



**Strengthening innovative social  
entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

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business settings in Thailand and Myanmar**

**WP-1 Status-quo analysis of the status of social entrepreneurship efforts in  
Thailand, Myanmar including a good practice catalogue EU**

**Good practice catalogue EU**



2020





## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

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**Strengthening innovative social  
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## Compuritas

Austria



## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

### **Short description**

Compuritas is an Austrian company based in Graz which was founded in 2009. The mission of the company is the following:

Compuritas refurbishes high quality business IT hardware to on the one hand side reduce electrical waste and on the other hand side to make high-quality computers and other IT equipment available to schools, associations and clubs as to individual at a reasonable price. Following this mission Compuritas contributes to the reduction of the digital gap of children and individuals.

From the beginning on it needs to be clarified that Compuritas is not an NGO but a for-profit company following a social cause/minimizing a social problem. Compuritas has become an important player for educational organisations given the fact that due to the covid-19 crisis, it is the first time that the public is well aware of the digital gap (people having educational and professional disadvantages because of the lack of accessibility to IT hardware and infrastructure) due to social imbalances and actions need to be taken. This is where Compuritas supports with providing refurbished hardware IT equipment to those in need at a reasonable price.

The company currently employs 5 employees. Out of these 5 employees there are two full time equivalents, two part-time equivalents and one trainee/apprentice.



### **1. Social problem**

Compuritas is basically tackling two social problems connected to today's society.

First, given the fast pace of today's business world, the majority of business hardware devices are used only for three to five years for tax and economic reasons. Then the hardware business devices are replaced even though they are in perfect condition and fully functioning. Compuritas is then buying the devices from companies or receive them as a sponsorship to refurbish them. With the deletion of date and the refurbishment of the hardware provided it is possible to reduce electric waste on the one hand side.

Second and on the other hand side, this hardware is then provided for a reasonable price to schools, educational associations and clubs and even private households to close the digital gap that is more than ever apparent in today's society.

So, through the social business model of Compuritas electric waste is lowered and different target groups have access to decent priced IT hardware for educational purposes. Further, all technical equipment sold by Compuritas has an extended guarantee of 24 months to increase the trust in refurbished IT hardware and the durability of it.

In addition to what has been presented above it also needs to be mentioned that Compuritas has recognized that the Austrian population, in comparison to the German, is less open to the topic reusable devices and that people are not well informed about grey energy, also known as production energy, and the impact it has on the environment.

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This is perceived as a societal problem as Austrians tend to renew their electronics on a regular basis even though they are not broken but because a supposedly “newer and better” product is on the market. This is the result of years of marketing that channelled peoples’ habits over time. But since Compuritas has been in business they have seen slight improvements in the habits and openness of consumers.



### **2. Founders’ Profile**

The company was founded by Rüdiger Wetzl-Piewald in 2009, who in the meantime has handed the company over but he is still in close contact with the current CEO. Rüdiger is now the CEO of the social business club in Graz/Styria/Austria. Through his new role in the social business industry, Rüdiger is still able to help and guide Compuritas on their journey.

The current CEO, Matthias Di Felice, started his journey at Compuritas as a student studying to become a teacher. Matthias originally enjoyed his education in IT at the Higher Technical Institute (HTL) and during his studies, he worked at Compuritas where he and Rüdiger kept on working on the business idea.

Matthias and Rüdiger recognized the potential of their idea and wanted to expand the business and were looking for some investors. Compuritas was one of the very first companies being successful in the Austrian TV start-up show 2 minutes 2 million (similar to Dragons’ Den) which boosted the company and its reputation in Austria. Given the increase of publicity Compuritas was one of the first companies in Austria to participate in crowdfunding. Through the participation in the show and crowdfunding, Compuritas had the capital to open their first store in Graz.

Summarizing, due to the founder as well as the current CEO being innovators and first movers in the field of social entrepreneurship, not only with their business model but also with their business practices, Compuritas is today a well-known business contributing to the minimization of social problems.



### **3. Social Mission**

The business idea emerged about after Rüdiger was in Brazil and recognized that a lot of children were excluded from the digital world and in addition they could not afford the access to education which is eased through IT devices and infrastructure. After being back, Rüdiger started his research about the situation in Austria realized that the same problem was also prominent in Austria. In order to minimize this problem Rüdiger started to investigate on the usage journey of business IT hardware devices and what he found out was the basis for the Compuritas business model.

The mission of Compuritas: Austrian companies usually only use the highest quality hardware. These devices are characterized by their durability, thus long warranty period and high performance.

After 3-5 years, these devices are regularly exchanged and are in principle in perfect working order.

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This is exactly where Compuritas comes in. Compuritas takes over these high-quality devices from companies, conduct the most extensive tests according to international standards with these devices, delete all data reliably and verifiably and then equip them with the latest software.

Budget shortage in schools and clubs is no secret. New computer equipment is expensive and this often results in insufficient equipment and overworked teaching staff and IT support staff.

Individually adapted offers, tailor-made solutions and good advice characterize the service of Compuritas. A long warranty period on all equipment creates the necessary confidence.

The advantage of refurbished equipment is the quality and performance at a fair price. If a refurbished device is bought, then an enormous amount of resources is saved and the environment can be protected.

The driving goals of Compuritas are, as already mentioned, also incorporated in their mission to refurbish IT devices (hardware) to prolong the usage of professional equipment to reduce electric waste and enhance the accessibility to reasonable price and perfectly working IT devices to enhance the access to education.

The offers/ services of Compuritas include:

- ❖ Rollout management and certified data destruction - Compuritas takes over the hardware of companies and deletes data reliably and verifiably.
- ❖ Employee programme for IT devices – Compuritas supports companies in selling hardware to their employees and take over the whole management as well as the data destruction.
- ❖ Configurable offers - Whether ready to use with pre-installed complete image of the desired software or empty, memory upgrade or SSD hard disks, Compuritas tailors their offers individually to the needs of the target groups.
- ❖ Large quantities - Compuritas always has large quantities of the same model which allows the target groups such as school to equip their institution in a uniform way to save administrative effort.
- ❖ Quality guaranteed – Compuritas' standard offer is to always have a 24-month warranty directly with the company itself. Warranties are also possible for longer periods with additional costs.
- ❖ Convenient shopping - Convenient shopping on a company's favorite portal. Compuritas takes care of the rest as they deliver free of charge throughout Austria, once ordered via the Compuritas webshop, the BBG portal or Stifter-helfen.at.



## **4. Value Proposition**

The beneficiaries of Compuritas are their customers as well. On the one side companies selling their hardware devices are customers and beneficiaries given the services offered by Compuritas for this target group. On the other side, educational providers such as schools, clubs and associations and private people are also customer and beneficiaries because the Compuritas refurbished products' can be purchased up to 70% cheaper than in conventional stores where explicitly new devices are sold. In addition to that, the customers receive first-class service and high-quality refurbished products. This is where the value for the customer base lies.

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The value proposition of Compuritas can be seen in the lifecycle extension of computer hardware and therefore reducing electric waste and ensuring access to IT hardware. Generally, the concept is already successful in other countries around the world but in Austria it definitely can be seen as an innovative approach given the limited awareness and acceptance for refurbished products.

The main revenue streams for Compuritas are the sale of the refurbished devices to the different target groups and also the services offered to companies aiming to sell their “outdated” hardware devices. This is the profit part in their social business model that ensures reaching a break-even point at the end of each fiscal year meaning that they are operating on a sustainable business model that enables them to be financially independent.

In addition, Compuritas also tries to acquire grants from various funding sources to increase their business capacities but until now no long-term grants have been acquired. This is because they classify themselves as a social business and not as a socio-economic company which would have its main focus in the employment of people and not on generating profit to have an impact on social problems.

Further, Compuritas cooperates closely with the Ministry of Environment and the environmental education centre in projects where they try to contribute and/or give input on topics like reusable devices. Currently, Compuritas is involved in an initiative of the Ministry of Education which tries to give access to IT hardware to pupils to improve their access to (online) education. This initiative came to live due to the Covid-19 crisis.



### **5. Social impact**

The impact of Compuritas is social-ecological as the company aims to increase the access to education and to raise awareness on the topic refurbished devices as a new alternative to support the responsible handling with the available resources on the planet.

Compuritas follows the Social Reporting Standards in order to measure/monitor their impact. As these reporting standards are quite extensive, many working hours need to be put into the reporting. Therefore, the depth of the reporting is somehow dependent on the available working hours. Still, measuring/monitoring the impact achieved is important to the company and thus, yearly reports are produced. One indicator that is used to measure their impact, amongst others, are CO<sub>2</sub> values. With this information, they can then calculate how much CO<sub>2</sub> they have reduced with each product or investment. The calculations are all done according to the social reporting standard and are published in an annual report depending on if they have the time and resources to publish that.

