

Challenges to Building an Inclusive Business Community

5 Lessons from the MIT Practical Impact Alliance



About MIT D-Lab

MIT D-Lab works with people around the world to develop and advance collaborative approaches and practical solutions to global poverty challenges. Our mission is pursued through an academic program of more than 20 MIT classes, student research and fieldwork opportunities; research groups spanning a variety of sectors and approaches; and a group of participatory innovation programs called innovation practice.

Acknowledgments

Our deepest gratitude is to the individuals and organizations who formed part of the Practical Impact Alliance network and joined MIT D-Lab on all or some part of PIA's journey these last five years. The publications, labs, and co-design summit projects would not have been possible without their contributions and meaningful engagement. This document also benefited from the inputs and careful review provided by our D-Lab colleagues; we thank Laura Budzyna, Nancy Adams, and Libby Hsu for their edits and feedback.



Authors:
Amanda Epting (MIT D-Lab),
Saïda Benhayoune (MIT D-Lab)

Design:
Wing Ngan (Ink Design), Amanda Epting

Suggested Citation:
Epting, Amanda, Benhayoune, Saïda. 2020.
Challenges to Building an Inclusive Business
Community: 5 Lessons from the MIT Practical
Impact Alliance. Cambridge: MIT D-Lab.

Cover Photo:
PIA Members gather in MIT D-Lab's workshop
during the 2017 Annual Meeting.

Table of Contents

2	Foreword
3	Executive Summary
4	The PIA Model - Peer Learning and Collaborative Action
6	5 Years of the Practical Impact Alliance
8	What We Learned - Insights for the Inclusive Business Sector
8	1 Differentiating in a nascent and dynamic sector
10	2 Managing a diverse and fast-maturing participant profile
12	3 Balancing a dual-value proposition by design
14	4 Scaling a high-touch model
16	5 Fitting within an academic institution
18	What's Next
20	Endnotes

Foreword

From 2014 to 2019, MIT D-Lab ran the Practical Impact Alliance (PIA), a membership network of inclusive business practitioners recruited from diverse sectors and industries. While the members were diverse, the mindsets which PIA sought in its community members were specific.

PIA convened innovators and leaders who were interested in learning, piloting, and building. Individuals with an appreciation for practical and inclusive solutions, openness to sharing failures and successes, and an appetite for innovative approaches and divergent viewpoints. With an emphasis on learning and experimentation, PIA was designed as a safe space for members to share and exchange as peers, including the sharing of failures and challenges.

During our five years of operating PIA, we saw our own share of successes and challenges and in 2019, decided to wind down the program in early 2020 and move forward in a new direction. This decision, albeit a difficult one, was based on our learnings from managing the program over five years, our continuous consultation with PIA network members, and a careful consideration of the evolution of and trends in the inclusive business sector. When we decided to shutter the program, it was paramount to our team to transparently share what we learned so as to inform and seek to advance the inclusive business sector as a whole.

This report is in the spirit of PIA's guiding philosophy of open learning and embracing both successes and challenges. It is not a catalogue of PIA outcomes, what activities we organized or our greatest achievements – those can be found by reading through our publications and report outs from PIA's activities on our website – instead this report is an intentional reflection on the program.

We hope that you will find its insights useful in establishing your own initiative or program.

*Amanda Epting, PIA Manager
Saida Benhayoune, PIA Founder and Director*

Executive Summary

Building inclusive business (IB) initiatives is complicated. No single individual or organization has all the answers, nor is the first attempt always successful. What if world-leading organizations teamed up to develop, experiment with, and scale technology and business solutions to global poverty?

This was the question that MIT D-Lab sought to advance through the Practical Impact Alliance (PIA), a program which ran from 2014 to 2019. A network of intrapreneurs from the nonprofit, government, and corporate sectors, PIA advanced base of the pyramid (BoP) innovation and knowledge around inclusive business themes ranging from local innovation and participatory design to scaling social ventures and marketing and distribution at the BoP through collaborative action and learning.

This report is a reflection of PIA's journey and what MIT D-Lab learned from building and supporting the PIA network – insights we believe are relevant for other intrapreneurs, practitioners, and network operators seeking to drive innovation, build capacity or foster collective action in the inclusive business or international development sectors.

We have organized our learnings around five key challenges that PIA faced and tried to address along its journey.

1 Differentiating in a nascent and dynamic sector

2 Managing a diverse and fast-maturing participant profile

3 Building a dual-value proposition by design

4 Scaling a high-touch model

5 Fitting within an academic institution

The PIA Model - Peer Learning and Collaborative Action

Since its founding in 2002, MIT D-Lab has served as a core actor within the international development ecosystem at the Massachusetts Institute of Technology (MIT). D-Lab's multidisciplinary academic offering of more than 20 MIT classes engages students, staff, and faculty from across the Institute in addressing pressing global poverty challenges. In addition to its academic classes and research initiatives, MIT D-Lab's Innovation Practice team facilitates inclusive innovation processes as an approach to building better products and services, more equitable value chains, more dynamic local innovation ecosystems, and more resilient communities. The common goal that unites this work is the creation of practical solutions – technologies, processes, businesses, value chains, and ecosystems – that deliver measurable and sustainable improvements in people's lives and that can help communities come to see themselves as defined more by opportunity than by poverty.

