connection to the [Sankalp Unconvention Summit 2013](#), the participants also had the opportunity to further debate issues and trends about the role and impact of the social enterprise and impact investing industry during the two conference days. The G20 Challenge hosted an exhibition of the G20 Challenge winners as well as a policy panel discussion during this major regional event.

This report presents the outcomes of the G20 Inclusive Business Workshop in Asia. It provides summaries of each session and the key take-aways of the working group discussions. The appendix contains the workshop agenda and the list of participants.

G20 Inclusive Business Workshop Asia 16 April 2013

Context and objectives

Germany and Saudi Arabia, in their role as co-facilitators of the G20 Development Pillar “Private Investment and Job Creation”, launched the G20 Inclusive Business Workshop series to accelerate the South-South spread of commercially viable inclusive business models that expand opportunity and access for people living at the base of the pyramid (BoP) in developing and emerging countries. The workshops are implemented with generous additional support from the United Arab Emirates and in cooperation with the Siemens Stiftung (Foundation).

The workshop series is part of the implementation of the G20 Challenge on Inclusive Business Innovation, one of the four Action Items of the G20 Pillar “Private Investment and Job Creation”. The challenge aimed at identifying and supporting inclusive business models with the potential for replication and scalability. The winners were presented at the G20 Leaders’ Summit in Mexico in 2012 and were awarded with the participation in workshops to support the up-scaling and replication of their business models.

The objective of the workshops is to foster the spread of inclusive businesses across regions by showcasing successful examples, developing solutions to inclusive businesses’ growth challenges, and encouraging new partnerships. The first workshop took place in Berlin in September 2012 ([read summary here](#)) and three regional workshops (Asia, Latin America, Africa) are following in 2013.

The workshop in Asia focused on “Scaling Impact through Innovation” as the topic Innovation was identified as a core challenge for the scale-up and replication of inclusive business models during the Berlin workshop. Innovation lies at the core of inclusive business models which tackle new customer segments that exhibit a unique set of needs and challenges. Beside new products and services addressing the needs of the BoP, inclusive businesses are developing innovative value chains and business models allowing low-income people to become market players. Continuous innovation is furthermore crucial for inclusive business models in order to strengthen their value chain, improve their internal capacities and processes and to ultimately retain their competitiveness in the market.

The specific objectives of the Asian workshop were to:

- explore successful approaches, technologies and financing mechanisms enabling the development of innovation at the BoP;
- identify key factors and business practices to successfully manage innovation;
- encourage new partnerships and business relationships in the Asian context.