In other words, it can be said that each refurbished computer saves on up to 11kg chemicals, 120kg fossil fuels, 750l water and 550kg CO<sub>2</sub> emissions, compared to the production of a new device.

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### **6. Key Success Factors**

In the year of 2013, the company restructured its legal form and increased the number of their services. The company started with a workshop and gradually grew having their own retail store and production facilities. Today, Compuritas exports their products to 3 countries namely to the Czech Republic, Germany and Italy, whereas Italy is in the trial phase at the moment.

Their key partners, given their business model and explained already earlier on, are companies and organisations renewing their IT hardware/devices on a regular basis and on the other hand side, educational organizations such as schools, associations and clubs as well as private people in need of IT equipment with limited financial resources.

One of the mistakes Compuritas made was their approach to the market. In the beginning, they put too much emphasis on their social and ecological impact and not on a sustainable business. They soon learned that B2B marketing is essential for their future success and adapted their approach. They also made mistakes in the hiring process of employees and did not invest wisely in this area. They invested a lot in training and education of several employees but the trained employees never remained in the company for a long time which led to a loss of resources. They have then learned from this mistake and are now employing apprentices which has proven to be a successful strategy so far.

Compuritas contacts potential partners mainly through cold acquisition via phone calls and emails but also events are essential to the company, especially for building up networks and increasing awareness. Given the increase in awareness among the target groups and the quality of services/products offered the reputation of Compuritas is constantly increasing.



### **7. Crisis Management**

Generally, it needs to be said that through the Covid-19 crisis and the quickly arising need to close the digital gap to get access to education, Compuritas was able to strengthen their position and increase awareness of the apparent problem among Austrian pupils. Through a cooperation with Teach for Austria Compuritas was able to supply children who did not have a computer at home and therefore could not participate in online lectures. Through this campaign they can fulfill their core idea of reducing the digital gap in Austria.

Further, because of this situation the products of Compuritas were demanded more than ever.

This also enabled the company to continue with their business online and also with the production in their headquarters, certainly with the security measures needed, as the product were demanded in large quantities.



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### **8. Potential Recommendation**

Compuritas has understood how to be resourceful and through this mindset, they are able to help thousands of people without access to computers which often leads to access to education.

The business model of Compuritas is definitely one that can also be translated to the South-East Asian context, especially as many multinational companies already have headquarters there and the usage of IT hardware usage is very similar than in Europe or the US – renewal is cheaper than re-use for companies.

Adapting the business model to the Thai/Burmese context could enable these countries to reduce the societal problem – lack of access to education.

#### **Acknowledgements**

- Sources of information:
  - ❖ <https://www.compuritas.at/>
  - ❖ Personal interview with the CEO, Matthias Di Felice



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## Das Gramm & Das Dekagramm

The first packaging-free supermarkets in Graz

Austria



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### **Short description**

In 2016, Das Gramm – the first packaging-free grocery store in the Province of Styria (Austria) - opened its doors in Graz to all sustainability-conscious people who were seeking an alternative to common grocery stores and their wasteful packaging of food. The special thing about Das Gramm is that they offer only regional products that are available without wasteful and unnecessary pre-packaging. Customers have the opportunity to bring their own packaging containers and to purchase the exact quantity of food and toiletries they need. As “das Gramm” became a big success, the two founders – Sarah Reindl and Verena Kassar – opened their second, bigger store “Das Dekagramm – the first packaging-free supermarket” in 2019.



### **1. Social problem**

The main social problem behind the idea of “Das Gramm” is the idleness of people and their consumption habits being the result of that. The majority of people purchase finished goods such as already cut fruits packed in plastic cups. This convenience leads to unnecessary waste caused by the packaging of these products. Further, people are not conscious of the food they eat. They do not care where the product comes from and under which conditions it was produced. This behavior has been fueled by big companies which continue to exploit other countries and people for their natural resources and labour. And what is more, food is often offered in quantities that exceed the needs of the buyer.

To resolve this problem, “Das Gramm” is trying to make it possible for consumers to regain knowledge of the products they consume on a daily basis without the shiny advertisements.

And “Das Gramm” would like to raise awareness in the areas where packaging is creating waste.



### **2. Founders' Profile**

Das Gramm was founded by Sarah Reindl and Verena Kassar in 2016.

The founders have their backgrounds in environmental social sciences and art history and exhibition design. Sarah Reindl finished her studies in 2014 and the first time she heard about the concept of packaging-free food shops was through a crowdfunding campaign for a startup called “Original Unverpackt” (a packaging-free supermarket in Berlin)”. Sarah immediately liked this concept and based on the fact that nobody in Graz was offering anything similar, she decided to start a business by herself. Sarah is a goal-driven person and her first goal was to find a perfect business partner. In the year 2015, Sarah and Verena Kassar met each other coincidentally at an environmental event where Sarah shared her business idea with Verena. Sarah was struggling with the idea of product placement within the store at that time and seeing that Verena studied exhibition design. Therefore, Sarah invited her to participate in the weekly meetings to share her thoughts on this topic. And this is how the partnership

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between the two social entrepreneurs started. Their motivation for this business was not monetary, they wanted (and they still do) to create social added value.



Sarah Reindl and Verena Kassar – the two founders of “Das Gramm” (Copyright: ORF Steiermark)



### 3. Social Mission

The processes in how waste is handled through traditional waste management activities and how waste could be used for new and renewable resources interested Sarah very intensively for many years. The waste management industry has a big interest in people keeping on producing waste, as waste management companies are working with solutions to recycle the waste and generate profit out of that.

But the more innovative solution - which is also more pleasant for the environment and therefore for the society as a whole - is to avoid waste. So, the main mission of “Das Gramm” and “Das Dekagramm” is to create a world where it is possible to buy packaging-free products. The vision they have is to have a positive impact with their service and to change the world.

To convey these values, the two founders have created their two stores and besides that, they regularly offer workshops (“how to produce your own cosmetics, etc.”), offer tours around the shop, and provide lectures about Zero Waste. Besides that, they are also offering cooking courses as packaging-free products do not come with instructions, on how to prepare the meal, printed on the back. Further,

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they have set up a cooperation with a coffee shop (shop-in-shop concept) that is using the food that was not sold in their daily menus. A cooperation with a small clothing shop (sustainable and fair fashion) situated in “Das Dekagramm” enables all parties to cross-sell their products in the stores and to enhance customer streams.

Das Gramm has also got an online presence with their website and online shop and through these channels, they can reach more customers.



### 4. Value Proposition

Das Gramm and das Dekagramm are both shops that are, as it was previously mentioned, creating value based on delivering its customers regional products while raising awareness around minimizing the amount of unnecessary waste created through products' packaging. In this way, both shops are delivering value to their customers through selling high-quality products all while protecting the environment. The revenue that is generated comes mostly from their stores but also from their online shop and services they offer. Further, they established co-operations with a coffee shop and a clothing store (both integrated in their stores as shops-in-shop) to maximize customer frequency and support each other in staff and renting cost.

At the beginning of the journey, the founders defined potential target customers based on the location



they planned to establish their first store. The presumed target groups were students with a high consciousness about waste prevention, small households that do not need supersize packages of food and young parents that consciously think of what they are feeding their children. Due to the fact that the first store “Das Gramm” was located in the Grazer Altstadt (Old Town of Graz), the target group shifted. The regular customers today are mainly well-situated women and young mothers that know the value of regional products and can afford the slightly higher prices compared to products offered in supermarkets. Some customers, who live in small households, come to the store for social interaction.

To start the business, the two founders started a Crowdfunding campaign that was indeed a huge success. Further, they involved from the very beginning two silent investors who share a percentage of the reported profit or loss. But in order to be able to start the business they also received essential subsidies from SFG (Styrian Economic Promotion Agency) for a percentage of the investment costs, regionality, innovation and a percentage of the digital marketing costs at the end of their first business year. They also received support from the city of Graz which they got for the first three years. In addition to all that, Das Gramm also obtained support from the labour market service (AMS) if the employed someone who was unemployed at the time.



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### 5. Social impact

The social impact the founders of “Das Gramm” are trying to reach is to be significantly involved in the establishment of an ecosystem for sustainable economic development in Austria. They generate a lot of social impact in the field of “education”, namely in the sense of creating a sustainable mind-set. The two founders are interacting intensively with students and supporting them in their master’s thesis on relevant topics. “Das Gramm” also delivers packaging-free snacks to a kindergarten in Graz and this way they are also educating the youth. Further, they are continuously offering workshops, lecturers etc. relating to sustainability and Zero Waste.

