Business success with a higher purpose that in turn drives higher performance

Creating true Shared Value
SHARED IMPACT LAB
Higher Purpose Higher Performance
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General Manager, FleishmanHillard Washington, D.C.

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Foreword by Kris Balderston

A New World of Opportunities in the Post-2015 Sustainable Development Agenda

In September 2015, the United Nations finalized the ambitious Post-2015 Sustainable Development Goals that will, like the Millennium Development Goals from 2000, act as a roadmap for leading nations to achieve significant global change in the next 15 years. The Sustainable Development Goals (SDGs), or the global goals, aim to reduce climate change, promote public health, expand access to education, and much more, covering the most pressing social, economic and environmental issues of our time. What does this mean for the private sector?

Besides setting the global development agenda, the SDGs also present huge market opportunities for companies to develop new ways of doing business that will play a significant role in solving these complex global challenges. On a local level, too, every market has its glaring needs. It is high time for organizations to consider how they can truly “do well by doing good,” moving beyond traditional corporate social responsibility and recognizing that initiatives benefiting the community can directly drive business in parallel – the concept of creating Shared Value.

While some companies already demonstrate industry leadership through a Shared Value approach, this will be both the challenge and the standard for leading global companies going forward. Also in September, Fortune published its inaugural “Change the World” list featuring the top companies that are innovating business solutions to address complex social and environmental challenges. This list, developed with input from FSG and the Shared Value Initiative and launched with FleishmanHillard’s support, illustrates a shift in business-as-usual among large corporations.

The global Shared Value movement has grown in recent years and foretells a new business landscape where competitive edge and consumer engagement favor companies that find ways to generate both economic value and social benefit through core business activities, leveraging their power to convene powerful cross-sector partnerships to address needs in local markets.

Consumers have new expectations of companies, knowing they have the resources to effect change. Shared Value pioneers such as Nestlé, Vodafone and BD (Becton Dickinson), as well as lesser-known companies such as Cemex, have recognized the power they hold to improve health and economic mobility in the markets where they operate through their core business and expertise. Leading companies are taking this opportunity to drive product and service innovation, upskill and improve their value chain, and strengthen local economies, often by creating uncommon alliances – with NGOs, government, civil society and even competitors.
Besides the direct business impacts, these companies understand the invaluable boost these initiatives provide their brand through community trust, public recognition and customer loyalty. Those brands that have come to the forefront by utilizing Shared Value strategies are able to communicate why local community needs are important to the company and how their investments and efforts align to the business and what it stands for. They genuinely convey a commitment to community and contribution to society, enabling them to connect with consumers and stand out as industry leaders.

Recognizing this, FleishmanHillard has partnered with FSG and the Shared Value Initiative, led by Michael Porter and Mark Kramer, as well as the United Nations Foundation and many more organizations, building on our experience and capabilities in helping companies to develop Shared Value initiatives and communicate their efforts.

FleishmanHillard has developed a new service for clients, the Shared Impact Lab, as a rigorous process in supporting organizations to formulate Shared Value strategies, forge cross-sector partnerships and craft effective communications plans that align with the global agenda and address local issues. We see immense opportunity in helping clients collaborate more effectively to achieve greater impact and drive bottom line growth.

We hope that this booklet serves as a useful introduction to our perspective on Shared Value, the business opportunities it presents worldwide, potential benefits to your brand and the role of public engagement throughout your organization’s journey. To quote Fortune – here’s to the power of capitalism to improve the human condition, and a brighter future for all.

Kris M. Balderston
Senior Vice President & Senior Partner, General Manager
FleishmanHillard Washington, D.C.

Kris Balderston is Global Managing Director of FleishmanHillard’s Public Affairs Practice. He formerly served as Special Representative for Global Partnerships at the U.S. Department of State, under Secretary of State Hillary Rodham Clinton. He also served as Senator Clinton’s Legislative Director and Deputy Chief of Staff, and held various roles under President Bill Clinton and others.
A Conversation with Mark Kramer
Co-Founder and Managing Director of Foundation Strategy Group (FSG) and Creating Shared Value Pioneer

Mark Kramer and Professor Michael E. Porter of Harvard Business School coined the concept of creating Shared Value in 2010, published in an award-winning and still-cited article in the Harvard Business Review in 2011. Mark is widely respected as an expert in this area. He is a prolific author and frequent speaker on topics such as collective impact, new approaches to evaluation, impact investing and social entrepreneurship.

What is the business case for companies to pursue Shared Value programs?