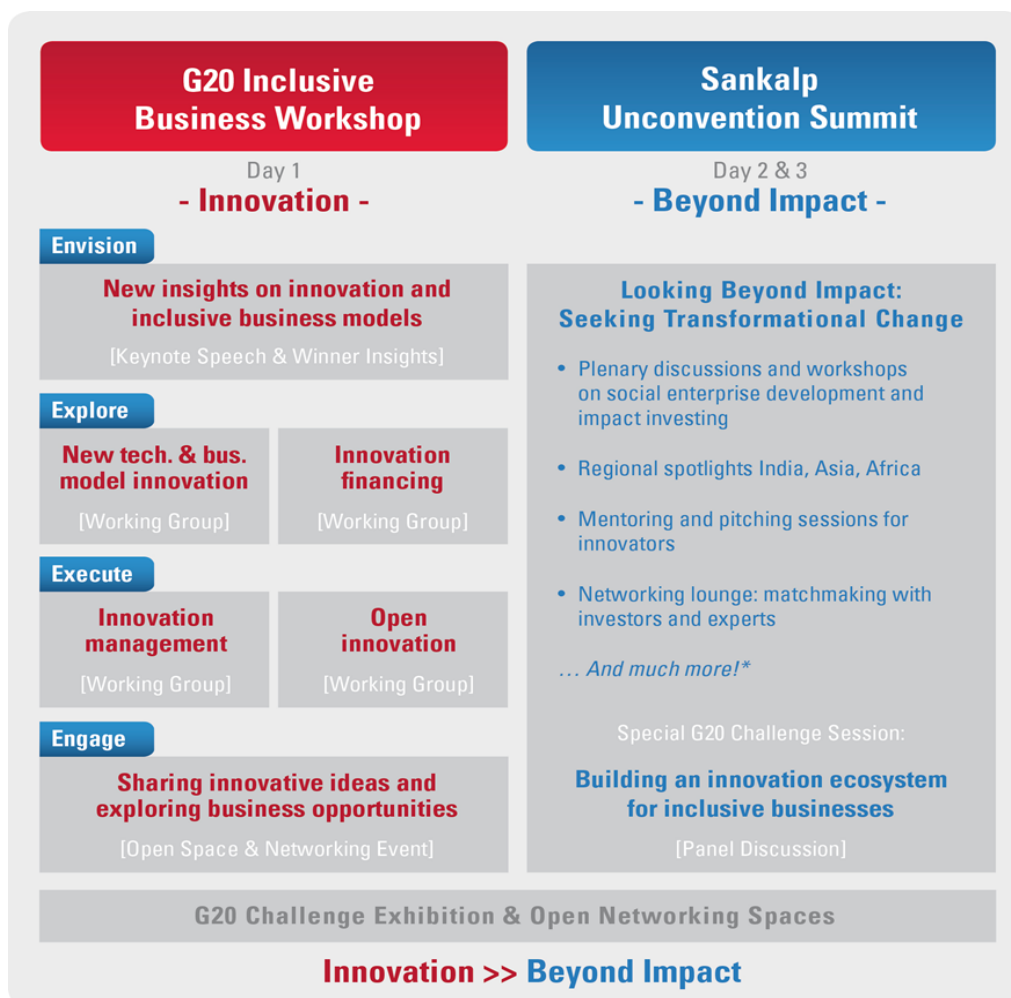
G20 Inclusive Business Workshop Asia

16 April 2013

Overview of workshop proceedings

The G20 Inclusive Business Workshop in Asia offered a unique peer-learning platform where four of the G20 Challenge winners, business leaders and innovation experts shared best practices and discussed solutions for scaling-up and replicating inclusive business models in the Asian context. The agenda combined interactive peer-learning sessions and networking opportunities with discussions by internationally renowned experts.

The approach of the workshop was geared around the four “E” dimensions. The plenary session “**Envision**” had the objective to inspire participants around the topic of inclusive business innovation through a keynote speech and innovation demonstrations. In the first working group session “**Explore**” participants had the opportunity to explore successful approaches, technologies and financial pre-conditions for setting-up and scaling inclusive business models. During the second working group session “**Execute**” participants exchanged their experiences and successful management practices allowing inclusive businesses to continuously innovate and broaden their impact. Finally through an open collaboration space and different networking events “**Engage**”, the workshop gave space for exploring new collaboration opportunities. The following graph gives an overview of the workshop sessions.



G20 Inclusive Business Workshop Asia 16 April 2013

In the morning **Anil Sinha** (Regional Head of the South Asia Advisory Services, International Finance Corporation - IFC) welcomed all participants and reminded of the context of the G20 Challenge on Inclusive Business Innovation. **Amitava Chattopadhyay** (INSEAD Chaired Professor of Marketing and Innovation) then set the scene for the subsequent discussions on inclusive business innovations. Subsequently, representatives of four winning companies of the G20 Challenge shared insights and highlights of their inclusive business innovations. Speakers included **Rahul Chavan** (CSR Executive, Waterlife India), **K. Hari Prasad** (Regional CEO, Apollo Hospitals), **Mahesh Josyabhatla** (CEO Southern Africa, Bakhresa Group) and **Dilip N. Kulkarni** (President of the Agri-Food Division, Jain Irrigation Systems).

In two sets of two working group sessions in the morning and in the afternoon participants were able to explore the topic in a variety of ways. In the framework of the working group set “**Explore**” in the morning, working group 1 focused on new technologies and business model innovation. After an introductory speech by **Shashank Rastogi** (Director of Operations, Centre for Innovation Incubation and Entrepreneurship, CIIE, IIM Ahmedabad), participants discussed examples of innovative mechanisms to successfully reach BoP markets and involve them in the supply chain, as well as current technologies used to extend and improve the efficiency of inclusive business value chains. Working group 2, led by speaker **Sanjoy Sanyal** (Director, New Ventures India), focused on the financing of inclusive business innovations. The working group explored which financial products and funding mechanisms are available for inclusive businesses for the different stages of the innovation process, and which instruments and initiatives can help the development of the BoP market in order to be more attractive for investments.

After a networking lunch, the afternoon working group set “**Execute**” focused on the identification of key success factors and exemplary management practices for managing inclusive business innovations. **Amitava Chattopadhyay** spoke with working group 3 about key structures and behaviours that allow inclusive businesses to manage continuous improvement and radical innovations. Tools and techniques that allow building and sustaining innovation in the BoP context were discussed. In working group 4, after a presentation by **Sabine Brunswicker** (Head of research practice “Open Innovation”, Fraunhofer Institute for Industrial Engineering) on successful examples of open innovation strategies, participants debated on how inclusive businesses can use open innovation to add value to their business performance.

After a brief presentation of the key outcomes of the working groups, **Susanne Dorasil** (Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development - BMZ) concluded with closing remarks and an outlook on the G20 Inclusive Business Workshop series.

The subsequent session “**Engage**” provided an **open collaboration space** where participants had the opportunity to explore new business ideas for the BoP and partnership opportunities. In the evening, a **networking cocktail reception** provided further opportunities for the participants to forge new business ties. This evening reception was organised in cooperation with the Sankalp Forum and the Business Call to Action of the United Nations Development Program (UNDP). **Aparajita Agrawal** (Co-Founder, Intellectap

G20 Inclusive Business Workshop Asia 16 April 2013

and Director, Sankalp Forum), **Mohammed Alzaben** (Deputy Manager of International Organisations, Minister of Finance of Saudi Arabia) and **Sahba Sobhani** (Acting Programme Manager, Business Call to Action, UNDP) gave a short speech at this occasion.

On April 17, the topic “inclusive business innovation” was further discussed in the framework of the **Sankalp Unconvention Summit**, the largest Asian social enterprise-focused conference. The G20 Challenge hosted a special policy panel discussion which engaged a dialogue between businesses and policy makers about the required innovation ecosystem for inclusive business models. Under the topic “**Building an innovation ecosystem for inclusive business models: a case for private-public actions?**”, five panellists discussed the importance of strengthening an innovation ecosystem in the BoP context and what governments, development agencies and donors can do to support this process. Speakers included **Susanne Dorasil**, **Mahesh Josyabhatla**, **Dilip N. Kulkarni**, **Rakesh Rewari** (Expert in the Office of Adviser to Prime Minister on Public Information Infrastructure and Innovations, Government of India), and **Sahba Sobhani**. Besides, this major regional summit which brought together over 1000 delegates, hosted an exhibition of the G20 Challenge winners where the fifteen successful inclusive business models were showcased.