Further, since “das Gramm” opened its doors and gave the proof that unpacked products are demanded in Graz, also other unpackaged shops are opening up in Graz since then and this is certainly because of the influence of Das Gramm. Large supermarkets are slowly rethinking their approach to unpackaged food and reusable glass bottles. Another significant sign of growth, impact and interest in this subject and concept was the ability to open a second shop, Das Dekagramm, without any substantial outside financing. In addition to their initial idea of opening a shop and selling products, the two founders wanted to motivate other people to establish their own products or services which support a sustainable future.



### 6. Key Success Factors

One of the main success factors for the start of this social business is the fact, that the founders brought a big portion of naivety with them. The naivety and especially not knowing beforehand exactly how much work it would need in order to be able to open such a shop, were beneficial for the two founders. This led them to try and do things others told them to be not accomplishable at all. Sarah and Verena are both very ambitious characters and they proved all critics wrong at the end of the day. The founders made it all possible by not listening to other people’s negative and useless opinions, they just went their way how they were convinced that the way would be the right one. They also knew how to filter and implement the feedback they received from their mentors and experts in the industry.

The perseverance and differences in the personalities of the founders, which are complementary to each other, also contribute to the success of the company. Of course, the founders made mistakes in the start-up phase and especially they were not thinking long enough ahead into the future. At the beginning they were thinking too small, they did not account for future staff costs, recruiting and onboarding processes. In general, the topic of personal management was not well thought through to make their business scalable. Nevertheless, in the end they managed to go ahead.

The founders know all their partners and suppliers personally. They started looking for their partners/suppliers at several events (like fairs, etc.). They personally visit all their potential partners and suppliers and make sure that the transportation of the products to the shops is also free from unnecessary packaging but of course this was not possible with all products.

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### **7. Crisis Management**

At the beginning of the crisis, there were discussions if the stores were allowed to stay open or not. Due to the exit restrictions in Austria, there was a massive impact on operations and sales dropped to below 50%. Also, the frequency of customers was falling, and many were shopping at larger supermarkets. But eventually both stores could remain open but with limited opening hours.

Seeing that the online shop was already implemented before the crisis, the adjustment to the new customer behavior, due to the Virus, was easier to adapt to. The founders could also observe that more customers were ordering from the online shop due to a nationwide solidarity act which supported local business owners especially offering local and or regional food.

Das Gramm has learned through the crisis that they have to put more emphasis on one of their core values which is regionality. They will try to convey this topic in a more detailed manner to their customers. In addition to the crisis, one of the founders learned to appreciate their free time more, to stay mentally healthy and to focus on the important things in life even more.



### **8. Potential Recommendation**

The business model of “Das Gramm” is definitely applicable for Thailand and Myanmar as it shows that responsible usage of food can contribute to the availability of food to a population as there is a reduction of food waste. This concept could support both countries with fighting against malnutrition as it is possible to well plan the amount of food needed and reduce food waste.

#### **Acknowledgements**

- A big thank you has to be said to Sarah Reindl, who was willing to give an interview and provided us useful information about the business concept of “Das Gramm”.
- Further Information about “Das Gramm” and “Das Dekagramm” can be found on their website: <https://www.dasgramm.at/>



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## SHADES TOURS

Austria

**SHADES  
TOURS**



## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

### Short description

SHADES TOURS offer moving tours and activities on socially polarizing topics. The USP of SHADES TOUR lies in their tour guides. Why? Well, who could better explain the challenges and solutions of such a challenging and complex topic than the homeless people or refugees themselves?

SHADES TOURS believe that there are too many stigmas and prejudices towards homeless people and refugees that hinder the (re-)integration into society. The company is closing this gap by educating the society – while helping the guides to find their way back into a stable living condition.



### 1. Social problem

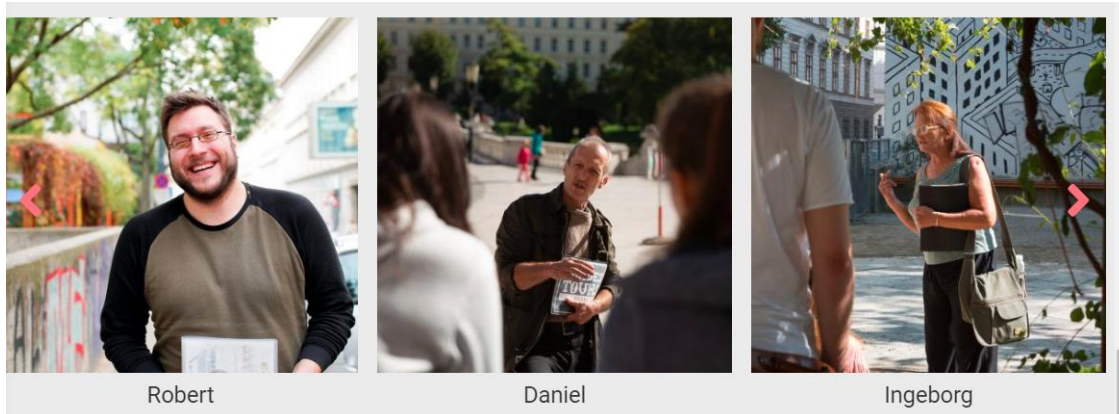
SHADES TOURS want to help the affected people by offering them the opportunity of employment while educating those who live on the sunny side of life on socially polarizing topics.

SHADES TOURS are currently offering tours on two different topics:

- ❖ Poverty & Homelessness
- ❖ Refugee & Integration

These tours are not sightseeing tours – these are tours about life.

During the tour on “Poverty & Homelessness” the participants discover the different challenges that homeless people face and the diverse possibilities that the Viennese social system offers when people need it the most. A (former) homeless person him/herself - will provide a mix of facts and personal stories that illustrate the complexity of homelessness.



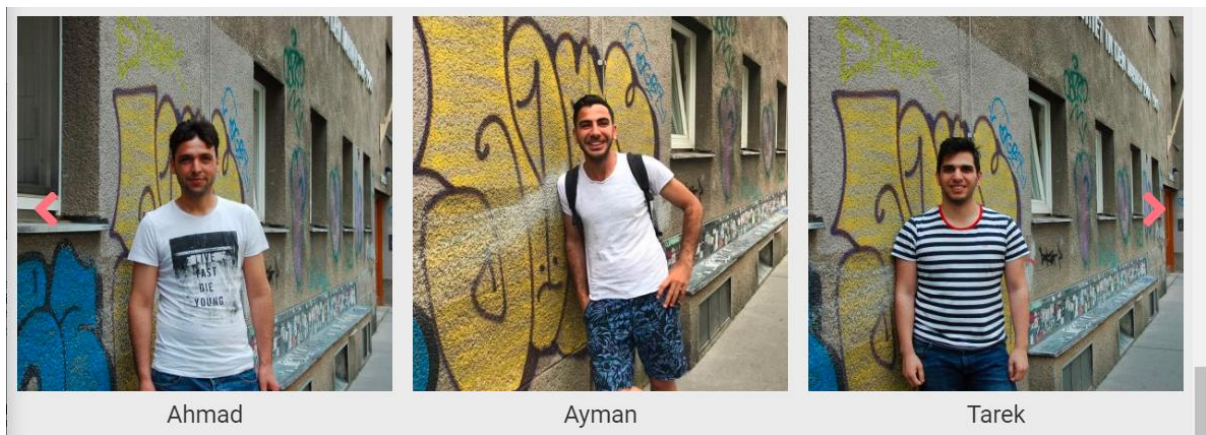
Tour guides on “Poverty & Homeless”

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Together, the affected guide and the participants walk along the thin line of poverty and welfare by passing by at places which are related to homelessness and will show the contrasts of the city. Since the guides are affected by homelessness and reject social voyeurism, neither other homeless people will be showcased nor former hideouts.

Some people in Austria have the opinion that homeless people have given up on themselves. Through this prejudice, homeless people have a hard time finding jobs and this makes their reintegration into society even harder.

The tour guides on the topic of “Refugee & Integration” talk about their experience while fleeing from their home country and explain the Austrian asylum procedure and the integration of refugees at the different stations. Due to the social-political content and emotional components, the tour shed light on a world that we often only know from media reports.