Launched in 2014 by Saida Benhayoune as an initiative of what is now MIT D-Lab's Innovation Practice pillar, the Practical Impact Alliance (PIA) was created with the goal of fostering collaborative action and shared learning among a community of social intrapreneurs from within leading businesses, nonprofits, and academic institutions. Observing that while many corporations and social ventures explored inclusive business models to create global shared value in developing markets, this kind of innovation happened in relative isolation, with organizations duplicating efforts to build the capacity and knowledge they needed. By bringing these independent actors together, PIA aimed to catalyze change within organizations, generate and disseminate useful knowledge across organizations, create practical innovation, and enable effective implementation of market-driven solutions to poverty.

The PIA Model

D-Lab designed PIA as a membership network to allow member organizations to increase their individual and collective impact – all while leveraging and supporting the work of MIT programs focused on global poverty alleviation and inclusive business.¹ Adopted by many multinationals entering and growing in emerging markets, and by social entrepreneurs seeking financially sustainable models to fulfill their missions, inclusive business is also increasingly supported by traditional global development actors who are shifting to promote collaborations with the private sector to scale market-based solutions to poverty. PIA sought to ensure inclusiveness and diversity through its paid model by establishing a sliding membership fee based on an organization's revenue model and ability to pay; and designed its program targeting these diverse inclusive business practitioners with three objectives in mind: co-design, co-learning, and convening.

PIA members and MIT D-Lab Scale-Ups Fellows in 2017 during a joint workshop.



Co-Learning



At the center of PIA's programming were the [PIA learning labs](#), previously known as working groups. Designed as capacity-building, content-creating, and virtual-convening mechanisms, the labs provided a forum for practitioners to learn from one another, while also contributing to the generation of new content relevant to the wider inclusive business (IB) community. Through the labs' monthly virtual meetings, groups of practitioners engaged and exchanged with one another around a topic for twelve months. Five years of PIA saw the exploration of a variety of themes related to business and innovation in BoP markets through fourteen distinct learning labs, including marketing and distribution, partnerships, inclusive recycling, fostering local innovation and innovation ecosystems, and measuring impact. These themes were identified and collectively chosen by PIA members, and each learning lab captured and transformed its knowledge into actionable insights and toolkits, resulting in a library of PIA publications targeted to corporate and social-sector practitioners and social ventures.

Co-Design



MIT D-Lab was founded with the mission of catalyzing global development through participatory processes – with one such methodology being co-design. PIA sought to incorporate this core D-Lab asset into its own programming, by offering an annual [Co-Design Summit](#) and building an [online participatory design course](#) and toolkit. PIA Co-Design Summits were field-based, week-long seminars in which PIA members – immersed in local markets – collaborated with community members and local innovators to co-create solutions to local issues, while gaining first-hand experience with market constraints and stakeholder needs. The first PIA Co-Design Summit took place in [Ghana in 2015](#), and subsequent yearly PIA summits took place in [Zambia](#), [Colombia](#), [Laayoune](#), and [Uganda](#), each in collaboration with different local partners. Over the years, the summits increasingly engaged PIA members' local staff, and several summits evolved to more intentionally blend co-design with entrepreneurship. Distinct from other peer inclusive business programs, PIA's Co-Design Summit embodied the desired hands-on ethos expressed by PIA founding members, to roll up their sleeves and bring about practical solutions to poverty rather than engage in theoretical discussions.

Convening



To catalyze and strengthen the community that would be sustained virtually through the learning labs, PIA embedded in all of its activities an element of convening. At the time of its founding, PIA members expressed that they often felt isolated within their organizations, without many peers or examples of fellow intrapreneurs with whom they could connect and learn. To address this gap, PIA sought to create a tribe of like-minded BoP-focused intrapreneurs. Intimate by design, the PIA network, through its learning labs, annual convening at MIT, and Co-Design Summit, offered members an opportunity to connect and build relationships virtually and in person. An annual meeting at MIT at the beginning of the PIA year catalyzed the year-long learning lab journey, and a co-design summit towards the end of the PIA year provided the opportunity to learn and practice D-Lab's participatory design methods and to convert acquired knowledge and connections into concrete action.

5 Years of the Practical Impact Alliance²

5 Co-Design Summits

14 Learnings Labs



PIA Founded

2014

Ghana CDS

During the 1st Co-Design Summit, PIA members, community representatives, and local innovators came together in Ghana to practice co-design and explore collaborations.