G20 Inclusive Business Workshop Asia 16 April 2013

WELCOMING AND INTRODUCTION



Anil Sinha, Regional Head of South Asia Advisory Services of the International Finance Corporation - IFC, opened the G20 Inclusive Business Workshop Asia and underlined the relevance of the private sector and inclusive business models for implementing sustainable development processes in developing and emerging economies. He highlighted the growing spread of inclusive business models in these economies and described how their successes are getting increasingly recognized by players and actors outside the inclusive business community. He emphasized the critical role of the private sector in reaching global development goals and the contribution of IFC in scaling-up inclusive business solutions by the provision of advisory and financial services.

PLENARY SESSIONS “ENVISION”

Keynote speech



Amitava Chattopadhyay, INSEAD Chaired Professor of Marketing and Innovation, presented a business model framework to set a frame for the subsequent discussion on inclusive business innovations. The framework introduced the key building blocks of inclusive business innovations and emphasized the relevance of innovation at the different levels and components of a business. He showcased the success factors of different companies, which innovated their business models in Asia and Africa (e.g. Novartis, India, and East African Breweries, Kenya). In all cases the thorough understanding of low-income customers was seen as essential in order to develop and deliver an inclusive business value proposition that is successful in markets at the BoP. Furthermore, risk-sharing partnerships and frugality in inclusive business value chains were demonstrated as critical innovations of a promising inclusive business model.

Winner Presentations



K. Hari Prasad (Regional CEO, Apollo Hospitals), presented how Apollo Reach hospitals are able to provide affordable medical services to people living at the BoP by taking advantage of the lower costs in rural and semi-rural areas. In such areas, the cost of manpower, land, and operations is much lower than it is in large cities and by such they are able to provide these services at a fraction of the costs. Within Reach hospitals, low-income care is also subsidized by services sold to high-income patients living in the same area. While being highly competitive, they face the challenge of retaining staff in rural areas and replicate the model to other markets like Africa. Apollo Reach is therefore searching for financing and works on risk-sharing mechanisms to scale-up the model beyond India.



Mahesh Josyabhatla (CEO Southern Africa, Bakhresa Group), explained that his company offers its flour in small packages of 5 to 10 kg, which makes it easy for small BoP retailers to buy. The flour is sold in sealed packages, rather than in bulk, making it more affordable for small business owners at the BoP. Bakhresa uses vans to reach remote rural areas and distribute its products to bakeries and branch sales offices. Bakhresa also helps individuals to launch their own microbusinesses, offering training programs on business related issues. Bakhresa doesn't provide microfinance, but by teaching potential entrepreneurs how to run a business selling bread products, his company empowers them to make their own living.



Dilip N. Kulkarni (President of the Agri-Food Division, Jain Irrigation Systems) highlighted that his company not only manufactures irrigation systems and distributes them to smallholder farmers, but also trains them supporting a high standard of food safety and traceability in the market. Through the company's cooperation with the Indian government they are also able to subsidize the purchase cost of micro irrigation systems for farmers with less than five hectares. In recent years Jain also started to develop solar powered heating, lighting and pumping systems diversifying its product portfolio for BoP customers. Since its founding, Jain has expanded to several other continents, but especially looks at the African market for the scale-up of its operations.

G20 Inclusive Business Workshop Asia 16 April 2013



Rahul Chavan (CSR Executive, Waterlife India) emphasized that his company builds and runs water purification plants in underserved areas of rural and urban India. In many places, the groundwater has been contaminated and the provision of clean drinking water is a critical issue. Waterlife has a partnership with the Indian government, which pays for the construction of the plant itself, then charges customers a small monthly fee that generates enough revenue to cover ongoing maintenance and operations of the plant. In addition, his company creates jobs by hiring and training local operators to operate, maintain, and service the plants. The local employment creation creates a sense of ownership at the community level and ensures the maintenance of the plants. Before often the government or a large company would fund the construction of a water purification plant that soon became defunct due to lack of maintenance. The company began operations in West Bengal and then expanded to seven states across India.

For more information on the G20 Challenge winners please visit:
<http://www.g20challenge.com/winners/>

WORKING GROUPS “EXPLORE”

Working Group 1: New technologies and business model innovation

Speaker:

Shashank Rastogi, Director-Operations, Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad

Facilitator:

Minu Hemmati, adelphi

Summary

The working group participants discussed different approaches and strategies in the context of inclusive business innovations. The input speaker identified five main challenges for the scaling-up of inclusive business models and showcased how technologies can support the overcoming of these challenges. The working group participants highlighted the importance of co-creation with the customer in the design and development of new products and services and that an



in-depth understanding of BoP markets is a very critical aspect of inclusive business innovations. The participants pointed out that a partnership with actors embedded in BoP markets is highly relevant in order to engage the BoP as customer, supplier or distributor.

Key take-aways

What are successful strategies or approaches in inclusive business innovations?