Shared Value programs inherently have a business case embedded in them, because it’s about impacting social and environmental issues in ways that strengthen a company’s competitive positioning and increase its growth and profits.

When we did our research, we found that many companies were missing opportunities because they had been treating social and environmental issues as externalities that don’t affect their bottom line. Once businesses realize the corporate opportunities that come from thinking about social issues through a Shared Value lens, they will see a whole new area of business opportunities arise. Creating Shared Value is really about competitive strategy, positioning and creating new opportunities for companies to make money.

What role do multi-sector partnerships play in creating Shared Value initiatives?

We find that multi-sector partnerships are tremendously important in Shared Value initiatives because there are so many social issues that a single entity can’t address on its own.

Companies have unique capabilities around innovation, scale and efficiency. Non-profit organizations have an acute understanding of social issues and the needs of lower income or disenfranchised populations. They are also trusted in a way that companies are not. Governments have a unique role to play through policy and enforcement as well.
Can you highlight the most compelling Shared Value programs you have come across?

There are some wonderful examples. Novartis in India realized a few years ago that while it was selling medicine in the cities, where only 30 percent of the population lived, the rest of India resided in rural villages, where there was no distribution mechanism. People in these rural villages still practiced traditional medicine, didn’t have access to diagnosis or to modern medicine, and didn’t have access to the kinds of drugs that Novartis provides.

In order to reach this market, they hired hundreds of healthcare educators to go out into the villages and teach basic health education, and organized health camps that brought doctors and nurses to these remote villages to perform diagnoses. The result is that Novartis provided healthcare education to more than 10 million people in India. The company has reached a new market for sales of more than 70 million people in India and it has done this while generating a profit.

What is the role of PR/communications in driving and scaling Shared Value initiatives?

Communications is very important to driving Shared Value initiatives. There are many aspects of Shared Value that require engaging communities to change their behavior, and communications is a very powerful tool to do this.

It’s also important that stakeholders understand what companies are doing and why they’re doing it. There’s often push-back from investors who think creating Shared Value is not a good use of shareholders’ money, so it’s important that companies are clear that they’re deriving major business benefits from these programs.

Lastly, it is vital to communicate both the business and the societal benefits to all the relevant stakeholders, which gives companies permission to do this work.

Why is the time now?

There are good and bad reasons why we should act now. The bad reason is that governments around the world are not sufficiently able to fulfil their functions of addressing the societal needs that affect so many of their citizens. We need to find other ways to reach solutions on that scale and large corporations can be one element of that solution.

The good reason is that there is an explosion of new technology and new data. This means that the poorest farmer in rural Asia can have access to a cellphone and a whole world of information. There’s tremendous innovation in social entrepreneurship and impact investing. We’re finding new business models that create inclusive business, providing income and services to lower-income populations. Ultimately, this tremendous rate of innovation is the main driver for why now is the time.
UN Sustainable Development Goals

1. **No Poverty**
   - End poverty in all its forms everywhere

2. **No Hunger**
   - End hunger, achieve food security and improved nutrition and promote sustainable agriculture

3. **Good Health**
   - Ensure healthy lives and promote well-being for all at all ages

4. **Quality Education**
   - Ensure inclusive and quality education for all and promote lifelong learning

5. **Gender Equality**
   - Achieve gender equality and empower all women and girls

6. **Clean Water and Sanitation**
   - Ensure access to water and sanitation for all

7. **Renewable Energy**
   - Ensure access to affordable, reliable, sustainable and modern energy for all

8. **Good Jobs and Economic Growth**
   - Promote inclusive and sustainable economic growth, employment and decent work for all

9. **Innovation and Infrastructure**
   - Build resilient infrastructure, promote sustainable industrialization and foster innovation

10. **Reduced Inequalities**
    - Reduce inequality within and among countries

11. **Sustainable Cities and Communities**
    - Make cities inclusive, safe, resilient and sustainable

12. **Responsible Consumption**
    - Ensure sustainable consumption and production patterns

13. **Climate Action**
    - Take urgent action to combat climate change and its impacts

14. **Life Below Water**
    - Conserve and sustainably use the oceans, seas and marine resources

15. **Life on Land**
    - Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss

16. **Peace and Justice**
    - Promote just, peaceful and inclusive societies

17. **Partnerships for the Goals**
    - Revitalize the global partnership for sustainable development

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Where Purpose Meets Profits – Guiding Principles

Society’s expectations of corporations have changed dramatically. Being a socially responsible, ethical organization is now demanded. Progressive organizations deliver both social benefit and economic value as an intrinsic part of their business model. They utilize Shared Value strategies as a driver of innovation and growth.