2015

1st Annual Meeting



4 Inagural Labs

Mobile Phones & Behavior Change

Distribution Challenges at the BoP

Fostering Local Innovation & Co-Creation

Global Food Loss and Waste

Zambia CDS



PIA members and local innovators gathered for the 2nd annual PIA Co-Design Summit in Zambia. Participants worked on six projects ranging from WASH to agriculture to education.

2016

PIA's Publication Library Grows



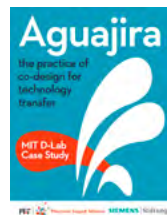
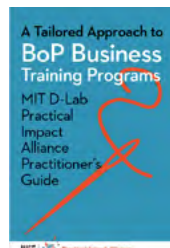
Colombia CDS

Co-hosted with PIA member, World Vision, and D-Lab community partner, C-Innova, the 2017 CDS convened PIA members and community members in Fonseca, Colombia.



2017

Hybrid Partnerships, Business at the BoP, & Technology Transfer



Laayoune CDS



Bridging MIT D-Lab's design curriculum and innovation ecosystems practice, the 2018 CDS sought to cultivate the path for a vibrant local innovation and entrepreneurship ecosystem.

2018

Local Innovation Ecosystems & Marketing at the BoP



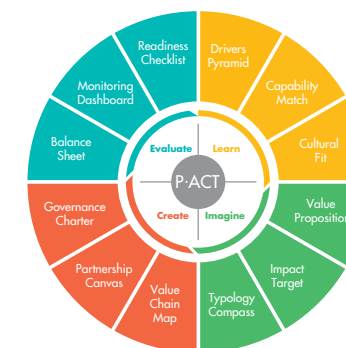
Uganda CDS

The Tackling Challenges to Scale CDS gathered entrepreneurs alongside entrepreneur supporters to apply co-design to overcoming barriers to scale for entrepreneurs in East Africa.



2019

Co-designing Inclusive Partnership Models



What We Learned - Insights for the Inclusive Business Sector

After five years of operating PIA, MIT D-Lab has chosen to shutter the program and adapt its content to new program offerings. This decision was reached as a result of reflecting on the lessons captured through PIA's journey. Relevant internally to D-Lab in choosing how to focus its programming, these learnings are also applicable to the inclusive business sector and programs designed to serve a similar or related IB audience.

1 Differentiating in a nascent and dynamic sector

Nascent markets move quickly. Keep an eye on the evolving landscape and adapt your offering rapidly so as to maintain a differentiated positioning.

You cannot address all market gaps at once. Design an offering that is focused on your core strengths and can be flexible and scalable over time.

Early adopters will always pay a higher price - in time and resources - to access something new. Plan to quickly adapt your offering to suit the early majority of profiles you target, as their needs and wants will inevitably diverge from your early adopters.

In 2005, the World Business Council for Sustainable Development coined the term **inclusive business**.³ Since then, as more and more companies set their horizons beyond developed markets and traditional customers, a new sector of support organizations has also grown with the aim of accelerating business's progress. It is within this quickly evolving landscape that in 2014, MIT D-Lab launched the Practical Impact Alliance (PIA).






In response to the priorities of an inclusive business leaders' focus group – hosted by D-Lab at MIT in February of 2014 – who yearned for a network focused on actionable insights and collaboration, PIA chose to position itself as an intimate network of action-oriented, multidisciplinary practitioners focused on hands-on learning and peer exchange. PIA filled a market gap that was well-suited to D-Lab's position as a BoP-focused innovation organization within an academic institution committed to global impact. Over the course of five years, PIA's programming expanded to encompass practitioner-focused learning, networking, co-design, and individual and organizational capacity building activities.

Simultaneously, the environment around PIA evolved. New networks and programs emerged, and while PIA chose to maintain wide-ranging programming and remain small and agile, others increasingly chose to specialize programming and scale their membership bases.

Based on D-Lab's experience with PIA, the inclusive business market segmented over the years into five archetypes: Capacity Builders, Designers, Consultants, Content Creators, and Conveners.

While these archetypes are not mutually exclusive, meaning networks and or programs may incorporate components of multiple archetypes, we found that successful programs, meaning those capable of achieving both financial sustainability and impact, choose to focus deeply on two segments at most.

Inclusive Business Market 5 Archetypes

Archetype	Role	Example Organizations
Capacity Builders 	Build the capacity of individual influencers and social intrapreneurs, often thru 1-1 Fellowship programs.	Aspen First Movers Fellowship
Designers 	Provide consulting and training specifically on user-centered design for clients both external facing and internally focused.	Ideo.org
Consultants 	Offer support to organizations' inclusive business challenges through longer duration, tailored projects, or consulting.	William Davidson Institute
Content Creators 	Develop and disseminate practitioner content, primarily through online courses or virtual working groups.	Acumen+
Conveners 	Catalyze inclusive business through convening organizations within or across a specific sector.	ANDE Business Fights Poverty

PIA tried to span three different archetypes: capacity building, convening, and content creation. This breadth had implications on PIA's activity design, creating tension within the program on where to devote resources and what the program sought to achieve. Design choices which served one of these three offerings often ended up detracting from the other two, as evidenced by our experience with the PIA learning labs.