- Recruitment and training of local supervisors running local operations is important to ensure the quality and maintenance of the product or service and enhancing local ownership.
- Training measures for customers would need to be comprehensive but also easy to grasp to facilitate the product usage and the uptake in the market.
- While establishing and extending value chains at the community level it is critical to immerse with the local culture, to become a member of the community and to be able to speak the language that is understood by the community members.
- Through the empowerment and support of local bodies the implementation and spreading of innovations in rural areas can be facilitated by using their existing channels and networks.

G20 Inclusive Business Workshop Asia

16 April 2013

- The usage of mobile technologies in the marketing domain can be a frugal and cost-effective way to provide easily accessible information about the marketed product or service.

What are important characteristics of successful strategies or approaches?

- In order to target and reach out to the different customer segments at the BoP flexibility in the value chain and all company operations is key.
- By recruiting, hiring and training employees from the rural areas for the spreading of innovations in the rural context, the company can build up trust within the community and can ensure that their employees understand the rural context.
- Staying continuously engaged with the customers and demonstrating the social angle of all business activities is important in order to build up a relationship with the customer.

What are the biggest challenges while fostering inclusive business innovations?

- While designing products or services for the BoP it is challenging to really understand the 'needs' of BoP customers, since companies are used to an approach where they are imposing the 'wants' through extensive marketing.
- It is difficult to understand rural value chains and to tailor the product or service processes accordingly without having the knowledge and understanding of this market.
- In particular smaller companies find it difficult to allocate budgets for inclusive business R&D activities, since R&D activities targeting BoP markets are rather resource intensive.
- Since small-holder farmers or rural customers often lack access to credit, the spreading of innovations becomes difficult.
- Companies find it challenging to develop innovations for the BoP since data and market information about the BoP is still limited.

Working Group 2: Financing inclusive business innovations

Speaker:

Sanjoy Sanyal, Director, New Ventures India

Facilitator:

Rainer Agster, adelphi

Summary

The participants of this working group discussed the availability of financial products and funding mechanisms to inclusive businesses for the different stages of the innovation process. What are existing instruments and initiatives that can help inclusive businesses in financing BoP market developments? How can financial institutions, donors and development agencies support inclusive business in their technology and value chain innovations and commercialization efforts?



Key take-aways

What are the characteristics of today's financing situation for inclusive business innovations?

- Funding options are diversifying (government programmes, development programmes), e.g. Indian opportunity fund, Samirithi fund (DHD). However, there is a dearth of financing especially in early stage ventures.
- Investor expectations are high - there is a strong preference for later-stage, less risky investments. Key decision criteria for investors include the “fit” of the business model in the portfolio, expected returns vs. risk aspects and short time span of max. 5 years.

What are ideas to overcome financing challenges for inclusive businesses?

- There is a need to redefine impact investors' role. Impact investors should be more willing to finance early-stage ventures as they have the mandate to build enterprises.
- Transparency, benchmarking and evaluation are needed in terms of models and stages funded by impact investors. A clear definition of what can be considered as impact investing might also help to increase the risk appetite of impact investors.
- Further diversification and strengthening of investor landscape and contributions are necessary. There are lots of possibilities for businesses to connect strategic considerations with creating social impact. However, it is quite difficult to make companies aware of the opportunities (e.g. use of CSR funds and promotion of CSR

G20 Inclusive Business Workshop Asia

16 April 2013

activities for inclusive innovation). Besides, companies can use different types of capital to leverage further (knowledge, human etc.)

- Mechanisms that can improve success rates of early-stage ventures need to be strengthened. These include for example advisory and non-banking services provided by investors to the companies.
- After a business model is proven, grant-based financing is a first step from where to graduate to (impact) investors. In the following growth phases, innovative financing methods, e.g., blended capital or end-user financing models, need to be considered, especially in costly scale-up model.
- There is a need to redefine success in inclusive business innovation and rethink what is a successful business model. Risks can be reduced by transferring existing business models internationally, regionally and locally. Besides there should be a stronger focus on value chain innovation before focusing on product innovation.

WORKING GROUPS “EXECUTE”

Working Group 3: Managing innovation: from continuous improvement to radical innovation

Speaker:

Amitava Chattopadhyay, INSEAD Chaired Professor of Marketing and Innovation

Facilitator:

Minu Hemmati, adelphi

Summary

The working group participants discussed key structures and behaviors that allow inclusive businesses to manage continuous improvement - doing something better - and radical innovation - doing something different. The input speaker identified key strategies and tools that are applied by successful companies and inclusive business models in order to build-up and sustain an innovation management system. The



The working group participants highlighted the challenges of establishing such a system especially in the context of small-scale inclusive business models. The participants emphasized also the importance of continuous innovation while establishing a culture of innovation within a company.

Key take-aways

What are successful strategies or approaches in inclusive business innovations?

- Some world leading companies free-up 15 % of their employees’ time for creative and not-productive activities. In these time-slots their employees are developing new ideas and work on their own projects.
- Through company internal funding mechanisms and competitions companies can provide ways to support the implementation of their employees’ ideas, helping them to prove the concept of their innovations.
- While providing programmes that immerse the companies’ employees regularly in the customer world, companies can provide them with the chance to understand what BoP customers want and what they need.
- An analysis of the return of investment of inclusive business innovations is important to show the opportunities to the companies’ top management
- In order to reduce costs of research programmes, the hiring of post-graduate students can be an inexpensive way to develop and test new technologies.

