[WORKSHOP] Building Corporate Partnerships During and Post COVID-19
February 11th, 2021 | 3:00PM WAT

This workshop focuses on how Entrepreneurship Support Organizations (ESOs) can build corporate partnerships – emphasizing the why, the how, the challenges and tips/best practices on building corporate partnerships for ESOs.

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Why do Corporates and ESOs Want to Partner?

Brainstorming Session
In your experience, what are the biggest challenges for ESOs to form meaningful partnerships with corporates in West Africa?

Some Responses
- Internal Capacity to relate with corporates.
- Developing Partnerships beyond Corporate Social Responsibility.
- Finding common ground and aligning with the ESOs vision.

Why do corporates fund entrepreneurship programs?

Corporates funds and implement entrepreneurship programs to pursue two types of objectives. One is development objective, and the next is strategic and commercial objectives; and so, when ESOs understand the internal objectives of a Corporate, then they can know how to shape the conversation, and pitch what their value proposition is. The objectives of the Corporate affects the design of their program, the kinds of partners that they seek, what stage of businesses they are targeting, or the sector they focus on.

Development Objectives
- Generate jobs
- Promote innovation
- Invent new goods and services
- Ripple effect: increase local development
- Stimulate local markets
- Strengthen local supply chains
- Spur social change
- Promote new (related) business

Strategic and Commercial Objectives
- Social license to operate
- Supplier development
- Global branding
• Industry competitiveness
• Stakeholder engagement
• Access to R&D, market intelligence
• Employee engagement
• Financial return

CASE STUDY

Kosmos Innovation Center, Ghana – Partnership Model

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<tr>
<th>Organization</th>
<th>Contribution</th>
<th>KIC Program Component</th>
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<tr>
<td>Kosmos Energy</td>
<td>Funding and implementation</td>
<td>Crosscutting</td>
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<td>Cargill</td>
<td>Funding and Technical assistance</td>
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<td>Kumasi Hive</td>
<td>Prototyping &amp; Regional Expansion</td>
<td>AgriTech Challenge &amp; Incubator</td>
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<td>DAI</td>
<td>Curriculum Development, Coaching, &amp; Technical Advisory</td>
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<td>Developers in Vogue</td>
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<td>Council for Scientific and Industrial Research</td>
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<td>Technical Assistance &amp; Capacity Building</td>
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Corporate Journey to Finding a Partner

Awareness
Company is aware that they want to invest in entrepreneurship, is doing educational research to understand, frame, and give a name to their needs more clearly. ESOs should make sure they are building their own brand awareness, be present at the right fora, having their name in strategic places online.

Consideration
Company is committed to researching and understanding all of the available approaches and/or methods to solving the defined problem or opportunity. If an ESO is well-positioned, their name comes up during the research process, and if there is good engagement, they have a higher chance of being shortlisted.

Decision
Company has now decided on their strategy, method, or approach, is compiling a long list of all available partners and their products in their given solution strategy and researching to whittle the long list down to a short list and ultimately make a final decision.
Strategic Positioning and Value Proposition: What can ESOs bring to the table?

- Access to pipeline of entrepreneurs
- A trusted local brand and platform
- Networks, including finance institutions, investors, and government
- Co-investment from other funders
- Existing entrepreneurship models and approaches
- Event and co-working space

How Can ESOs and Corporates Partner?
- Non-Financial Support
- Core Program Funding
- Consulting & Fee for Service