The learning labs were designed to both generate content and provide a forum for deep peer learning and connection building, which competed for members' time and representation in the labs.

First, it was challenging for members to commit to the year-long engagement of convening and capacity building, which we felt was necessary for the creation of meaningful content.

Second, as the PIA member profile evolved and diversified, it was a challenge for new members to forge meaningful connections year after year across knowledge levels, and from a capacity building perspective it became increasingly challenging to cater to all these diverse members' needs equally.

These challenges within the learning lab extended to



2016 Zambia PIA Co-Design Summit participants create and test their team's design ideas.

the PIA program as a whole. PIA's initial differentiator was as a tight-knit community of action-oriented practitioners driven by practical learning across general themes. This positioning, once distinctive, eroded over the years as more specialized organizations were able to develop focused programming that catered to specific needs of the quickly diversifying IB audience.

2 Managing a diverse and fast-maturing participant profile

You cannot be everything to everyone. Define and target your ideal persona. Design an offering with a specific profile in mind, and focus limited resources to create and sustain value for this target group.

Good recruitment also means knowing who not to target. It is tempting to take in diverse profiles while trying to build demand and reach financial viability. But the cost of retaining the wrong profile can be prohibitive. Keep to your ideal persona.

Graduation is desirable. Develop clear on-and off-ramps for your target persona, and monitor their capacity and knowledge journey so as to maximize active community engagement and learning.

As the inclusive business sector evolves, so do the profiles of enterprises and individuals within the sector. There is a steady stream of new entrants in the early stages of exploration, who join maturing actors already undertaking inclusive business initiatives, and each of these actors represents a unique set of priorities and needs. Without a shared starting point for this diverse set of individuals and institutions, each has a unique participant journey and matures at a different pace. As a result of this diversity in priorities and maturity, there is no clear or static persona, but rather a spectrum of shifting profiles, making it a challenge to both accurately segment the audience and effectively cater to multiple profiles at one time.

To foster diversity and cross-sector collaboration, PIA chose not to focus narrowly, and to target both the business and nonprofit sectors. Additionally, PIA included a myriad of industries and geographies, remaining industry-agnostic and open to addressing a variety of topics adjacent to D-Lab's core mission of co-design and BoP innovation. With such an open pipeline, PIA members represented a wide spectrum of organizational and individual profiles. They can be segmented into three primary profiles: **Builder**, **Connector**, and **Learner**.

The Builder

Most advanced in their inclusive business learning journey, these individuals are tasked with a specific inclusive business project or challenge their institution is seeking to address. They are focused on acquiring cutting-edge, emergent content and tools, and progressing their individual advancement so as to derive maximum value for their organization.

The Connector

Medium to advanced in their impact learning journey, these individuals seek partnerships and access to other peers through which to advance their organization's work. They are always facilitating introductions and expanding the number of individuals within their organization who benefit from programming. They are more interested in leveraging relationships and capturing value to share with colleagues than in content exploration and development.

The Learner

Found across all stages of the impact learning journey, though typically concentrated in the early to medium stages, these individuals seek to expand their skills and capacity in certain areas as a means of professional development. They are interested in their own development, but can also be proactive in sharing training with their colleagues and adjacent internal teams.

Over its five years, PIA successfully recruited individuals across the entire spectrum of IB practitioner profiles, but in analyzing member retention data, two key insights emerged.

PIA's broad offering did not resonate with members with narrow learning goals.

PIA struggled most to retain members who came to the community solely to solve a specific challenge or to realize quick returns at the organizational level through a project or initiative. While all members came to the network seeking answers to organizational challenges, the multidisciplinary nature of the content PIA explored, and the activities offered, were not targeted to provide individual organizations with roadmaps or products, as is typically provided through tailored consulting. In not clearly setting expectations or being more selective with member recruitment, this category of members left the network after only one year, disappointed with the program's inability to solve for their specific needs.

PIA did not plan for members' evolution and eventual graduation.

PIA was designed and best suited for practitioners in the middle of their IB maturity journey. With enough experience to contribute meaningful insights, these members still had enough appetite to learn from others' experiences while advancing their knowledge and capacity. PIA learning lab themes were chosen to fit at the intersection of members' interests and address a gap in the IB practitioner knowledge industry. However, within two to three years of engagement with PIA, most members' IB experience and knowledge matured to a higher competency level, and it became difficult for PIA to offer topics that were relevant to both more mature members and new entrants. In not providing a clear pathway for members to graduate out of the program, members ended up perceiving less value and ultimately chose to leave the network altogether.