G20 Inclusive Business Workshop Asia

16 April 2013

- Company external innovation funds can be a useful tool for governments or donors to stimulate private sector investments into inclusive business innovations.
- The inclusion of inclusive business innovation into curricula of universities and higher education institutions can support the creativity and spark among students.
- Innovations often lead to the development of another innovation. The openness towards the dynamics of continuous innovation is important in order to satisfy customer needs and immerse with the BoP market requirements.

What are important characteristics of successful strategies or approaches?

- The tone from the top management is important to develop an innovation culture within a company.
- The risk appetite of the top management towards inclusive business innovations is often the driver behind a new product or service.
- In order to manage innovations successfully, the setting of clear goals and an overall strategy guiding the implementation of an innovation is key.
- The continuous observation of market trends by the top management is critical in order to understand the future needs of the customer.
- Companies need to understand that sometimes also small ideas might be able to create big revolutions. The openness towards the support of these small ideas is therefore also important.

What are the biggest challenges while fostering inclusive business innovations?

- Companies have difficulties to understand which innovation investments are necessary to sustain their business model in the future.
- It is difficult for companies to ensure a shared understanding among their employees what innovation means and what an innovation is.
- Company often focus only on product and technological innovations, while forgetting about process innovations, which are also helpful. Process innovations are often less visible especially in the Indian context.
- Innovation means trial and error and hereby failure. Accepting failure is sometimes difficult in the Asian context.
- Convincing investors to invest in inclusive business innovation, especially in radical and new innovations.

Working Group 4: Open innovation: new management paradigm?

Speaker:

Sabine Brunswicker, Head of research practice “Open Innovation”, Fraunhofer Institute for Industrial Engineering

Facilitator:

Rainer Agster, adelphi

Summary

The working group was opened by Sabine Brunswicker who presented the concept of open innovation. She described in what way that open innovation is different from the standard approach to innovation. In essence, she stressed, open innovation is a mindset that can be used at different stages of the innovation process, including idea generation and testing and which allows for greater diversity in participants and opinions. While this diversity is important, the process itself is often inherently risky, as



its outcomes cannot be planned. Thus introducing the mindset is often done in an experimental way, for example by crowdsourcing or by hosting competitions. The participants discussed the relevance this mindset and the changed approach have for inclusive businesses. They also defined some key challenges that need to be overcome by inclusive businesses to foster open innovation. One key aspect was the importance of local connectivity for inclusive businesses, which can be strengthened by open innovation.

Key take-aways

What are key characteristics of open innovation (OI)?

- Opening up allows for a participative innovation process that leads to new definition of problems, solutions and business models or tests and alters them in ways not considered possible by means of the standard “funnel” approach.
- The nature of the problem/opportunity that OI is used for defines the nature of opening up the process; competitions or crowdsourcing are typical models, but stakeholder consultations or joint development with stakeholder groups can also be considered as OI.
- Opening up goes both ways - by inviting contributions, you also give up an important part of the planning competency of the process.

What are key issues to be considered when thinking about open innovation?

- Is the mindset of the company or organization considering OI sufficiently risk-embracing? Results can vary, and cannot be planned.

G20 Inclusive Business Workshop Asia

16 April 2013

- How can the quality of results be assured? Who assesses the results?
- How can contributors be attracted, and how can contributions be valued?

How to connect open innovation to inclusive business models?

- Open innovation in the context of inclusive business models necessitate a multi-sector approach which allows for different perspectives and opinions and is locally connected.
- Open innovation can thus play an important role at various stages of the inclusive business innovation process, including the identification of market problems, idea generation and testing and refinement.
- Businesses can tap into existing relationships for open innovation - especially in the ideation stage where funding is no prerequisite for the process.
- Creating sustainable/inclusive business models through experimentation is another option to open innovation, but also a more costly alternative.
- “Idle assets” can be used in the OI process even beyond the ideation process, including students, retired managers or motivated employees.

G20 Inclusive Business Workshop Asia 16 April 2013

OUTLOOK



Susanne Dorasil, Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development (BMZ) ended the workshop presenting the rationale behind the G20 Inclusive Business Workshops series, as well as the motivation for German development cooperation to support inclusive business models through technical and financial assistance. The workshops series provides a unique platform to link up inclusive

business leaders with investors, policy makers and donors while showcasing innovative and successful inclusive business models. German development cooperation sees economic development as an essential prerequisite for development, for which the innovative capacities and know-how of the private sector are necessary. Two other regional workshops in Latin America and Africa are scheduled for 2013 to complete the series. The next one is taking place in Medellín, Colombia on June 5, 2013. The outcomes of the G20 Inclusive Business Workshop in Mumbai will be used to inform the G20 Development Working Group.

POLICY PANEL DISCUSSION IN THE FRAMEWORK OF THE SANKALP UNCONVENTION SUMMIT

Building an innovation ecosystem for inclusive business models: a case for private-public actions?

Panelists:

- **Susanne Dorasil** - Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Mahesh Josyabhatla** - CEO Southern Africa, Bakhresa Group
- **Dilip N. Kulkarni** - President, Agri-Food Division, Jain Irrigation Systems
- **Rakesh Rewari** - Expert in the Office of Adviser to Prime Minister on Public Information Infrastructure and Innovations, Government of India
- **Sahba Sobhani** - Acting Programme Manager, Business Call to Action, UNDP

Moderator: Minu Hemmati, adelphi

Summary

The panel discussion took place on April 17 from 12.00 to 13.15 in the framework of the Sankalp Unconvention Summit 2013 (see [agenda of the Summit here](#)). The panellists discussed the importance of creating an innovation ecosystem and the conditions required to strengthen the capacities of all players involved in the innovation chain of an inclusive business model. Further, the panelists discussed the roles and responsibilities of governments and donors building an innovation ecosystem for inclusive business models. They noted that inclusive business models need governmental support, especially in the areas of financing, capacity building, incentives and network facilitation.