Align purpose to competitive advantage and profits

Consumers increasingly expect companies to deliver on their brand promise to the wider community and demonstrate real commitment to what they claim to stand for. In the process of aspiring to a higher social purpose, leading companies also realize this can be a true differentiator in achieving higher business performance.

Shared Value comes from the point of convergence between business opportunities, a community’s social needs and a company’s assets and expertise. Instead of “giving back” value that has already been created — which may be the case for traditional philanthropy and corporate social responsibility (CSR) — Shared Value approaches create new value in a self-sustaining way by honing in on market-driven solutions. Shared Value is seen by some as an evolution beyond traditional CSR programs, which may leverage the company’s expertise for community benefit and incorporate responsible practices into its operations, but do not create new revenue streams or other direct business impact.

From an economic point of view, the Shared Value concept rests on the premise that both economic and social progress must be achieved. However, businesses have rarely approached societal issues from a commercial perspective, often treating them as peripheral matters, additional costs or, at best, community investment.

In the social sector, thinking in value terms is even less common. Social organizations and government entities often evaluate community programs in terms of the benefits generated or investments made. As governments and NGOs begin to think more in value terms and recognize how Shared Value strategies are more economically sound and sustainable, their interest in collaborating with business will inevitably grow.

Shared Value strategies address the question of return on investment (ROI) with measurable business impact, while also addressing a social purpose.
“To give an example of Shared Value programs in developed countries, Dow Chemical developed cooking oil for use in fast-food restaurants that has zero trans fat and is very high in the ingredients that make oils heart-healthy. It’s now a billion-dollar product for Dow Chemical and it’s taken more than a billion and a half pounds of trans fat out of the American diet.”

Mark Kramer, Co-Founder and Managing Director of FSG and Creating Shared Value pioneer
Creating Shared Value is a key business strategy at Philips. One example is the ‘+’ Project, a multi-sector partnership with governments, NGOs and consumers in Southeast Asia. Our goal was to increase Philips’ bottom line and simultaneously have positive social impact. We crowdsourced ideas from local consumers to provide insights that enabled us to accelerate innovation and ultimately improve the health and well-being of consumers.

Another highly successful and award-winning example is The ‘+’ Project by Philips, a campaign to improve the health and well-being of communities across Asia, rolled out in Indonesia, Thailand, Singapore, Korea and more, which FleishmanHillard supported. Through online crowdsourcing and social media, Philips gathered over 30,000 community improvement ideas and applied its products and expertise in teams dispatched to implement these changes in three projects per country for USD 50,000 each.

“Creating Shared Value is a key business strategy at Philips. One example is the ‘+’ Project, a multi-sector partnership with governments, NGOs and consumers in Southeast Asia. Our goal was to increase Philips’ bottom line and simultaneously have positive social impact. We crowdsourced ideas from local consumers to provide insights that enabled us to accelerate innovation and ultimately improve the health and well-being of consumers.”

Arent Jan Hesselink, Vice President, Global Integrated Marketing, Philips

The ‘+’ Project reached over 50 million people in Indonesia, Thailand and Singapore, generating 28,000 social media conversations.

Besides changing brand perceptions, building community relations, and establishing Philips as a company that channels innovation, the campaign resulted in double digit growth in brand preference, purchase intent and, ultimately, sales among consumers in target markets. The campaign was also recognized by nine regional and global industry awards.

Philips is a FleishmanHillard client
Build uncommon alliances

The complex social and environmental issues of our time require innovative solutions that often demand cross-sector partnerships. Shared Value involves collaborating with new stakeholders to build uncommon alliances between organizations such as companies, NGOs, governments, academia and others interested in the same issue or market.

Each party brings its strengths to the partnership – the private sector wields resources, technology and business acumen, while non-profits know the social issues and local networks best, also enjoying higher trust among the community and stakeholders. Governments are also powerful partners for Shared Value initiatives, as they have undeniable influence on policy and infrastructure. And in cases of industry-specific development, a Shared Value approach may require companies to work with competitors as well, such as to build infrastructure, form alliances and improve value chains.