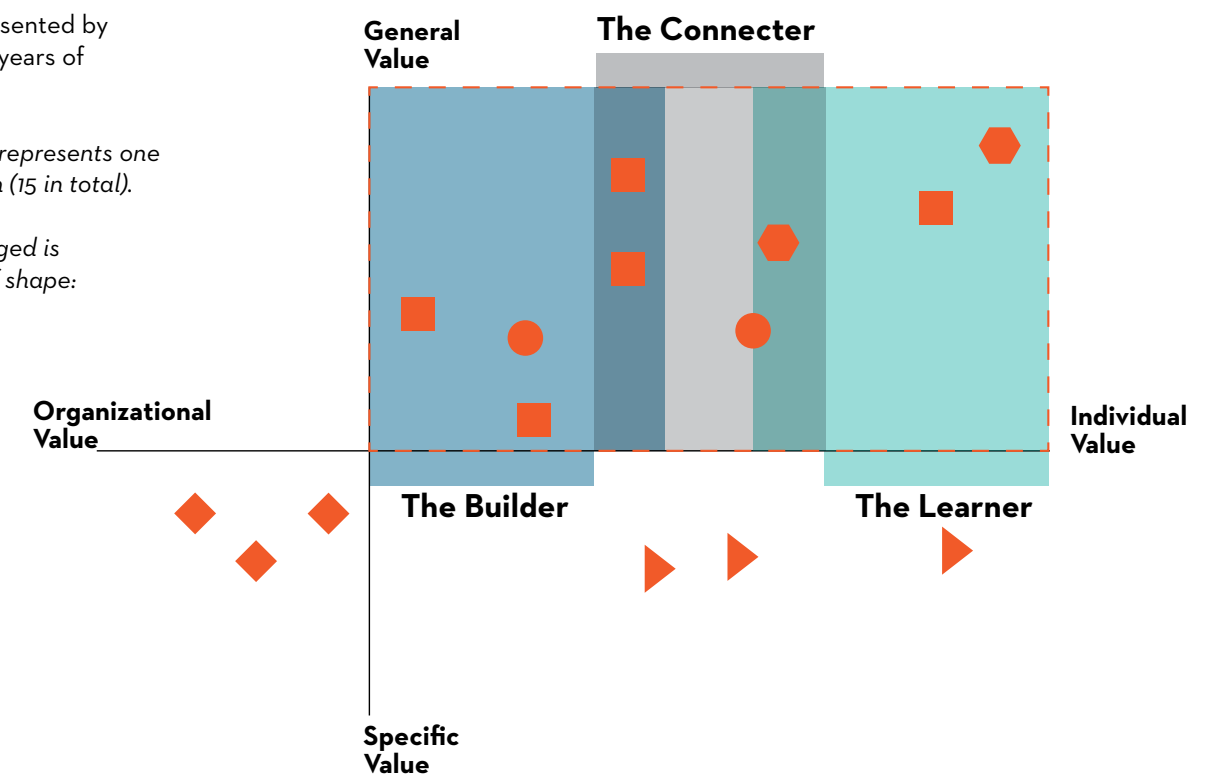
PIA Member Profiles by Years of Engagement

PIA Members as represented by profile and number of years of engagement in PIA.

Each individual shape represents one PIA member institution (15 in total).

Number of years engaged is represented by type of shape:

- 5
- 4
- 3
- 2
- 1



3 Building a dual-value proposition by design

It is better to deliver less but better. Leverage organizational strengths and partnerships to focus and scope your offerings in areas where you can deliver best.

Check for desirability, but also for feasibility. Be realistic about the resources required to deliver on your value proposition.

Producing novelty is expensive and exhausting! Provide an offering that allows your organization to build new skills and expertise, and at the same time leverage these to gain efficiency over time.

To deploy inclusive business initiatives and operate in BoP markets, organizations require staff who are equipped with a particular set of skills. They need staff who possess not simply the knowledge but also the proper mindsets to work in these markets. Furthermore, IB innovation requires cross-sector partnerships between business, nonprofit, and government actors, organizations who are not always well-equipped to collaborate with one another.

In an acknowledgment of this skills gap, and in trying to maintain its unique position of catering to a broad audience, MIT D-Lab designed PIA as a comprehensive year-long program for members with a dual-value proposition of access to a practitioner network and individual capacity building. The network component of PIA, with an emphasis on convening, was intended to facilitate useful connections for members' work, build members' empathy to work in BoP markets and across sectors, and foster peer-to-peer learning and potential partnerships. The capacity building emphasis was intended to build members' skills, knowledge, and mindsets; advance D-Lab's learning agenda and that of the wider IB industry; and address members' request for actionable, not academic, content and tools. Both elements were part of D-Lab's vision for PIA members to experience the PIA program in its entirety – with members partaking in different types of activities that cumulatively delivered a satisfying amount of both content and convening.

PIA was designed as a whole but members preferred activities a la carte.

Consequently, D-Lab designed PIA's activities to simultaneously deliver on both value propositions and include elements of both. For example, PIA Co-Design Summits were a place for members to learn D-Lab's participatory design content while also forging deep connections with other members. Learning labs were launched during the MIT Annual Meeting so that participants in each lab could form in-person relationships that would be sustained virtually over the course of the year's remote learning journey. The Annual Meeting was marketed as both a broad networking event and a forum to explore new knowledge through thematic workshops.