Key take-aways

- Donors and governments should facilitate the scale-up and replication of inclusive business innovations. In order to tailor the support for inclusive business innovations it is important to get an in-depth understanding of the business model as well as the time horizon for the market creation or production innovation.
- Platforms and networking events that facilitate linkages between businesses as well as connections between businesses and research institutions are most important to facilitate replication by sharing existing value chains and establishing a shared understanding among different actors about the innovation needs.
- While developing successful public-private partnerships (PPP), governments should become part of the business and innovation process. In an effective partnership governments and businesses should develop together goals and roadmaps for the delivery of the actions. Only then governments will be able to tailor regulations and incentives accordingly. (good example: [Jain's PPP](#))
- Inclusive business innovations need governmental support, especially through the provision of education programmes for the BoP and the provision of financing for the marketing and development of early-stage innovations.

G20 Inclusive Business Workshop Asia 16 April 2013

- Especially in the provision of last-mile services and products, governments and donors should partner with businesses by bringing in technologies, value chain financing and reducing regulatory hurdles.
- Governments should focus on the development of an evaluation matrix in order to evaluate the impact of the new innovations. This matrix could be an important tool for incubators and government institutions that support and fund inclusive business innovations.
- It is important to stimulate private sector investment into the development of innovations with social impact. A new tax incentive in India stimulates this kind of investment, since medium and large Indian companies need to invest 2 % of their profits (after tax) in corporate social responsibility projects.
- Governments can develop markets for inclusive business innovations by empowering their customers through the provision of social capital funds or by training suppliers and distributors along the inclusive business value chain (good example: [Bihar Innovation Forum, India](#)).



G20 Inclusive Business Workshop Asia 16 April 2013

IMPRESSIONS



APPENDIX

Agenda 24
List of participants 28

G20 Inclusive Business Workshop Asia

16 April 2013

Agenda

Tuesday, 16 April 2013 - G20 Inclusive Business Workshop Scaling Impact through Innovation

Moderator Minu Hemmati, adelphi

9.00 - 9.30 Registration and coffee

9.30 - 9.45 **Welcoming and introduction to the workshop**

/ Location: Powai Ballroom

Anil Sinha, Regional Head, South Asia Advisory Services, International Finance Corporation (IFC)

Plenary sessions “Envision”

9.45 - 10.15 **Setting the scene: Inclusive business models and Innovation**

Keynote speaker: **Amitava Chattopadhyay**, INSEAD Chaired Professor of Marketing and Innovation

The keynote will challenge perspectives on inclusive businesses innovations and inspire creativity and new thinking.

10.15 - 11.00 **Insights into inclusive business innovations**

Speakers:

- **Rahul Chavan**, CSR Executive, Waterlife India
- **K. Hari Prasad**, Regional CEO, Apollo Hospitals
- **Mahesh Josyabhatla**, CEO Southern Africa, Bakhresa Group
- **Dilip N. Kulkarni**, President, Agri-Food Division, Jain Irrigation Systems

Four winning companies of the G20 Challenge will share their innovation highlights.

11.00 - 11.20 Coffee Break

11.20 - 12.45

Working Groups “Explore” (running in parallel)

The morning working groups will explore successful approaches, technologies and financing mechanisms enabling inclusive business innovations.

Working Group 1 - New technologies and business model innovation

/ Location: Powai Ballroom

Speaker: **Shashank Rastogi**, Director - Operations, Centre for Innovation Incubation and Entrepreneurship (CIIE), IIM Ahmedabad

Facilitator: **Minu Hemmati**, adelphi

What are examples of innovative mechanisms to successfully reach BoP markets and involve them in the supply chain? What are current technologies used to extend and improve the efficiency of inclusive business value chains and how can they be upscaled? What are success factors for the commercialization of innovative products and services in BoP markets?

Working Group 2 - Financing inclusive business innovations

/ Location: Jasmine Room

Speaker: **Sanjoy Sanyal**, Director, New Ventures India

Facilitator: **Rainer Agster**, adelphi

Which financial products and funding mechanisms are available to inclusive businesses for the different stages of the innovation process? What are existing instruments and initiatives that can help inclusive businesses in financing BoP market developments? How can financial institutions, donors and development agencies support inclusive business in their technology and value chain innovations and commercialization efforts?

12.45 - 14.00

Networking Lunch

14.00 - 15.30

Working Groups “Execute” (running in parallel)

The afternoon working groups will identify key success factors, promising strategies and best practices for managing inclusive business innovations.

Working Group 3 - Managing innovation: from continuous improvement to radical innovation

/ Location: Powai Ballroom

Speaker: **Amitava Chattopadhyay**, INSEAD Chaired Professor of Marketing and Innovation

Facilitator: **Minu Hemmati**, adelphi

What are key structures and behaviors that allow inclusive businesses to manage continuous improvement - doing something better - and radical innovation - doing something different? Which tools and techniques are supportive to inclusive business models to build and sustain innovation management practices?