Ahmad

Ayman

Tarek

Tour guides on “Refugee & Integration”



## 2. Founders' Profile

In 2015 SHADES TOURS was founded by Perrine Schober. Perrine Schober is a half-French and half-Austrian social entrepreneur, speaks five languages and studied tourism management in Germany. After she has specialized on the topic “Tourism as a tool for poverty alleviation” in England, she worked for several international NGOs for example in Vietnam, Eastern Turkey, Belize and the Philippines.

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Founder & CEO Perrine Schober

But how did it happen? Perrine fell into an early midlife crisis wondering which job would best link her business competences, tourism knowledge, and her passion for social reform. During her research and ideas for a social tourism company, she can across guided tours of the homeless successfully running in different European cities such as Amsterdam, Barcelona, Berlin, Hamburg, Copenhagen, London, Prague, and Utrecht.

She liked the concept and met up with various project managers and homeless guides giving the tours to see how the processes work and to better understand the concept. She then thought about how she could introduce the business model to Vienna Austria. Seeing that the Austrian Law would require her to be a state-certified tour guide, which she was not, she decided to set up a company in the tourism and leisure sector.

The company name SHADES TOURS came about whilst she was having dinner with two friends and they were talking about social diseases that exist in their society. This discussion led them to the subject of polarization. Perrine found it somewhat unsatisfying that society often thinks binary. For her, the facets (shades) between yes-no, or wrong-right are the exciting things about life and the name SHADES TOURS was born.



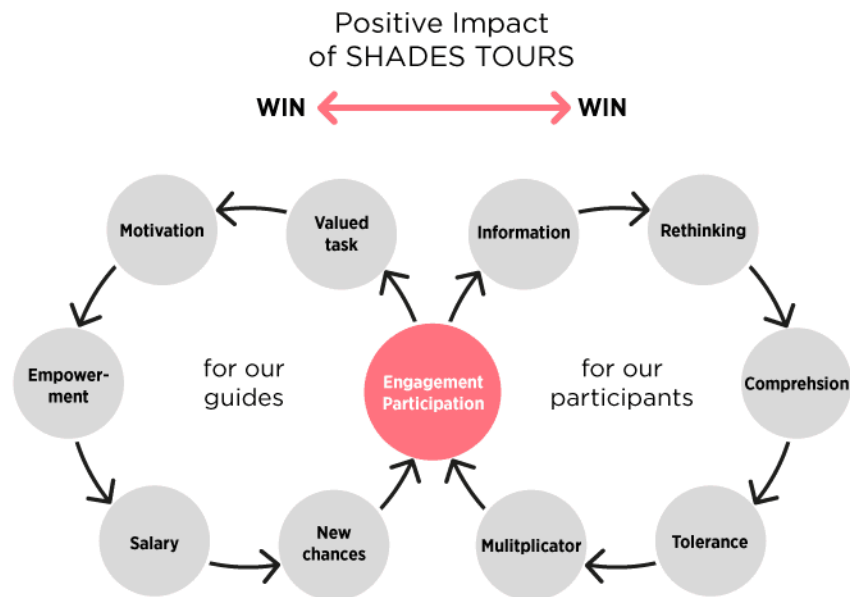
### 3. Social Mission

SHADES TOURS is a great tool for the reintegration of the guides into the society and into the labour market. The company is focusing on the **strengths and knowledge** of the guides instead of emphasizing what they cannot do. SHADES TOUR is underlining their knowledge and their skills by hiring them as an expert in their topic. Through **responsibility** the tour guides get an opportunity to contribute positively to society. In a precarious living situation, the tour guides are given a valuable job and a **re-entry into the labour market**.

By booking a tour, each participant gives the guides **an income, motivation, and self-confidence** to walk the rough path out of their situation. At the same time, the participants can **learn** about a world that is mostly uncovered. SHADES TOURS are striving to raise awareness for people in precarious living situations, to **reduce prejudices and to explain the challenges** and complexity of polarizing topics. Additionally, the tour participants may get a **better understanding** about the social nuances of life.

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Finally, the tour leads to a **higher sense of empathy and gratitude** and, ideally even encourages participants to become **more socially engaged**.



Social Impacts of SHADES TOUR



## 4. Value Proposition

SHADES TOURS value lies in the education of people about socially polarizing topics that are visible in our everyday lives with a rather hands-on approach.

The initial business was funded with Perrine's own private equity without outside financing. The main source of revenue comes from the tours and the company is self-sustaining, putting it in the category of a social business that generates revenue.

Besides the tours, they also offer corporate volunteering in social institutes such as food kitchens. Within the food kitchen companies can participate in a cooking class under the motto “the team is united by a shared commitment”. The idea behind this is to implement healthy and nutritious food at the social institutions and to support them doing that. One of the main aspects of these cooking classes is not only just cooking but to also understand how such institutions operate and to get a background understanding of the necessary processes. This program also offers the participants the opportunity to serve the food to the people in need.

SHADES TOURS took part in one of Austria's most popular TV shows for Start-ups. There Perrine could secure a subordinated loan which helped them finance their first steps. Furthermore, they received

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the Social Business Call 2017 and funding for non-wage labour costs from the Austria Business Service (AWS). They also received an EU funding for social business and smaller awards from the consulting company such as Deloitte.



### **5. Social impact**

The impact SHADES TOURS is trying to get is, to raise awareness of the difficult circumstances that other people face in their day to day lives and to educate people about these circumstances. They also offer homeless people an easier way back to normality by offering them a job and guiding them through the first step to their new independence.

They measure their impact indirectly by looking at the awareness of society based on the number of participants. Between 2016 and 2019 about 33.800 people have booked a tour about life.



### **6. Key Success Factors**

SHADES TOURS has successfully conveyed their plans to strive for a civil and labour market re-integration of homeless people through the offering of employment to help them get out of poverty and homelessness. At the same time, they offer educational guided tours and activities on the topic, which enhances the awareness of the socio-political issues in Vienna and hence reduces prejudices.

The special thing about SHADES TOURS is that they transform the social weakness of homelessness into a strength. Their guides become teachers who explain the entire social system, its challenges, and solutions, and thus educate civil society.

On the one hand, the tour guides that are willing to share their experience in socially difficult situations are key partners for the company and on the other, the participating institutions are vital for the success of the development of the business. Co-operations with schools, universities and other companies that want to strengthen their employees' cohesion.

SHADES TOURS discovered to find it challenging to guarantee the service quality of the tour guides. Seeing that the tour guides were not trained on how to guide the participants properly around, Perrine reacted to the customer's reviews and improved the training material and reviewed the recruiting process.

## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**



### **7. Crisis Management**

In the time of COVID, the homeless people were most affected. The government extended the winter package so that there were more emergency shelters that were then reconstructed into day centers.

The crisis hit SHADES TOURS awfully hard, as they suffered a 95-100% loss in sales and this was during the peak season. There was not much SHADES TOURS could do against this pandemic, so they had to let the full-time employees go. The long-term effects this virus will have on the company is that they will no longer be able to afford full-time employees for a longer period. They are hoping that when the schools return in autumn, they can plan excursions again.



### **8. Potential Recommendation**

This social tourism business model of SHADES TOURS shows a possibility to be transferred to Thailand and Myanmar as both countries are confronted with various social challenges and requires only a limited start-up funding. While Thailand can be considered a s touristic hot spot, while the number of tourists is lower in Myanmar but increasing at steady level. Due to this, the social problems may differ in each country and the topics for the tours can or should be adapted/ extended to the local needs. Ideas for topic extension could be for example: a.) adolescent pregnancy, b.) drugs, c.) different ethnic groups d.) refugees and migrant workers, and many more. This business model can help in giving the affected people job opportunities and be an interesting alternative tourist attraction.

#### **Acknowledgements**

- Sources of information: [www.shades-tours.com](http://www.shades-tours.com)
- Special thanks goes to Perrine Schober for the telephone interview.
- Video (English) about [SHADES TOURS](#)



**Strengthening innovative social  
entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

## COOLFINITY

The Netherlands





## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

### Short description

Coolfinity is located in Amstelveen, the Netherlands. Their address is as follows: Laan van Kronenburg 2 | 1183AS Amstelveen | The Netherlands.

They have been in business for almost 5 years now, although the project with the product started already in 2014.

The Vision of the company is: “Awesome cooling for a better world”, while their Mission /Tagline states: “We are bringing cooling where it has never been before”

Currently there work 6 people within the organization, whereby they are distributed within 5 full-time units. There are no volunteers or interns active in the organization at the moment.



### 1. Social problem

It is Coolfinity’s ambition to make reliable cooling accessible for everyone, and for people in upcoming economies in particular, with weak-grid as well as off-grid solutions. As they state in their annual report (2019): “In the world we want to live in, everyone has access to sustainable cooling to preserve food and be guaranteed quality medication.”