Well-designed Shared Value initiatives are multi-sectoral and combine the strengths and resources of various stakeholder groups to respond to key challenges in targeted communities.²

While Shared Value thinking ideally stems from management and can originate from anywhere in the business, public relations, public affairs and CSR managers are well-placed to identify the cross-cutting issues and consumer engagement opportunities for each company. These communications roles play a vital part in creating the necessary partnerships that make Shared Value strategies successful. These are the professionals who are aware of both business and social issues and regularly engage with communities and stakeholders. They can be instrumental in finding areas of collaboration, identifying new stakeholders, raising internal and external awareness, and ensuring effective visibility, which is often key to the broader success of Shared Value programs.

To demonstrate the ROI, project leads and the communications team need to convey how the Shared Value initiative generates direct business benefits and why it merits investment. Communicating both the societal impact and economic value with external stakeholders is critical even throughout implementation, as this gives companies continued license to do the work and helps with real-time adjustments to make the program more effective. The public relations and communications functions are therefore central to catalyzing change and collaboration.

“The Post-2015 Development Agenda is a plan of action for people, planet and prosperity. The 17 Sustainable Development Goals seek to eradicate poverty in all its forms, which is the greatest global challenge and an indispensable requirement for sustainable development. The scale and complexity of the SDGs requires not only the political will, but also the ingenuity of the private sector. We are excited to collaborate with stakeholders across all countries to implement this plan.”

Aaron Sherinian, Chief Communications and Marketing Officer, UN Foundation

Improve Value Chain

Innovate Products

Strengthen Economies
Innovate products, improve the value chain and strengthen economies to meet social needs

Shared Value initiatives vary in format depending on the nature of a company’s business, its objectives and resources. When Nestlé decided, "We’re not a food company, we are a nutrition, health and wellness company," it looked at its business and related social challenges through a new lens, inspiring innovation and opening up new markets, such as with fortified foods targeting undernourished communities in developing countries.

According to Porter and Kramer’s Shared Value framework, there are three ways to create Shared Value:

1. Reconcieving products and markets

The first approach includes innovating or redesigning products and services, such as food and banking, to address societal needs in specific communities, or opening new markets by devising new distribution systems to reach underserved communities.

2. Redefining productivity in the value chain

Alternatively, those with suppliers in developing countries, especially in agriculture and manufacturing, can train workers and farmers in their value chain to improve product quality and productivity while increasing upstream income and creating livelihoods.

3. Enabling local cluster development

Lastly, strengthening local economic clusters involves creating jobs and fostering self-sustaining economic networks, which then improve the income and market access of targeted communities, often connecting them with the formal economy and wider value chains.

For example, Vodafone partnered with a Kenyan telecoms firm and created a new market, while FrieslandCampina, the maker of Dutch Lady milk, took the approach of improving its value chain and promoting local economic development.
Vodafone Innovation Drives Financial Inclusion and Opens Commercial Opportunities

**Challenge**
Expanding access to financial services, credit and broader financial inclusion remain a significant challenge in Africa and in other parts of the developing world. In the late 2000s, Vodafone set out to support financial inclusion in Kenya through a money transfer solution with a simple key message, “Send Money Home”, which enabled customers to send money directly between each other using mobile technology.

**Solution**
Vodafone Group and Safaricom launched M-Pesa in 2007 in Kenya, and from its simple beginnings it has grown exponentially both in terms of product and geography. M-Pesa is now available in many countries including India, Egypt, Tanzania, South Africa, DRC, Lesotho, Mozambique, Romania and Albania.

It is more than a simple mobile money transfer proposition and in many countries enables bill payments, salary disbursements, international money transfers and access to more traditional financial services provided by third parties such as savings and loans.

**Results**
Today, M-Pesa is seen as an enabler to financial inclusion. At the end of March 2015 there were in excess of 19.9 million active customers who used M-Pesa with over 3.4 billion transactions processed in a year.

From a standing start in 2007, the adoption of M-Pesa has been exponential.
FrieslandCampina Dairy Development Program Enables Local Dairy Farmers to Optimize Business

Challenge
Milk suppliers in Asia that produce the majority of milk in the region are typically rural smallholder farmers who are often not well-equipped to scale up. FrieslandCampina, one of the world’s largest dairy co-operatives, saw a pressing need to raise quality standards, resources, infrastructure and technological know-how to improve the quality and quantity of local milk production and the sustainability of dairy farming. An aging farming community and need for access to affordable financing were also pivotal issues.

Solution
FrieslandCampina leveraged the skills of its member farmers, technology and more than 140 years of dairy farming expertise to create the Dairy Development Program (DDP). For about 20 years now, FrieslandCampina has trained and educated local farmers in Indonesia, Thailand, Vietnam, Malaysia and Nigeria, enabling them to optimize their dairy farming businesses.