G20 Inclusive Business Workshop Asia

16 April 2013

Working Group 4 - Open innovation: new management paradigm?

/ Location: Jasmine Room

Speaker: **Sabine Brunswicker**, Head of research practice "Open Innovation", Fraunhofer Institute for Industrial Engineering

Facilitator: **Rainer Agster**, adelphi

In which way are inclusive businesses using open innovation to add value to their business performance? What are successful examples of open innovation strategies that allow 'outsiders' to become co-creators? What are promising strategies to develop and sustain creative collaborations for open innovation?

15.30 - 16.00 Coffee Break

16.00 - 16.30 **Conclusions from the working groups**

/ Location: Powai Ballroom

16.30 - 16.45 **Outlook**

Susanne Dorasil, Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development (BMZ)

16.45 - 18.15 **Open session "Engage"**

Open collaboration space: new business ideas for the BoP

/ Location: Jasmine Room

The open collaboration space gives participants the opportunity to share new business ideas and partnership opportunities.

18.15 - 21.30 **Networking cocktail reception**

In cooperation with Sankalp Forum and UNDP - Business Call to Action

/ Location: Powai Garden

- **Aparajita Agrawal**, Co-Founder, Intellectap and Director, Sankalp Forum
- **Mohammed Alzaben**, Deputy manager of international organisations, Minister of Finance of Saudi Arabia
- **Sahba Sobhani**, Acting Programme Manager, Business Call to Action, UNDP

G20 Inclusive Business Workshop Asia 16 April 2013

Wednesday & Thursday, 17-18 April 2013 - Sankalp Unconvention Summit

The Sankalp Unconvention Summit hosted special G20 Challenge sessions. Beside an exhibition of the winners' business models, the G20 Challenge panel discussion engaged a dialogue between businesses and policy makers about the required innovation ecosystem for inclusive business models.

April 17

Panel Discussion

12.00 - 13.15

Building an innovation ecosystem for inclusive business models: a case for private-public actions?

/ Location: Powai Ballroom

Speakers:

- **Susanne Dorasil**, Head of Division, Economic Policy; Financial Sector, German Federal Ministry for Economic Cooperation and Development (BMZ)
- **Mahesh Josyabhatla**, CEO Southern Africa, Bakhresa Group
- **Dilip N. Kulkarni**, President, Agri-Food Division, Jain Irrigation Systems
- **Rakesh Rewari**, Expert in the Office of Adviser to Prime Minister on Public Information Infrastructure and Innovations, Government of India
- **Sahba Sobhani**, Acting Programme Manager, Business Call to Action, UNDP

Moderator: **Minu Hemmati**, Senior Associate, adelphi

Conducive framework conditions are a key success factor for the promotion of inclusive business innovations. Panelists will discuss the importance of creating an innovation ecosystem and the conditions required to strengthen innovation capacities in key sectors of inclusive businesses.

G20 Inclusive Business Workshop Asia 16 April 2013

List of participants

	Name	First Name	Job title	Organisation
Mr.	Abhishek	Pandit	Director	AISECT
Ms.	Achwal	Nilima	Executive Producer, SEED	Villgro
Mr.	Aftab	Khanna	Consultant	Accenture Services Private Limited
Mr.	Agrawal	Anurag	COO	Intellectap
Mr.	Agster	Rainer	Senior Project Manager	adelphi
Ms.	Alejandro Mora	Dulce Adriana	Inclusive Business Manager	CEMEX
Mr.	Aljoaib	Khalid	Financial Analyst	Public Investment Fund
Mr.	Alzaben	Mohammed	Deputy Manager of International organisation	Minister of Finance Saudi Arabia
Ms.	Andrade	Nalini	Programme Manager	Fem Sustainable Social Solutions
Ms.	Anu Gupta	Anu	Programme Manager	DFID India, British High Commission
Mr.	Arneith	Florian	Senior Project Manager	KfW
Mr.	Bairiganjan	Sreyamsa	Head- Research and Enterprise Engagement	New Ventures India
Mr.	Balasubramanian	Munuswamy	Private Sector Development Advisor	DFID
Ms.	Banka	Namita	Founder and CEO	Banka BioLoo Pvt Ltd
Ms.	Bauer	Stefanie	Technical Advisor	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), India
Mr.	Billa	Gopi	Senior Director	Deloitte Touche Tohmatsu India Pvt Ltd.
Mr.	Bossar	Albert	Investment Officer	TFBSO
Mr.	Breloff	Paul	Director - Venture Lab	Accion
Ms.	Brunswicker	Sabine	Head of Open Innovation	Fraunhofer Institute for Industrial Engineering
Mr.	Chattopadhyaya	Amitava	INSEAD Chaired Professor of Marketing and Innovation	INSEAD
Mr.	Dass	Devashish	Impact Head - Partnerships	Idobro Media & Marketing Services Pvt Ltd
Ms.	Dorasil	Susanne	Head of the Economic Policy & Financial Sector Division	Federal Ministry for Economic Cooperation and Development
Ms.	Ganachari	Hema	Impact Head - Member Relations	Idobro Media & Marketing Services Pvt Ltd
Mr.	Gupta	Karan	India Investments Manager	Insitor Management
Mr.	Handoo	Jatinder	Relationship Manager (Strategic Alliances)	FINO PayTech Ltd
Mr.	Hassanally	Aamer	Co-founder	WaterWalla
Ms.	Hemmati	Minu	Senior Associate	adephi
Mr.	Hyland	Thomas	Partner	Aspada Investment Advisors
Mr.	Josyabhatla	Mahesh	CEO Southern Africa	Bakhresa Grain Milling
Ms.	Jue	Diana	COO and Co-Founder	Essmart
Mr.	Kagal	Uday	Founder	Innovation Social Consultants
Ms.	Karen	Woodin- Rodriguez	Deputy Manager	Mahindra & Mahindra Spark the Rise