Coolfinity delivers smart and sustainable cooling technology that cools in a reliably way, despite lengthy power outages. When and for how long there is electricity does not matter, as long as there is electricity for 6 hours cumulative over the day, the refrigerator can keep on cooling even under tropical conditions. When fully charged, without electricity the cooler can stay cool for 48 hours. By storing energy with a physical battery (without heavy metals and only clean material), we have decoupled the availability of cooling from the availability of electricity.



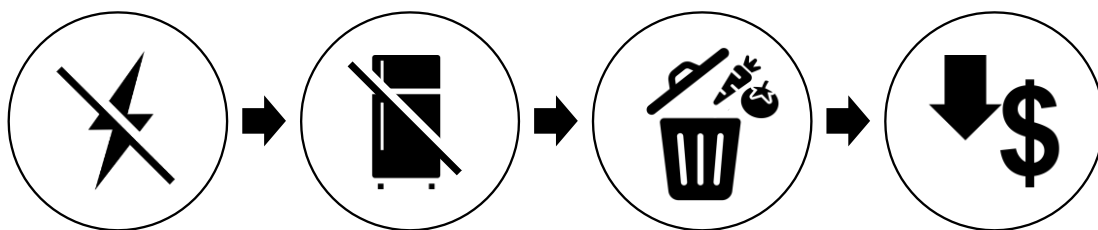
## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

Worldwide, over 70 countries suffer from lengthy power outages. On top of that, the refrigeration industry is one of the most polluting industries with the biggest carbon footprint.

About 20 percent of all food produced in the world, and 155 million vaccines are lost every year due to the lack of unreliable cooling. Unreliable cooling in the food sector leads to losses in nutritional value and vitamins as well as a higher generation of food waste.

On the positive side, Project Drawdown states that Refrigerant Management can be influenced relatively easy.

A visual below makes it also very clear:



**Power outages - Bad cooling - More food waste - Less revenue**

Everything is related in one way or another to cooling as Coolfinity say themselves, it is a basic need to build a society – if there would be cooling, there will be preserved food, healthy way of living, healthcare that is functioning and not threatened and also well-being that is primary right to all.

Two billion people all over the world are affected by the problem, mainly in developing countries where electricity / cooling/ food preservation/ hunger/ climate change are extreme challenges for the people to cope it. Especially when it comes to remote rural areas.

The functionalities of their product fit seamlessly with problems in many tropical countries. Users of our product in South America, Africa and Southeast Asia are very satisfied with their patented technology.

Here is also Coolfinity in the world:



## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

At the moment Coolfinity supplies sustainable cooling in four different markets; the medical market, the food & beverage market, the energy market and the dairy market. Four markets with their own specific needs and preferences, that all need sustainable reliable cooling.

### **Medical**

Too low or too high temperatures in a cooler reduces the potency and effectiveness of all kinds of medication. This increases health risk in many areas including the risk that patients will not be protected against preventable diseases through vaccines. In countries with unreliable power supply this is a major challenge.

Coolfinity refrigerators provide cooling at a stable temperature between 2-8 °C, even when the power supply is unreliable and in hot temperature areas, with an ambient temperature of 43 °C.

### **Food and Beverage**

Many food items need cold storage before consumption. With Coolfinity coolers meat, fish and dairy products can be stored and displayed where it has not been possible before. This way we can preserve nutritional value and vitamins and also prevent bacterial growth that could lead to food poisoning. Furthermore beverages are best sold when cold, we ensure beverages to be served cool everywhere in the world.

Many regions in the world still suffer from poor power supplies, which affects the ability to serve a chilled products. Coolfinity opens doors to new and upcoming markets for food and beverage companies.

### **Dairy**

Steady and constant cooling of fresh milk is required to minimize bacterial growth. Many countries, however face problems to assure cooling in the cold supply chain in the dairy sector. This results in milk losses, lower quality of milk and lower income. Coolfinity offers a solution for smallholder dairy farmers, to improve the cold supply chain in the dairy sector.

### **Energy**

The demand for sustainable energy has increased more than ever. At the moment storage for this generated sustainable energy is not sufficient, therefore we combine reliable cooling with sustainable energy storage. As the Coolfinity cooler only needs 6 hours of electricity, you can run the cooler on solar energy during the day.



## **2. Founders' Profile**

The founder is Maarten ten Houten, a former Heineken innovation-driven employee.

Although there was a team (back in the time of Heineken) who together developed the product, Maarten was the one who left the company and created Coolfinity. Still the network of cooling experts, designers who were externally engaged with the project, continued and are still part of the network of Coolfinity. Whereby Heineken is one of Coolfinity's customers.

## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

Maarten is an industrial designer, who graduated from the Technical university in Delft, the Netherlands. In 1992 already he started as a sustainable designer/product developer.

Maarten sees himself as a new kind of social entrepreneur – “a social enterprise for profit – how can you be green if your numbers are red on the bank?” . Being profitable increases the change we can make in the end, more innovations, more impacts, more satisfied customers.

The company is registered as a limited liability one (Ltd.).

The driving motivation for starting the organization was actually the already designed, developed and ready to be used innovative product, which otherwise would have been just left without a future. Truly a visionary thinking! Moreover since the product was hitting such an important core, it simply was impossible not to continue and strive through!

When the organization was launched it was not in a community of people, however stakeholders, partners, basically the brain-network behind the project has been in one way or another still preserved until today.



### **3. Social Mission**

Coolfinity has its roots in Heineken. In 2014 the Heineken team in Nigeria identified a problem; due to an intermittent power supply they did not provide reliable cooling to keep their beers cold. They asked Maarten ten Houten for advice, because he had more than 25 years of experience in sustainable innovation and marketing.

He became the project lead of Heineken Global Innovation Team to develop a reliable cooling system that cools on only a couple of hours of electricity per day. The Innovation Team made a working prototype, that received extremely positive feedback internally. Despite the enthusiasm, Heineken refocused to their core business, that was to brew and serve cold beers, and not to develop cooling equipment.

At the same time, Maarten realized that this was not just another cooling device; this cooling solution could have a major impact on the world.

Besides beer, it could keep dairy or medication cold anywhere in the world.

This is how Coolfinity came into existence; Heineken transferred of its project and Maarten continued as an independent entrepreneur. Heineken became Coolfinity's launching customer.

The name was also part of the branding strategy of the company – the cross-section between Infinity and Cooling gave birth to “Coolfinity” – clear, concise, easy to find and fantastically working as URL.

The Mission /Tagline of the organization is: “We are bringing cooling where it has never been before”.

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

The driving goal (key ambition) of Coolfinity is reflected in their Theory of Change, that they consider their path to success. Coolfinity aims to impact four markets, namely the medical, solar, food & beverage and dairy market, increasing the quality of lives of millions of SMEs, households and families worldwide.

The key activities of Coolfinity can be summarized in 5 things: Sales, Research and Development, Marketing, Logistics and General administration.

### 4. Value Proposition

In the case of Coolfinity customers and beneficiaries are not the same.. Their customers are partly the Food and Beverage sector, as said above they do mainly B2B , whereby their beneficiaries are almost all people and all sectors in need of cooling. They also work with Healthcare institutes, Ministries of health, public institutions but also with the private healthcare sector since in Africa for example 30 to 60% of the healthcare is private (private doctors with their clinics). They also sell to NGOs (those, whose objective is to improve the quality of life for people all over the world). And they are also employing local distributors and sales agents.

Below you can see the visual of the three core values of the organization.

#### We are pragmatic idealists

We feel genuinely responsible for the world and its environment, and for the well-being of people in emerging markets. We are entrepreneurs and we are for profit, but we do it responsibly and transparently. We recycle and use green energy whenever possible, and actively minimise the waste we produce and the resources we use to run our business, with a particular focus on our ingredients and packaging.



#### We are courageous

We boldly go where sustainable cooling hasn't gone before. By executing on our conviction. We go that extra mile.

#### We love design

We believe in quality fast. We have a passion for quality and design, that suits human needs. The people we are designing for, are at the centre of our passion.



As they state: “We have decoupled the availability of energy and cooling” and “In order to build a society you need several things for it to become prosperous: housing, lighting, good infrastructure (roads) and cooling. Coolfinity drives on the 9 of the 17 Sustainability Development Goals”.

## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

The value proposition of Coolfinity is based on an innovative approach. Their product is characterized like this:

- ❖ Ice-battery powered – “Our cooler is powered by an ice battery, which only needs to charge for 6 hours per day to cool the whole day. We have decoupled continuous cooling from the availability of electricity, resulting in never-failing cooling. When electricity is available an icebank is formed and when no power is available, the ice is slowly used. Currently our solution is for weak grids, so solar power is not required. In the future we will have solar direct drives available as well: An off grid solution that runs on solar panels.”
- ❖ Long hold-over time – “The cold is slowly released from the ice, which enables the fridge to keep the content cold for sure up to 48 hours at 3 °C. So even with no power at all, products stay cold for two days at 41°C ambient. So a perfect piece of equipment in the cold chain distribution as a medical refrigerator and to cool vaccines in harsh tropical conditions. No hassle with cold boxes to temporary store vaccines anymore and better than icelined refrigerators (IRL).”
- ❖ Fast cool down – “The food and beverage refrigerator is specifically designed to cool down the content inside very fast. This is ideal as a commercial and bar fridge. Moreover, dairy farmers need fast cooling to stop bacterial growth in fresh milk. What makes it even more interesting is that even without power, the chiller is still able to quickly cool down warm drinks and fresh milk.”
- ❖ Freeze protection – “The refrigerator is designed to maintain a very steady temperature and therefore avoids the risk of freezing the content. Our technology secures a stable and uniform temperature distribution of 3°C inside the fridge, without fluctuations. This results in zero risk of freezing beverages, food or medication. No spoilage from frozen content anymore.”
- ❖ Sustainable fridge – “The Coolfinity fridge has double insulation and low energy consumption, resulting in a very sustainable fridge. The thermal eutectic battery inside the cooler is a clean technology compared to battery powered alternatives with toxic heavy metals. The lifetime of our ice battery is literally forever, as water does not degrade. Furthermore, our chiller uses the greener hydrocarbon (HC) refrigerant instead of hydrofluorocarbon (HFC).”
- ❖ No generator needed – “Coolfinity’s chiller is so energy efficient that it does not require a diesel generator at all, saving on investment and fuel costs and the hassle of getting fuel. Therefore our fridge is ideal to replace generator powered fridges and refrigerators that run on fuels like: propane, gas and kerosene. So no more smell, no noise, no extra fuel costs, fire hazard and less CO2 emission.”

In terms of generating revenue, what Coolfinity does, being a social business, is to follow the 7 principles for Social Business that prof. Mohammed Yunus, one of worlds’ first social entrepreneurs, who proved that the ‘poor are bankable’ and started with his Grameen Bank in 1976, invented:

- 1) Business objective is to overcome poverty or another problem related to education, health, technology access, environment, which threaten people; not profit maximization
- 2) Financial and economic sustainability
- 3) Investors get back their investment amount only no dividend is given
- 4) Gender sensitive and environmentally conscious
- 5) Workforce gets market wage with better working conditions
- 6) When investment amount is paid back, company profit stays within the company for expansion and improvement
- 7) Do it with joy!

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

The only principle Coolfinity does not adhere to is number 3; “Investors get back their investment amount only no dividend is given”. They believe that investors take a risk investing in any type of company, and therefore have to be financially rewarded. Whereby at the same time they very much agree with principle 6; company profit has to be reinvested in the company for expansion and improvement.

On the long term, they aim to pay back their investors, however currently 100% of the profit is reinvested to make new products or impact. Coolfinity is developing new products for communities that need to have access to sustainable cooling.

When it comes to the remuneration policy, Coolfinity believes that “good performance should be accompanied by suitable remuneration. This is why we ensure that there is no more than a 8:1 ratio between the highest and lowest paid staff, with a long term goal of 6:1.”

The balance sheet below shows that they are on the way to get to financial independence (as they claim: “it is totally different to have a business where your app will be downloaded 100 000 times and a business where you receive an order for 100 000 fridges which at the moment will be an almost mission impossible. Hardware is a lot more difficult than software”:

### ACTIEF

(in euro's)

	Toelichting	31 december 2018	31 december 2017
<b>VASTE ACTIVA</b>			
<b>Materiële vaste activa</b>	1		
Inventaris		7.300	-
		7.300	-
<b>VLOTTENDE ACTIVA</b>			
<b>Vorderingen en overlopende activa</b>	2		
Belastingen en sociale lasten		490	116
Overlopende activa		14	-
		504	116
<b>Liquide middelen</b>	3	514	3.338
		8.318	3.454

(Samenstellingsverklaring afgegeven)



## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

PASSIEF			
(in euro's)			
	Toelichting	31 december 2018	31 december 2017
<b>Eigen vermogen</b>	4		
Gestort en opgevraagd kapitaal		12	12
Agioreserve		5.830	5.830
Overige reserves		(17.010)	-
Resultaat van het boekjaar		<u>(107.484)</u>	<u>(17.010)</u>
		(118.652)	(11.168)
<b>Kortlopende schulden en overlopende passiva</b>	5		
Groepsmaatschappijen		107.687	13.903
Crediteuren		1.581	-
Overige schulden		640	-
Overlopende passiva		<u>17.062</u>	<u>719</u>
		126.970	14.622
		<u><b>8.318</b></u>	<u><b>3.454</b></u>

Door de directie opgesteld op 4 april 2019 te Amstelveen en ter vaststelling voor te leggen aan de algemene vergadering,

M.R. ten Houten namens Coolfinity Holding BV

(in euro's)			
	Toelichting	2018	2017
Netto-omzet	6	12.300	-
Kostprijs van de omzet	7	<u>(81.983)</u>	<u>(10.985)</u>
<b>Brutomarge</b>		(69.683)	(10.985)
Salarissen en sociale lasten	8	10.116	-
Overige bedrijfskosten:	9		
Overige personeelskosten		1.431	-
Huisvestingskosten		549	-
Exploitatie- en machinekosten		8	31
Administratie- en advieskosten		2.271	1.713
Kantoorkosten		1.265	54
Autokosten		405	-
Verkoopkosten		17.689	4.192
Algemene kosten		1.365	35
Managementkosten		<u>1.500</u>	<u>-</u>
<b>Som der bedrijfskosten</b>		36.599	6.025
<b>Bedrijfsresultaat</b>		(106.282)	(17.010)
Rentebaten en soortgelijke opbrengsten	2		-
Rentelasten en soortgelijke kosten		<u>(1.204)</u>	<u>-</u>
<b>Financiële baten en lasten</b>	10	(1.202)	-
<b>Resultaat voor belasting</b>		(107.484)	(17.010)
Belastingen		<u>-</u>	<u>-</u>
<b>Nettoresultaat na belastingen</b>		<u><b>(107.484)</b></u>	<u><b>(17.010)</b></u>

(Samenstellingsverklaring afgegeven)

Door de directie opgesteld op 4 april 2019 te Amstelveen en ter vaststelling voor te leggen aan de algemene vergadering,

Coolfinity does use external funding. They have an investor, who is the family founder of a well-known Dutch business in the milk industry.

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar



### 5. Social impact

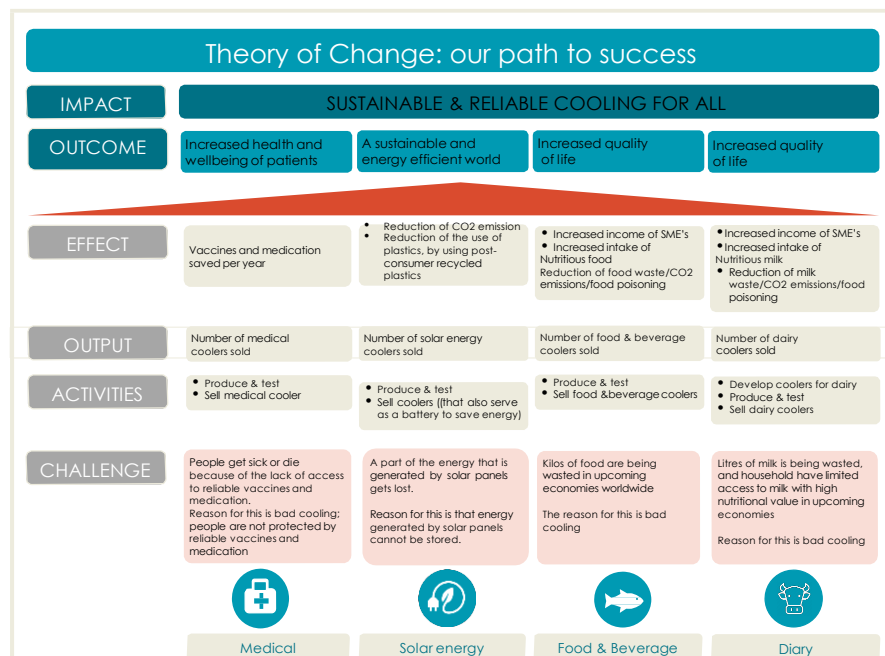
Coolfinity is trying to achieve impact on four markets, namely the medical, solar, food & beverage and dairy market, increasing the quality of lives of millions of SMEs, households and families worldwide.