The program is either conducted by FrieslandCampina (for instance, the Farmer2Farmer program), in partnership with advisors such as a Dutch agri-agency for international cooperation, or with government in the Netherlands and the local country.

The integrated program covers knowledge-sharing such as feeding and watering, calf-rearing, hygiene, machine maintenance, hoof care and barn design, as well as training courses, exchange programs and the establishment of milk distribution systems. Combined, these improvements enable dairy farmers to optimize their businesses and raise the quality and quantity of dairy production.

Results
To date, FrieslandCampina’s DDP has supported over 45,000 dairy farmers in Asia and Africa. A cooperation with Agriterra, for instance, equipped more than 800 farmers across Asia with new skills, knowledge and passion for dairy farming at international standards by the end of 2014.

Through its DDP, FrieslandCampina has improved the quality of milk, increased agricultural productivity and sustainability, improved livelihoods, and made farming more attractive to young rural people.

At the same time, the company has strengthened its supply chain and built public-private partnerships. By educating its value chain, FrieslandCampina can secure higher-quality milk without importing or using large suppliers, staying true to its model as a cooperative that works with local smallholder farmers to generate gains for all.

This Shared Value program has been recognized by Mark Kramer and Michael Porter, as well as awards including PublicAffairsAsia’s 2014 Gold Standard Award for Stakeholder Engagement3 and CMO Asia’s Asia Pacific Best Sustainable Business Practice Award 2014.4

Create content that connects

Shared Value strategies define leading brands and build their legacies with a higher order. Innovators and industry leaders create Shared Value to bring campaigns to life, capturing hearts and minds, and inciting action. These initiatives unearth compelling human stories and generate powerful proof points of the difference that a company’s innovation and commitment can deliver through inclusive and responsible business.

By capturing these initiatives in content that engages with consumers and yields constructive dialogue with stakeholders, companies can strengthen their programs and ultimately their brand and reputation. Innovative, game-changing campaigns leave lasting impressions on people. It is about capturing the social impact to make an emotional connection with customers and ultimately drive business objectives.

Shared Value initiatives also create opportunities for public engagement and messaging around a company’s mission, values and unique contribution. There is an unprecedented change taking place right now in the way people access, share and co-create news and information. Smart companies recognize this and connect themselves to customers and communities with meaningful, relevant messages that resonate around the issues that their audiences care about. They collaborate with community partners, define a role for themselves in the wider development agenda, and demonstrate the unique value that their business brings to local communities within a wider context.

Just as best-in-class CSR platforms align with a company’s core business, Shared Value takes this integration to the highest level by delivering better business outcomes. It can reinforce and redefine what a brand stands for, what it is known for, and what people talk about and remember.

In addition, storytelling and public relations are important for initiatives that are dependent on raising awareness and rallying participation, such as public health, education and word-of-mouth campaigns.

“Every social challenge poses an opportunity for brands to exact positive change in the world and their business. We are seeing a rapid shift among companies using the power of purpose with creativity to drive performance. The Shared Value innovators increasingly take center stage at leading awards such as Cannes Lions for brilliantly aligning brand promise and product benefits to address everyday societal needs and achieve impressive business results. Campaigns that create Shared Value are becoming the new normal for progressive organizations.”

Lynne Anne Davis, Asia Pacific President, FleishmanHillard and PR Jury President for Cannes Lions 2015 International Festival of Creativity

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South African Insurer Discovery Disrupts Global Insurance Industry

Challenge
The converging challenges of a quadruple burden of disease, an undersupply of doctors and an egalitarian healthcare system presented a significant challenge to the healthcare industry in South Africa. In addition, there was under-consumption of preventative care while curative care was spiraling and not sustainable.

Solution
Discovery developed Vitality, a behavior-based wellness solution that incentivized healthier behavior by giving customers access to wellness partners such as gyms, empowering them with healthcare knowledge and tools, and offering financial incentives that increased as members engaged with the Vitality program.

Engaging in the program increased health and fitness levels, lowered the frequency and cost of hospitalization and reduced the disease burden of customers. The model also provided a significant competitive advantage for Discovery as the improved morbidity and mortality rates resulted in better margins for the company; and enabled Discovery to continuously improve the financial incentives and rewards necessary to encourage ongoing behaviour change. This in turn results in lower lapse rates, as clients get value in terms of better health and better products and benefits.