1. Non-Financial Support
   - Mentorship and Coaching
     Mentorship and coaching is one of the most integral parts of a startup being able to create, and stay in business. Mentorship is a more holistic over a longer period of time, whereas coaching is specific to one technical area. Having corporate mentors can actually attract a stronger applicant pool and really increase engagement, excitement within the community, and many corporates actually volunteer in this sense to have true impact within their community. Examples include one-on-one mentoring, group mentoring, speed mentoring, peer mentoring, reverse mentoring and distance or e-mentoring. ESOs can benefit from expanding and professionalizing their mentorship network with corporates. During Covid-19, more corporates may be open to e-mentoring.
   - Guest Speakers (including from Procurement teams)
     This offers a way to reduce the time commitment because a guest speaker might only speak for a one-hour session, or for just a few sessions over a week. It is also a great way to help entrepreneurs understand some of the procurement as well as management requirements of corporations, because many corporates have very rigorous procurement requirements, and even processes for suppliers to be able to register or to bid on projects. Lastly, it offers an opportunity for the corporate team to learn more about your ESO with even less of the time commitment required.
   - Serve as a judge during a Pitch Event
     Virtual and face to face Pitch events offers a way for ESOs to build new types of engagement with corporates. Having corporates serve as a judge can be a great way for them to find innovative ideas for potential suppliers that they might actually want to integrate within their supply chain.
   - Invite Corporates to Buyer Days & Demo Days (and get invited to Trade Shows and Suppliers Forums)
     Having Corporate attend your Demo & Buyer Days provides an opportunity for your entrepreneurs to interact with corporates in their industry. You could also consider collaboration with other ESOs and explore many of the new free and low cost online platforms to run events that can engage corporates (Airmeeet, Run the World, Icebreaker, engagez, vFAIRS, Soapbox Engage, etc.)
- Perks
Perks have been emerging as a great supplement or complement to cash prizes that ESOs can offer their startups and entrepreneurs. Local, regional, or global companies may offer discounted services as a way to connect with the local entrepreneur ecosystem and build a new client base. Examples may include:
- Discounted technical, training, business, or legal services
- Financial – advisory, management, payment systems, fundraising
- Transportation – shipping, travel sponsorship to trade events, etc.

2. Core Program Funding

Prioritize Your Resources: Selecting ESO Financial Support Options

- Sponsorship
Sponsorship funding often exchanges co-branding opportunities with low or no strings attached program funding for ESOs. This could be a great way to leverage pieces of programs that have high visibility to provide branding in exchange for financial support. They come in various forms:
  a. Cohort-Specific Sponsorship
     Corporates support an ESO portfolio of companies that can potentially sell to, raise funds from, or be acquired by the large corporations.
  b. Major ESO Sponsor
     Corporates support an ESO’s operational budget of an entrepreneurship program from their social investment interest.
  c. Short-term Sponsorship
     Corporates support events such as workshops, conferences, hackathons, investor days, pitch competitions etc. Here, co-branding marketing is emphasized, and it removes the need to charge attendees.
- **Seed Capital**
  This can take the form of grants, equity investment, or debt.

- **Space Rental**
  This model gets built out more as certain entrepreneur hubs, incubators, accelerators, also provide co-working spaces for their entrepreneurs. Hubs can offer office space for corporates to be embedded within the entrepreneurship community, to maintain close proximity and build relationships.

3. **Consulting & Fee for Service**

- **Conduct research for corporate clients**
  ESOs that have some great trainers and research staff, and are training entrepreneurs in certain industries have an expertise that they can offer certain corporates in terms of research at a fee. This could be market studies, Industry briefs, Technology trends, Pre-feasibility studies or Ecosystem mapping.

- **Support with value chain development**
  An ESO has the capacity to bring small and growing businesses together and already do training in a certain way that may often be coming from a donor, or government can approach a corporate and show that they can complement whatever type of value chain development the corporate already has going.

- **Support with local supplier development**
  ESOs can play a unique role in helping large multinational corporates meet the local content standard by building on the local supplier development teams.

- **Run reverse pitches/innovation challenges**
  Many times the entrepreneurs that graduate from ESOs think they have a product or service that they can sell to a corporate and may try to pitch their idea to a corporate through various networks, but the problem is they do not really understand the complexity of the industry. On the flip side, corporates need to bring innovation into their supply chain, product development, supply chain management, paying suppliers and the whole growth of the FinTech space. However, they may not know how to go about it or who to partner with, and so the idea of a reverse pitch is to partner with an ESO, and come with some problem statements from the industry. Then, the entrepreneurs in a program can build products and services to address these problems, be mentored by the corporates, and have clear guidance on how these innovative ideas can be bought by the corporates.