The above ambition is measured on an output level, with the following parameters:

- ❖ Calculation of energy saved. Our refrigerators require 18 hours less power per day than a regular refrigerator; we can save around 690 kWh per refrigerator.
- ❖ Calculation of food and medicines saved. We know that our coolers are 100% reliable, and that food and medication are safe with us.
- ❖ Output figures placed refrigerators. There are currently several hundreds of refrigerators installed, both medical and food & beverage in four different parts of the world.
- ❖ Coolfinity takes steps towards an inclusive world, in a social entrepreneurial way, because they believe social entrepreneurship is a sustainable way to tackle the worlds ecological and social problems.

Coolfinity uses a very clear approach to measure and monitor their feedback.

Please see below the model they use – Theory of change.



Coolfinity also monitors how they achieve their intended impact. There can be found proof in the various awards they have been currently receiving. Winning awards gives them extra motivation to keep on pushing their ambition. After receiving the MKB Innovation Encouragement Award (by the



## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

Dutch Chamber of Commerce) and PwC Innovation Lab Award in 2018, 2019 was another year in which Coolfinity secured several Awards: CES Innovation Honoree - In 2019 they received the CES 2020 Innovation Honoree Award in the category “Tech for a better world”. The CES in Las Vegas is the biggest electronics fair in the world and they are therefore very proud to receive this award. GIO – Good Industrial Design Award - This year they also received the GIO award during the Dutch Design Week. The GIO is an acknowledgement and quality stamp for good craftsmanship. Their product was assessed based on several design standards; technical functionality, ergonomic originality, design and sustainability; GHP Award – they secured the GPH award in the Category “Best Vaccines and Medication Cooling Solution Provider”.

Moreover apart from the awards, based on the Theory of Change it is very easy for them to actually measure on an average (still using a complex-based approach) the input versus the output – number of vaccines which have been preserved and used because of being cooled, food, milk, etc. Then they do extrapolation and thus are able to basically see the impact on eradicating hunger, food-waste and also improvement of healthcare.

Coolfinity proves that businesses can accelerate sustainable development goals. “We actually contribute to more than 9 SDGs, including SDG 2: no hunger, SDG 3: good health and well-being and SDG 7: affordable and sustainable energy.”

These are their sustainability targets for 2025:

- ❖ 30 million vaccines and medication saved (10 vaccines per week from 1 cooler installed 500 vaccines per cooler per year)
- ❖ CO2 emission reduced (35% less electricity used plus CO2 from food saved), in total 500 megaton CO2 reduced.
- ❖ Increased income for 50.000 SMEs



## **6. Key Success Factors**

There are a few things: 1) user-centric design (“which means we talk to customers first and then make stuff”), they stayed in Kenya for 3 and half a months and spoke to more than 350 stakeholders about the coolers to understand what life is in East Africa, what the challenges are; 2) the concept is very easily understandable (it is far more tangible what you do).

In terms of what their competitive advantage over other similar social services is, they simply see themselves like this: “A social enterprise that by the Coolfinity product created can eradicate hunger, eradicate food-waste, save money, save energy, help shop-owners and household owners to sustain new businesses, elevate healthcare, decrease warmth in big cities. Everything is about innovation.”

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

The organizations operates with a lot of key partners such as:

- ❖ Social Impact Lab (PwC) - Because Coolfinity secured the PwC Social Impact Lab Award, a team of management and business strategists at PwC has been consulting them to achieve greater results.
- ❖ ASN Bank - They have made it to the last round of the ASN World Bank Prize. That is why they are part of the sustainable entrepreneurial network of “Voor De Wereld Van Morgen”.
- ❖ Social Enterprise NL - Since June, they are a proud member of Social Enterprise NL.
- ❖ Province of Drenthe - They collaborate closely with the province of Drenthe, where they contribute to the energy transition of the province.
- ❖ Delft University of Technology - A team of students of the TU Delft helped them with the start of the development of the dairy cooler.
- ❖ Task Force Healthcare - They are member of this Dutch platform for life sciences and health sector, that provides them with market research insides.



And on top of the above they work very closely with their customers and local agents, who are actually partners in the logistics and installation chain they have.

The social value creation in the case of Coolfinity is fully aligned with their commercial activity. Coolfinity believes in the necessity of a balance otherwise they would not be able to deliver what their ambition is.

When it comes to communication, actually Coolfinity is in continuous communication with their beneficiaries, customers and various stakeholders (they call it “a stakeholder dialogue”). Since they use the “customer/human-centric approach” in everything they design and develop, it is of utmost importance to verify and discuss everything they are busy with.

“Because we produce B2B products, we deal both with customers, as well as end-users. For us it is important to be in continuous dialogue with the end-users of the product, and involve them in the development of new products. In 2017, for example, we participated in an accelerator program in Kenya and spoke with over 350 stakeholders in order to gain insight into their greatest challenges through a Human Centred Design process. These insights influenced our choices regarding the development of a new product.”

On a more structural basis, Coolfinity speaks with users and potential users of their products.

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

“Being a start-up, we don’t believe that we have the power to influence CSR policies of bigger companies and multinationals. This is why we turned it around; we have selected our strategic suppliers also on sustainability requirements (such as good employment conditions, production process, safety and environmental requirements e.g. in line with SA8000, ISO14001 & OHSAS1800).”

Every team-member of Coolfinity wholeheartedly supports the mission statement of Coolfinity, whether it is taking a next step in making their coolers circular, considering sustainable alternatives for office products and transport or traveling by public transport to work.

People really like what Coolfinity does as a company and they are perceived very well by them.

### Coolfinity in the media

Coolfinity had again considerable media attention over the past year. To give you an impression, hereby some articles and interviews.

#### Television



- Interview - [WNL, Goede Morgen Nederland](#), 11th of December 2019  
In this special about the Dutch Tech Delegation at the CES, Coolfinity was a case study. During the TV programme the Secretary of State Mona Keijzer and Maarten ten Houten were interviewed.

#### Radio

- Interview - [BNR The Green Quest](#), the 18th of January 2019. In this podcast BNR interviewed Coolfinity as one of the new sustainable companies in the Netherlands.

#### Articles

- Article - [Forbes.com](#), "The Dutchies Land At CES And Show You Why Start-Up Innovation Matters", 23th of December 2019
- Article - [Quote](#), "Coolfinity lanceert unieke ijskast voor landen met stroomuitval", 8th of February 2019

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## 7. Crisis Management

Coolfinity also admits that they have been affected by the coronavirus outbreak because of all lock-downs and different measures applied in the various countries they work with and the stakeholder network they have created.

For example the factories have been closed (in East Europe and South East Asia). Even if somebody orders a product, they cannot deliver. Second thing is the dealers/customers who are currently putting things on hold until the situation improves so that they can see whether they can make a business case for the future. Sales is currently extremely slow.

What Coolfinity is currently doing in order to anticipate on what is coming is continuing with their R&D, they are developing new products and have them on the line, which is also going slower than usual. And they are now working ahead towards anticipating and being better aware how in post-corona times Marketing for example will work, Customer Journey, value proposition, etc.; developing new brochures, new websites so that they are ready when everything goes to the “new normal”.

## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

Apart from all the uncertainty and real challenges that the times ahead will bring, still Coolfinity being in the business of medical cooling, sees the positive aspect of now everyone basically becoming aware of the importance of vaccines and what they mean for the fight against the viruses. So this is a positive lesson learned for all beneficiaries and target groups as well as stakeholders they work with.

Coolfinity also sees this time as “a natural moment to sit back and reflect on the business, where you are and in that sense this gives you some perspective”.



### **8. Potential Recommendation**

The following recommendations can be used as lessons learned:

Start from the commercial side, not the technical/product side, of the business as soon as possible. Only if you have paying customers and fully understand why they are buying it the business can be successful. Don't assume anything, the truth can only be found in the field. With the field knowledge iterate fast in the development of the product and business model to get on the learning curve and tractions as soon as possible.