Results
Today, Discovery is globally acknowledged as the pioneer of shared value insurance. The company has expanded its operations globally and currently serves over 5.1 million clients across South Africa, the United Kingdom, the United States, China, Singapore, Australia and Hong Kong. Its global partners include leading companies such as AIA, Apple, Generali, John Hancock and Ping An. The company was ranked No. 17 in Fortune magazine’s inaugural “Change the World” list – the highest-ranking insurance company.
**Drive the agenda**

Organizations that have an acute understanding of the post-2015 global development agenda are better positioned to align their business strategies, innovation cycle, products, marketing activities and services to areas of social need and improve their commercial potential. The Sustainable Development Goals are a universal framework for identifying society’s most pressing challenges, but corporations should also work directly with relevant government bodies and with civil society to deepen their understanding of social challenges at a regional, country and local level.

In May 2015, FleishmanHillard’s Washington D.C. office, together with the United Nations Foundation (UN Foundation) and the U.S. Chamber of Commerce Foundation, convened a cross-sectoral group of business and non-profit leaders to explore the role that the private sector can play in driving the post-2015 Development Agenda and supporting the SDGs.

FleishmanHillard and the U.S. Chamber of Commerce Foundation fielded a survey with 84 corporate social responsibility leaders from a mix of U.S. businesses, including Fortune 1000 companies.

Nearly half of the survey’s respondents (47%) said that their company or company executives understand the opportunities the SDGs present to their business. As demonstrated in the infographic, respondents identified five Sustainable Development Goals as “most important” to the business community:

- **Building resilient infrastructure** 67%
- **Promoting sustained economic growth** 65%
- **Achieving gender equality** 60%
- **Ensuring quality education** 52%
- **Strengthening global partnerships** 44%
Supporting the Post-2015 Development Agenda: A Poll of Business Leaders

MOST IMPORTANT SDGs BY AUDIENCE

Top Five SDGs for Businesses:
- 67% Build Resilient Infrastructure
- 65% Promote Sustained Economic Growth
- 60% Gender Equality
- 52% Quality Education
- 44% Strengthen and Revitalize Global Partnerships

Top Five SDGs for U.S. Consumers:
- 66% Quality Education
- 54% Honest/Responsive Government
- 53% Affordable/Nutritious Foods
- 53% Access to Clean Water/Sanitation
- 46% Better Healthcare
This year marks an important milestone in global development and an expanding opportunity for private sector engagement in positive social change.

The World Health Organization, as an example, illustrates some key business opportunities for the private sector in public health, specifically in product and service innovation along the “Continuum of Care” for reproductive, maternal, newborn and child health.6

## Continuum of Care: Health Products & Services

<table>
<thead>
<tr>
<th>Adolescence &amp; Pre-Pregnancy</th>
<th>Pregnancy (Antenatal)</th>
<th>Birth</th>
<th>Postnatal (Mother)</th>
<th>Postnatal (Newborn)</th>
<th>Infancy &amp; Childhood</th>
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</thead>
<tbody>
<tr>
<td>Vaccines and Medicines to prevent and manage STIs (including HIV)</td>
<td>New tetanus vaccines</td>
<td>Prophylactic uterotonics</td>
<td>Diagnostics for serious infections after birth</td>
<td>Early infant diagnosis for HIV</td>
<td>New vaccines for h. influenza, meningococcal, pneumococcal and rotavirus</td>
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<tr>
<td>Innovative female contraceptives (e.g. microbicides)</td>
<td>Diagnostics for syphilis</td>
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<td></td>
<td>Needle free vaccines</td>
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<tr>
<td>Diagnostics for STIs (including HIV)</td>
<td>Affordable mobile, solar-powered ultrasound</td>
<td></td>
<td></td>
<td></td>
<td>Devices to measure paediatric blood and oxygen levels for childhood pneumonia</td>
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<tr>
<td>Cervical cancer diagnostics</td>
<td>Devices to detect and monitor maternal and fetal heart rates, uterine contractions and blood pressure</td>
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<tr>
<td>Antiretroviral therapies for prevention of mother to child transmission</td>
<td>Improved formulation of uterotonics</td>
<td>Uterine balloons to manage cases of postpartum haemorrhage</td>
<td>New antibiotics for newborns</td>
<td>Low cost infant warmers / incubators</td>
<td></td>
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<tr>
<td>Intermittent preventive treatments in pregnancy against malaria</td>
<td></td>
<td></td>
<td>Safe platforms for neonatal resuscitation (suction apparatus and self-inflating bag-and-mask)</td>
<td>Ventilators for babies</td>
<td></td>
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<tr>
<td>Corticosteroids for preterm deliveries</td>
<td></td>
<td></td>
<td>Ultraviolet tables for jaundice</td>
<td>Paediatric formulations of antimalarials</td>
<td></td>
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- Low cost, solar powered, mobile health devices / Point of care diagnostics
- Nutrition fortification (folic acid, iron, calcium)

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Similarly, at a country level, an appreciation of the most pressing challenges also presents an opportunity for social impact and commercial benefit.