G20 Inclusive Business Workshop Asia

16 April 2013

	Name	First Name	Job title	Organisation
Mr.	Khanal	Shameer	Programme Leader	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Uzbekistan
Ms.	Kono	Satoko	President	ARUN
Mr.	Kulkarni	Dilip	President of Agri-Food Division	Jain Irrigation Systems
Ms.	Kulkarni		Sr. Vice President for Food R&D	Jain Irrigation Systems
Mr.	Kullander	Mats	Bilateral Expert	Sida Swedish Embassy
Ms.	Mangin	Anais	Project Manager	adephi
Mr.	Mario Elias	Gonzalez Luperico	Inclusive Business Advisor	CEMEX
Ms.	Mateo	Tess	Managing Director	CXCatalysts
Mr.	Mehra	Anuj	Managing Director	Mahindra Rural Housing Finance Limited
Mr.	Mehra	Amit	Founder, CEO	RML Information Services Pvt. Limited
Mr.	Mohammed	Anees	Manager - Corporate Citizenship	Siemens Ltd
Mr.	Naguib	Jonas	Private Sector Cooperation	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Ms.	Nakamura	Yui	Programme Specialist	Japan International Cooperation Agency (JICA)
Ms.	Nishtha	Amy	Resource Mobilization and Partnerships Officer	UNDP
Mr.	O'Donoghue	Brendan	Director of Investments	Task Force for Business and Stability Operations
Ms.	Oppermann	Alexandra	Advisor	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
Mr.	Pandya	Khitish	CEO	ECO TASAR SILK P LTD
Mr.	Parghi	Ujval	Director	Shree Kamdhenu Electronics Pvt. Ltd.
Mr.	Patil	Yogesh	Co-founder, Director	Biosense Technologies Pvt Ltd
Mr.	Prasad	Hari	CEO	Apollo Hospitals
Mr.	Preeth	Gowdar	Senior Advisor	US Department of Defense
Ms.	Preeti	Singh	Programme Manager	UNDP - BCtA
Mr.	Priyan	Gokul	Brand Manager	CavinKare
Mr.	Raj	Vikas	Senior Investment Officer	Accion Venture Lab
Mr.	Ranjan	Kumar Priya	Director	Waterlife India Private Limited
Mr.	Rao	Vinay	Managing Director	CXCatalysts
Mr.	Rewari	Rakesh	Expert	Office of the Adviser to the Prime Minister on Public Information Infrastructure and Innovations of the Government of India
Mr.	Saboo	Premprakash	Chief Financial Officer	RML Information Services Pvt. Limited
Mr.	Saksena	Deepak	Head-Partnerships, Water Business	Hindustan Unilever Ltd
Mr.	Samuel	Joseph	Deputy Head-Social Marketing & Alliances	Novartis
Mr.	Sanyal	Sanjoy	Director	New Ventures
Ms.	Sapna	Shah	Manager	GIIN

G20 Inclusive Business Workshop Asia 16 April 2013

	Name	First Name	Job title	Organisation
Ms.	Shah	Ajaita	CEO	Frontier Markets
Mr.	Shah	Sachin	Director IT	Shree Kamdhenu Electronics Pvt. Ltd.
Ms.	Shaiva	Karon	Chief Impact Officer & Managing Director	Idobro Media & Marketing Services Pvt Ltd
Mr.	Sharad Venugopal	Sharad	Project Investment Adviser	Department for International Development
Mr.	Sharma	Nitin	Project Manager-BoP(Soth Asia)	BASF India Ltd.
Mr.	Singh	Sanjay	Senior Manager	Jaipur Rugs Company Private Limited
Mr.	Snehanand (Ravi)	Sinha	Chairperson - Centre for Social Innovation	BIMTECH
Mr.	Sobhani	sahba	Programme Manager	UNDP
Mr.	Stilke	Jan	Project Manager	KfW
Ms.	Strasser	Cosima	Senior Project Manager	adepi
Mr.	Sulax	Shah	Director	SHREE KAMDHENU ELECTRONICS PVT LTD
Mr.	Sundaram	Shyam	Project Leader	Dalberg Global Development Advisors
Mr.	Suneet Singh Tuli	Suneet	CEO	DataWind Ltd.
Mr.	Talreja	Jaishankar	Chief Operating Officer	Shop for Change Fair Trade
Mr.	Tomlinson	Daniel	VP of Business Development	Frontier Markets
Mr.	Ubed	Parveez	Founder, Programme Director	ERC Eye Care
Mr.	Vijay Pratap Singh	Aditya	CEO	Ekgaon Technologies Pvt. Ltd.
Mr.	Vikram Bakshi	Jay	India Advisor	International Business Leaders Forum
Ms.	Voisin	Nadia	Advisor - Private sector	French Foreign Affairs Ministry
Mr.	Weingarten	Richard	Managing Director	Intellectual Capital Advisory Services Pvt Ltd
Mr.	Zuerker	Mirko	Project Manager	adelphi