Ensuring the consistent delivery of content and convening throughout all activities within the PIA program was a strain on D-Lab's internal capacity – requiring distinct resources and skills – and on members' satisfaction with the offerings, as members preferred to pick and choose from the program's activities rather than partake in the whole experience.

A dual design requires a diverse set of resources and often new skills.

D-Lab leveraged some in-house expertise for PIA's learning labs,



A design team during the 2015 inaugural PIA Co-Design Summit in Ghana.

PIA Theory of Change



PIA's theory of change demonstrates this divergence across the program's activities, desired outcomes, and as result also the program's resources.

particularly related to the entrepreneurship and innovation-themed labs. Yet, some of the topics PIA members requested required D-Lab to build in-house capacity – a long-term benefit to D-Lab, but resource-intensive – and broker paid partnerships with external collaborators with specific expertise. In both cases, the learning labs required a significant investment on the part of D-Lab staff to fill multiple roles at once: to manage the learning journey of participants over the course of one year, to source and develop cases and speakers, and to publish a practitioner output resulting from each lab's findings.

Alongside the skills and resources required to develop content and broker exchange through the PIA learning labs, PIA also required other types of skills and resources to organize its two flagship annual events. The PIA Annual Meeting required D-Lab's investment in event planning, activities to catalyze networking, and session design for themed workshops. The annual Co-Design Summit, at a new location each year, required significant preparation to identify a local implementation partner, community-

based interest, and design teams/facilitators, and to prepare members in advance with design tools and training.

The promise of novelty and evolving expectations eroded PIA's value proposition.

Lastly, in the areas of content and convening, PIA promised its members new offerings each year – new learning lab themes, new summit locations, and new Annual Meeting workshops. This promise of novelty did not allow the organization to build on its prior achievements and learning, and as a result, PIA struggled to keep up with evolving member expectations. Furthermore, given the broad range of member backgrounds, interests, and priorities, some members felt as though the content or tools developed in the PIA learning labs did not go far enough in addressing their specific individual or organizational challenges. In the end, in trying to serve a small group with wide programmatic offerings, PIA struggled to overcome these divisions and offer either proposition fully, resulting in the erosion of both value propositions.

4 Scaling a high-touch model

Right-size your available market and test your demand and growth assumptions.

Consider your scale ambitions when designing your offering. Design activities that meet your current needs, but that can also grow and generate economies of scale over time.

Do not lose sight of your program's financial model, and make sure it is aligned with your offering at scale.

According to a recent report from Hystra, inclusive business initiatives are centered on people. They begin with an individual, whether top-down with a visionary CEO – like Paul Polman of Unilever or Ajay Banga of Mastercard – who transforms how an organization approaches businesses in emerging markets, or employee in a company such as Cemex or Pearson which encourages innovative social ideas through their employee social intrapreneurship programs.⁴ Given the individual origin of many IB initiatives, a critical component to scaling a business model is the ability to articulate the assets and value an initiative will bring to the company. This value becomes the common language to which individuals can relate as a collective, and how the initiative is easily translated across the multiple people and teams who will engage.⁵



Design prototype from the 2017 Colombia Co-Design Summit.

Considering this emphasis on individuals as catalysts for change, PIA chose to structure a high-touch model aimed at the IB practitioner level to build individuals' confidence, mindsets, and skills to effectively drive change within their institutions. While this programmatic design aligned with PIA's desired impact model, the financial model presented a number of significant challenges to PIA's ability to scale and sustain its program and business models.

PIA's target market of IB practitioners was fragmented and small.

PIA assumed that the return on investment (ROI) from this high-touch (and therefore resource-intensive) model would materialize as PIA members invited other IB practitioners from within their organizations and network to join PIA, significantly reducing MIT D-Lab's cost of new customer acquisition. This assumption proved wrong. The size of the target profile within each organization was much smaller than anticipated, and there was not much of a network effect, with IB practitioners not very well-connected to one another across institutions. PIA found that its target profile of mid-stage IB practitioner was quite unusual, and that the number of these individuals was limited.

Resource intensity does not generate economies of scale.

Furthermore, even if PIA had been able to attract more members, its high-touch model was not capable of generating economies of scale. Each PIA activity – learning labs, co-design summits, publications – required diverse resources and areas of expertise, as well as a significant investment of time and finances. Yet, with a one-size organizational membership rate, D-Lab weighed all PIA activities and member engagement equally, despite the reality that each type of offering—whether a tailored co-design summit or networking event—had a very different price tag because each required different levels of staff support.

PIA's engagement model and financial model were not aligned.