- **Offer corporate innovation & entrepreneurship training facilitation**
  ESOs can be brought in to run trainings for different teams within the corporates. For example, they could facilitate design thinking & market research workshops for corporate teams.
Tips on Building More and Better Corporate Partnership

- The challenge of bridging different worlds.

Corporations and ESOs speak different languages - generally have very different missions and visions, as well as different internal structures. ESOs, on one hand might not understand what the corporate’s needs and drivers really are, such as external regulatory factors and internal pressures.

On the other hand, corporations might not truly understand what entrepreneurship is and thus might be intimidated by the phrase ‘entrepreneurship and innovation’. These are some challenges that can impede successful partnerships. Additionally, corporations and ESOs can work on very different timeframes, so it is just very important to understand whether the process might be slower or faster than you are used to, and how you can accelerate the process if there are hiccups. Some tips for bridging these different worlds are:

- Treat the corporate partnership as a business development process.
- Invest in building relationships and remember that trust takes time! Go for industry events, buyer days, demo days, and try to embrace and interact with corporates in multiple environments.
- Build strong channels of communication.
- Think of your appreciation strategy (e.g., mentor appreciation dinners).

- Articulating a Value proposition

The challenge here is that sometimes ESOs can be focused on the funding or support needed, instead of thinking of adding value to the corporate partner. Some tips for articulating a value proposition are:

- Tailoring your pitch to the corporate’s specific needs. Stay true and authentic to your pitch.
- Emphasize your social impacts – what themes are top of mind for your target corporate(s)?
- Conduct background research to understand the corporate’s greatest competitors
- Think about alternative revenue streams.
- Bring in other partners.

- Sustainability

The challenge here is that ESOs need sustained funding for operations but corporates may want to only offer short term sponsorship or one-time seed capital directly to entrepreneurs. Also, corporates tend to see entrepreneurship programs as a public relations (PR) exercise. A few tips for ensuring sustainability

- Start small (like engaging mentors), then build to something bigger like sponsorship once they gotten to know your ESO.
- As you build relationships, help them see the value of entrepreneurship for long term impact.
Q&A – Key Questions

A lot of the times, corporates fund the entrepreneur or fund the beneficiaries, how can one make them see the need for a core support to keep the ESO’s operations going? If it's a grant, which might be the easiest way that a corporate can sponsor, try to negotiate an administrative fee that you can charge to manage that grant, and make them understand that this is not free to administer. For donors and governments (if organizations are managing grants for them), the fee could be between 7-10%, and ESOs can use this to manage overhead costs. As you build relationships, aim to align with the interests of the corporate and make them see everything that goes into running your organization.

Is there a professional network of contacts with international investors to invite to demo days and acceleration programs?

There is ANDE, and there is also the Global Impact Investing Network (GIIN). GIIN has mobilized a variety of investors, both debt and equity, that have a broader focus on impact. Often, when ANDE members host pitch events, they reach out to the GIIN who help bring in the right type of investors.

Is the interest more from corporates than the people in CSR, or is there a need to actively join organizations like ANDE to start looking for these types of opportunities, or is this still a push from ESOs?

From DAI’s work, we have observed that although corporates are seeking to partner locally, whether or not they're joining organizations like ANDE, they do not know how to find the right person to engage the network. Thus, they rely on advisory partners like DAI to link them into the right networks. Corporates are seeking out partners and when they go into a market and want to do an entrepreneurship program, they leverage on existing assets and resources. ESO’s therefore need to be plugged into the right networks and also be visible within the space.

What exactly is the is the appetite for corporates to actually get ideas and solutions from external support and external sources? Also, within organizations, who should push first, who will have that priority open mindedness to get the solution?

Specifically in different parts of Africa, with regards to ESOs and corporate partnerships, the best entry point might not be, “we are going to provide you with the next supply chain innovation”, but instead, it might be, “we’re going to help you meet local content requirements”.

There are different teams to engage with including the HR teams, external relations team, social investment team, etc. For relationship building, the target should be individuals within the organization who you can have informal conversations with and begin to build a relationship with...