A prime example is in China, where a recent study concluded that air pollution contributes to the deaths of an estimated 4,400 Chinese per day. The sources of China’s toxic air point to emissions from industrial zones. The societal implications of 1.6 million preventable deaths each year from pollution are evident, as is the commercial potential for companies who devise and adopt clean energy and mitigation measures.

Aligning the business agenda to the global development agenda creates Shared Value opportunities for organizations to simultaneously further their own and society’s agendas by:

- Developing and executing targeted programs and partnerships on SDG related initiatives;
- Telling their story as part of the global SDG movement; and
- Formulating earned media strategies to more effectively engage audiences on locally relevant social issues.

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CSR LEADERS RECOGNIZE THE UNIQUE ROLE BUSINESSES CAN PLAY IN RESPONSE TO THE SDGs.

81% Eight out of 10 believe that the business community brings an innovative approach to the table.

77% More than three-fourths say that businesses can help create sustainable, market-based solutions to global development problems.

67% Two-thirds believe the business community’s involvement can help foster greater efficiency.

47% of respondents, nearly half, say their company’s executives understand the opportunity that the SDGs present to their businesses.

However, other business priorities (58%) and a lack of information about how the SDGs relate to their businesses (55%) present challenges when educating organization leaders about the SDGs.

TWO-FIFTHS BELIEVE THAT IT IS IN THEIR COMPANY’S LONG-TERM INTEREST TO INVEST IN BUILDING SAFE AND SECURE SOCIETIES (41%), WHICH THE SDGs CAN DIRECTLY IMPACT.

Research Methodology: Findings are based on Web-based survey with 84 corporate social responsibility leaders from a mix of U.S. businesses, including Fortune 1,000 companies. The CSR leaders survey was fielded between April 28 and May 18, 2015 by the U.S. Chamber of Commerce Foundation. The consumer rankings of the Sustainable Development Goals are a reflection of results from the United Nations’ MyWorld Survey and reflect on responses from U.S. consumers.
“There’s tremendous opportunity for Shared Value in Asia, in part because there is a lot of infrastructure in the developed countries that has not been fully established in Asia. Infrastructure enables companies to do business. If companies take on that responsibility and begin to develop infrastructure for themselves, then it expands their range of opportunities.

There are also many opportunities for private companies to provide goods and services to lower-income populations who are not part of the formal economy.”

Mark Kramer, Co-Founder and Managing Director of FSG and Creating Shared Value pioneer

“Interest in Shared Value is growing in Asia, with a number of companies exploring innovative ways to meet social needs. This is important in a region where there continue to be challenges associated with poverty, the environment and health.

The opportunity for business is to consider the assets and expertise that it has and how that can be used to meet specific social needs in the region through innovative initiatives that create value for communities and for the business itself. In this way, Shared Value initiatives become replicable and scalable because they are good for people and enhance the competitiveness of companies.”

Richard Welford, Chairman, CSR Asia
“Creating Shared Value is integral to our business strategy and is built into our DNA. As an example, we have a CSV Management Committee comprising key executives and external advisors who meet regularly to map our CSV strategy, its business and social impact and continually monitor the impact of our programs.”

Heekyung Jo Min, Executive Vice President, Global CSV, CJ Group

South Korean Conglomerate CJ Group is Pioneer in Asia for Incorporating CSV into Business Strategy

South Korean conglomerate CJ Group is a standard bearer among Asian companies for creating Shared Value. CJ Group operates in a number of industries including food and food services, biotechnology, logistics, entertainment and media. It is also a recipient of the prestigious Creating Shared Value (CSV) Porter Prize (in the “Process” category) in Korea in 2014.

Challenge

In partnership with the Korean International Cooperation Agency (KOICA), CJ CheilJedang (the largest food firm in Korea, and a CJ Group subsidiary) identified a failing farming system in Vietnam as one of the factors contributing to the cycle of poverty in agriculture-dependent rural areas.

The absence of a well-established agricultural framework in the Ninh Thuan province resulted in underproduction, a lack of sustainability and economic depression.