Perhaps most challenging to scaling PIA, was that its core value proposition as a high-touch, intimate network model was in direct conflict with a financial

model that required more member institutions to join the network. PIA built an engagement model for its first year's target membership of 10 institutions, but needed a minimum of 30 members annually to break even. Once PIA tried to recruit more members, it became hard to adapt this high-touch model due to the limited opportunities to realize efficiency through scale. The activities were designed to deliver an intimate community feel, but the network's expansion eroded this value. Scaling meant more learning labs, more summits, more relationship management, further increasing the program costs and pushing the network's membership price tag beyond the members' willingness to pay.

Over the years, PIA observed that membership models in which revenue is derived solely from membership dues cannot usually be profitable without the augmenting of membership fees – through payments from individualized services, events, or consulting. As a fairly small design-centered program at an academic institution, D-Lab was not set up to provide large events, nor was the practice of tailored consulting aligned with MIT's mission and emphasis on open learning for all.



A workshop during the 2018 PIA Annual Meeting at MIT to kick off one of the year's learning labs.

5 Fitting within an academic institution

Ensure that the model you are building is within or adjacent to your institution's own model and strategic evolution.

Leverage your brand to deliver. Brand alignment and promise to deliver are important factors in how likely your program is to target the right profile.

Don't try and swim upstream. Consider the enabling environment within your organization and alignment with its strategic priorities. What internal resources can you leverage to your benefit, and what might hinder you?

Academic institutions provide fertile ground in which ideas, initiatives, and research can be effectively incubated and tested, without the same risk of failure or quarterly return pressures corporations face. As the inclusive business sector has emerged, a number of universities and researchers have been engaged in these preliminary stages of conceptualization and research, yet few have engaged in the application or implementation of IB research, as this can deviate from a university's central mission of serving its students.

MIT, as a university, emphasizes both knowledge and action, which is best captured in its motto "Mens et Manus," Latin for "Mind and Hand." It is within this context, and as part of D-Lab's own mission to develop and advance collaborative approaches and practical solutions to global poverty challenges, that PIA was formed. Given the alignment of organizational mission and access to the Institute's ecosystem of high-quality faculty, students, practitioners, and external partners, D-Lab identified a high level of institutional fit for PIA, yet over five years, it became apparent that the model had not sufficiently considered potential areas of misalignment. Thus, four core challenges emerged.

Mismatch between member interests and university's focus on students and research.

PIA worked to connect its members to MIT students and researchers, but access to these university assets did not prove of central interest to the members. Further, the interest and needs of members did not generally map well to D-Lab class projects or research.

Peer learning and practitioner toolkits ≠ academic publications.

PIA's publications emphasize practitioner-focused frameworks and were the result of peer exchange and learning from the learning labs. It was a challenge to engage MIT faculty through our learning model for two main

reasons. First, there is a limited number of faculty whose research and expertise areas target the BoP. Second, faculty are incentivized to publish peer-reviewed publications whose research process and basis is quite different from PIA's model of co-created content.

MIT is better known for high tech, than appropriate tech.

Association with MIT was a clear value for PIA members. However, MIT is generally best known for AI, robotics, and computing, rather than the humanitarian engineering, appropriate technology and social entrepreneurship that D-Lab is known for. Managing this distinction and expectation was a challenge for PIA and remains a challenge for other parts of the Institute. While all parts of the university leverage similar assets of technologists and engineers, not all are engaged in the same types of technology.

Little opportunity existed for leveraging university networks and processes.

While MIT has strong corporate relations, the university's target audience and model for engagement was quite different from PIA's. MIT has a number of initiatives that engage private sector partners, but these initiatives engage different companies, units, and individual leads than those which PIA sought to target. These initiatives' target was more focused on technology or engineering than PIA, on a senior leader rather than a hands-on practitioner, and, if engaging in emerging markets, on corporate social responsibility (CSR) or grant-making rather than business operations. In addition to a different target audience, MIT models for corporate engagement are centered on sponsored research or executive education rather than what PIA offered: peer learning and catalytic convenings such as the intensive co-design summits.

The limited number of MIT faculty engaged in inclusive business and social impact-focused research, and the lack of a centralized coordination mechanism for IB across the MIT ecosystem, resulted in competition for the university's resources, lost efficiency, and slower progress on these IB themes.

Participants at MIT D-Lab during the 2017 PIA Annual Meeting.



Participants during the 2018 Laayoune Co-Design Summit with their team's target user persona.

What's Next

PIA's journey as a practitioner-focused inclusive business network has rendered tremendous benefit to the individuals who formed the PIA network, MIT D-Lab, and the greater MIT community in advancing the body of knowledge and connections available to corporations and organizations embarking on their own IB initiatives. However, in response to five years of lessons learned through PIA, D-Lab has chosen to transition to a new model of professional education at MIT. We are moving in this new direction to focus our programmatic offerings, target a specific market segment, and better capitalize on our strengths as an institution, all with the goal of achieving a greater impact within the IB sector.