Solution

CJ Group and KOICA saw an opportunity to tackle this pervasive poverty by better integrating rural Vietnamese farmers into CJ CheilJedang’s resource supply chain. They shared the latest farming techniques, such as sustainable seed selection, and are designing and recuperating the much-needed agricultural water system in the province.

CJ Group is also seeking to reinforce the capacity of the local community through the Saemaul Movement – the new village movement – that yielded great success as South Korea’s agricultural policy in the 1970s. According to this model, multiple tactics are used to strengthen the community’s self-reliance, such as supporting farmer unions, training local leadership, and improving and refurbishing education and town facilities.

Results

CJ CheilJedang can secure a stable production base and gain greater control of its supply chain, which will reinforce the quality and price competitiveness of its products.

It also gains brand awareness in Vietnam, with a greater local presence opening market opportunities.

From a social perspective, the establishment of farming and educational infrastructure will reduce poverty and increase farm income.

Also, the installation of water pipes into a planned 250 households will provide a lasting foundation for future development.8

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**Understand what matters to your key stakeholders**

Consumers - particularly millennials - are attracted to organizations with an ethical and social purpose. They show an ever-increasing desire to do business, support, or work for organizations who care about the same issues as they do.

As millennials become the largest workforce demographic, particularly in Asia, it is vital to understand their unique demands and consumer habits. Millennials tend to be more critical in evaluating employers and brands on the basis of the companies’ values, authenticity and social impact. Millennials want to support positive social and environmental change, and expect the private sector to use its resources to address the most pressing issues in society.⁹

Female empowerment is another important issue for Shared Value initiatives. Empowering women to participate in the local and formal economy remains a large area of opportunity that has been proven to produce wider benefits, helping to:

- Build strong economies;
- Establish more stable and just societies;
- Achieve internationally agreed goals for development, sustainability and human rights;
- Improve quality of life for women, men, families and communities; and
- Propel businesses’ operations and goals.¹⁰

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Understanding what matters to these and other important stakeholders is critical. Resources such as the UN MY World 2015 survey — which captures the social and developmental priorities and views of citizens from around the world — can enable companies to hone in on the most pressing and relevant issues for their particular target audience.

UN MY World 2015 Survey: Snapshot of over 8 million total votes worldwide for top issues of concern across all ages and education levels, as of Sept. 17, 2015.¹¹

Top three concerns worldwide are: 1) A good education; 2) Better healthcare; and 3) Better job opportunities.

Measurement is mission-critical

The results of Shared Value initiatives can and must be measured, for the purpose of evaluation, improvement, justification to the business and, ultimately, sustainability. Measurements include the social and business outputs, outcomes and impacts.12

In order to better evaluate success, program planning must start with specific goals and Key Performance Indicators in mind, both for the business and the community. Outputs are the more quantifiable results generated, while outcomes are the more qualitative results tracked, and impacts are the less tangible and overarching changes achieved. It is important to remember that funds invested and hours committed by employee volunteers are inputs and not outputs.

In addition to social impact and business results, Shared Value can be measured by employee engagement, stakeholder feedback, scalability, growth opportunities, risk mitigation, public policy impact, and of course, impact on brand and reputation.

In working with clients and partners, FleishmanHillard analyzes the parameters and common objectives defined, to understand the important levers to utilize and benchmarks to achieve in establishing a unique metrics framework for each Shared Value program.

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The Shared Impact Lab

FleishmanHillard helps create heightened Shared Value strategies with a deeper focus on communications. This new era of multi-stakeholder engagement requires brands to connect with society in meaningful ways and demands a new process to innovate and stay ahead of the curve.

FleishmanHillard’s Shared Value Innovation Lifecycle is divided into a three phases – Commit, Collaborate and Solve – with six stages during which companies create a shared impact strategy. At FleishmanHillard, we offer a wide variety of tools and services to help clients achieve strategic priorities based on their progress in this new approach to business.

Shared Value Innovation Lifecycle

Five Tips for Starting Your Shared Value Journey

1. Identify the social or environmental issues that your company has the expertise and resources to address with a new way of doing business.
2. Develop an internal business case, action plan and measures of success.
3. Seek out partners in NGOs, civil society, government and interested stakeholders to help unlock new ways of doing business.
4. Implement Shared Value initiatives that increase competitive advantage. Ensure C-suite buy-in for the Shared Value mandate.
5. Design communications and marketing strategies to amplify the initiative and engage employees.
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