Building on PIA's insights about its target persona, MIT D-Lab has identified the IB practitioner profile for whom D-Lab has the most to offer and from whom to learn. The market of IB professionals remains narrow, but the pipeline of potential new entrants is vast. While more and more companies have embraced innovation in emerging markets and for low-income consumers within their business lines, there is still a long way to go. Given this reality, we at D-Lab see an opportunity to leverage our knowledge offerings to educate and inspire a wider audience of development, engineering, and business professionals on what IB is, what it takes to deploy IB successfully, and what IB can provide for their organizations and in their value chains.

To effectively reach such a broad audience, D-Lab chose to adapt its PIA offering to fit within MIT's professional education model. Today, MIT Professional Education reaches 1,500 learners yearly through its courses, with diversified offerings ranging from leadership and communication to data modeling, design and manufacturing, and innovation. A professional education model leverages the full power of MIT as an institution designed to catalyze and advance knowledge; it is also more closely aligned with MIT's learning model for engaging with external audiences and incorporating faculty expertise. It will build upon MIT systems already in place for professional education, allowing the small and agile D-Lab to provide its innovative and inclusive design methodology to professional audiences in an efficient and financially sustainable manner.

Professional education will still bring together professionals from diverse sectors to learn about inclusive business, and so there will be a network effect, but the priority focus will be on learning. Building on PIA's success of driving change through individuals, this education model will continue to offer professionals a meaningful development opportunity to expand individuals' skills and learning. D-Lab believes that this new professional education offering will also allow us to continue to learn through our students, advance our IB learning agenda, and provide a more sustainable and scalable high-touch model. D-Lab's migration to professional education is also an opportunity to expand MIT's course offerings and audience to include international development and inclusive business practitioners.

PIA Members in the MIT D-Lab workshop during the 2016 Annual Meeting.



Participants during the 2017 Colombia PIA Co-Design Summit assemble a design team's prototype.

The Inclusive Business Professional Education Model

PIA examined a breadth of topics through its co-design summits and learning labs – from technology transfer and door-to-door distribution to hybrid partnerships and scaling social enterprises. In examining this diverse body of knowledge, we have chosen to focus our first IB professional education offering around the themes of marketing and distribution at the base of the pyramid (BoP). Through its educational explorations across geographies and organizations, D-Lab has found that challenges often emerge for organizations when discussing how to market and sell to BoP customers, and how an enterprise can balance impact and scale with profitability. As such, D-Lab has chosen to build and offer a five-day course in 2021, called *Applied Inclusive Business: Scaling technology in low-income markets*. This course will offer development, engineering, and business professionals tools and approaches to bringing innovative social impact products and technologies to BoP markets through IB strategies that have proven to be cost effective and scalable, particularly in the areas of marketing, distribution, and profitability.

This new course will complement D-Lab's other professional education course, *Inclusive Innovation: Designing for a Better World*, which was piloted at MIT in 2019 and received encouraging responses from both the course participants and MIT's professional education administration. *Inclusive Innovation* explores frameworks and methods for participatory design, a process pioneered by D-Lab that engages the individuals who are affected by a challenge and who will benefit from the resulting innovation. This course builds upon PIA's experience with delivering an online participatory design course for professionals in 2017 and 2018, as well as MIT D-Lab's years of in-person trainings, summits, and workshops.

It is D-Lab's vision to expand its professional education offerings over time, both at MIT and abroad, and to design a comprehensive suite of D-Lab courses that capture the breadth of the knowledge generated as a result of PIA, engage and leverage MIT experts and faculty, align with MIT's and D-Lab's strategic teaching and learning priorities, and advance the body of knowledge available to the entire inclusive business community in an inclusive and impactful way. If you are interested in joining us on this journey, please [get in touch](#).

Endnotes

- 1 MIT D-Lab follows the widely accepted definition of inclusive business as market-driven ventures that include and benefit lowincome or base-of-the-pyramid (BoP) populations as consumers, producers, or actors along their value chain.
- 2 Timeline layout adapted from Freepic.com
- 3 D.Fiedler. (2016). WBCSD. Delivering on the Sustainable Development Goals: The inclusive business approach. <https://www.wbcd.org/Overview/News-Insights/Inclusive-Business-Insights/Delivering-on-the-Sustainable-Development-Goals-The-inclusive-business-approach>
- 4 B. Jenkins. (2018). Cultivating the Social Intrapreneur. Stanford Social Innovation Review. https://ssir.org/articles/entry/cultivating_the_social_intrapreneur
- 5 O. Kayser, L. Klarsfeld. (2019). HYSTRA. The Journey of Multinational Corporations to Inclusive Business. <https://www.inclusivebusiness.net/node/4661>



Photo Credits

Colombia 2017 Co-Design Summit all photos courtesy of Territorio Audiovisual

Laayoune 2018 Co-Design Summit all photos courtesy of the Phosboucraa Foundation

Uganda 2019 Co-Design Summit all photos courtesy of Alzar Media

All other photos MIT D-Lab



<https://impact-alliance.mit.edu/>

MIT D-Lab

77 Massachusetts Avenue, N51-300, Cambridge, MA 02139-4307

impact-alliance@mit.edu