#### **Acknowledgements**

- Sources of information:
  - ❖ [www.coolfinity.com](http://www.coolfinity.com)
  - ❖ Annual report Coolfinity 2019
  - ❖ Interview conducted with Mr. Maarten ten Houten, CEO and founder of Coolfinity

Thank you's

- Mr. Maarten ten Houten, CEO and founder



**Strengthening innovative social  
entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

# Goedzooi

The Netherlands

## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

### **Short description**

Goedzooi is a creative agency that helps brands with enhancing sustainable relationships with their consumers. They are oriented towards social innovation in the sense that they want to combine commercial business activities with doing good. They don't believe in a sharp distinction between profit and non-profit. They believe that combining both will lead to better results, for businesses, society and consumers.

The DNA of Goedzooi is based on the following 6 core values:

- ❖ on the edge
- ❖ surprise
- ❖ everything but normal
- ❖ inspiring
- ❖ young mentality
- ❖ childishly enthusiastic

Each project Goedzooi takes on, needs to represent one or more of these values.

Goedzooi is located in Breda, The Netherlands.

The organization has been in business since the beginning of 2014. Currently the team consists of 13 people: 3 owners, 1 employee, 4 interns and 5 freelancers. Most team members work part time. In total the company employs 5 fte's.



### **1. Social problem**

Goedzooi is of the opinion that uncurbed commercialization has gone too far. They see this as a societal problem that has a negative impact on both businesses and consumers. They want to support brands in realizing a long-lasting relationship with their consumers instead of having a sole focus on selling their products. Based on their mission 'Only Love' they aspire to bring in a human-centred focus.

They develop campaigns, ideas, solutions for their clients that build this sustainable relationship between the brand and the consumer and that will benefit both.

Goedzooi qualifies uncurbed commercialization that has gone too far as a societal problem that negatively impacts both organizations and consumers. The organization is of the opinion that in general commercial businesses are too much money driven and not enough human driven. According to Goedzooi the current market economy is an invitation for 'brutal commercialization' and in their view everybody within the market economy is affected by it.

Goedzooi creates crazy concepts for clients that want to target youngsters, between 18 and 35. Their concepts always have a funky, edgy style and are seen as rebellious.

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Hiv campaign



## 2. Founders' Profile

Goedzooi was founded by 5 people. At the time they started the organization, all 5 founders were first year students at Breda University of Applied Sciences, Academy of Leisure & Events. 4 of them followed the specialization Social Innovation, one followed the Events track.

The founders see themselves as social entrepreneurs however not in the stereotyping sense of the social entrepreneur wearing goat wool socks. They believe that doing good and earning money can be combined. Whereas most social entrepreneurs focus on one specific topic or issue, for instance sustainability, Goedzooi does not focus on one specific issue, but works with all sorts of societal issues. In essence, they are about 'creating cool ideas that are of best interest for the world, that help people and brands further'.

The driving motivation is well described on the opening page of Goedzooi's website, at the same time explaining their name:

"This is a new era. The world as you know it is over. The status quo died. The foundation under your feet disappeared. It is s a mess (in Dutch: zooi).

We use that. We use that mess for good (in Dutch: goed). Make beautiful things for you. Are based on lifelong love instead of brutal commercialism. We don't believe in puncture marketing, bullshit

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agendas and doing as we always did. We believe in love, special stories and the power of creativity. So that your brand rocks it, makes an impact and you can show it off”.

# Goedzooi



### **3. Social Mission**

When the company started, four of the five founders were social innovation students. They observed companies struggle with creativity and they observed that companies were lacking human centeredness. The founders of Goedzooi wanted to centre humans in business again.

‘How? By co-creating, developing Imagineering processes, developing crazy ideas that build human relationships between brands and people. At the same time changing the idea of businesses from only money driven to human driven. Goedzooi wanted to combine making money and doing good for this world, for relationships, for humans; being human centred’.

Bringing a societal problem and a business problem together. At the one hand commercial and at the other hand societal. At Goedzooi they are of the opinion that there is no distinction between non-profit and profit. By combining both you get the best ideas and the best businesses as well.

At first, they wanted to name their organization Goed Zo (English: well done). When one of the founders made a writing mistake in a text message and wrote Goedzooi (English: good mess) they decided to keep it that way.

# Goedzooi

Goedzooi’s vision is ‘Only Love’. ‘Because we believe this world is missing a little bit of love. And is that cliché? Certainly not! Because that is not just cuddling and shouting peace, but mainly making beautiful things for fantastic people and brands’.

Goedzooi’s mission is about building relationships instead of things by creating this love between brands and people. And trying to change the perspective that businesses need to focus on earning money and that this cannot be combined with doing good.



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Goedzooi is a concept agency. 'Concepts are stories that set everything into motion, narratives the target group wants to hear, that gives them a warm feeling and makes them want to go out on the street and sing. Concepts are the guideline for all the rest. Via co-creation we come up with these crazy ideas. We also execute events and produce animation and graphic design. From live communication, to online campaigns to guerilla actions. Goedzooi offers a playground where people can play and create. Employees can be typified as artists who want to contribute to a better world. 'You can call us experience architects, storytellers, imaginers or narrative designers. However, we are not an advertising agency. No, we hate advertising. Advertising is about telling people what to buy, about buying attention. We create love, something you want to belong to, something that draws your attention. And love is an experience. Love goes beyond an external communication message'.



Bus campaign: 'Dear daddy, do you want to marry mommy?'



### 4. Value Proposition

Goedzooi offers clients help in building a lifelong relationship with consumers. They go beyond what other agencies do, because they realize true co-creation with the target group. 'Where other agencies tend to propose two products to the target group and then ask which one, they like most, we facilitate creative sessions with participants from the target group'. 'And Imagineering is part of our value

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proposition as well, the experienced focused way of thinking as well as the design thinking approach of Imagineering, is unique in our sector’.



Goedzooi is a commercial agency and clients pay for their services. They are financially independent and never applied for funding.



### 5. Social impact

Goedzooi aims at having an impact internally as well as externally.

Internally they aim at being an employer that genuinely cares about its employees. An employer that cares about what is going on, lets employees choose their own working times and their own location. Furthermore, they want to stimulate their employees to develop an entrepreneurial mind-set. Employees, freelancers, and interns should feel free to come up with new ideas and share them with others. They strive to create a ‘business family’, a family of businesspeople who like to do something cool, edgy, and fun.

Externally they want to make a difference in the agency world, because of their focus on co-creating. They think they are delivering concepts that are more sustainable because they are cost-effective and co-created with the audience.

And they would like to make an impact with every project they do. And what this impact is, is different for every project. For instance, with the ‘Lijf lief’ (Body Love) project the main goal was to inform young people about body positivity.

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Furthermore, Goedzooi aims at having an impact externally, together with 'Vrij' (Free) their offline platform for valuable meetings. They hosted a speed date event for participants to meet new people. In their view this is very important because young people are struggling to meet new people and with this event Goedzooi wants to reduce feelings of loneliness.



Goedzooi does not monitor its impact on a regular basis. However, they do make use of the NPS score (Net Promotor Score) for Goedzooi to see 'whether people who know us, think great of us and understand our message'.

Furthermore, they also use the NPS score for some projects. For instance, with the 'Body Love' project the main goal was to inform young people about body positivity. This impact was measured with the NPS inquiry.

Internally they achieve the intended impact. They established a business family of former interns and people who worked with us. Next to this there is a group of people, called 'friends of Goedzooi' who want to work at their office and be at their place and there is a group always interested in the events that Goedzooi hosts. So, there is a loyal audience of people who are interested in Goedzooi. Furthermore, they get 200 applications for internships a year. This they interpret as a sign they do well.

Externally the impact differs per project. They are still awaiting the moment that they will win awards for their work. And they are looking forward to the moment that clients will approach Goedzooi out of their own account with their issues and challenges. At the moment, 70 % of the brands come to Goedzooi via acquisition and 30% via word of mouth. Goedzooi hopes to turn that around into 30% via acquisition and 70 % via word of mouth.

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Goedzooi has never explicitly linked their impact to the sustainable development goals. However, they did work on one project that was explicitly linked to the SDG's. And probably other projects they work on have a direct link to one or more of the SDG's as well.



### **6. Key Success Factors**

As key factors in the success of Goedzooi can be considered:

- ❖ their young, rebellious, edgy & fun factor
- ❖ their co-creative approach
- ❖ their focus on creating an experience
- ❖ their Imagineering design approach
- ❖ their belief that commercial business and doing good can be combined.

Goedzooi works with all sorts of different clients from commercial brands to governmental bodies and with all sorts of different partners from video production agencies to educational institutions etc.

When Goedzooi started as a company one of the biggest mistakes was that the founders neglected to make everything official. For instance, the rules on how to split up, in case needed, were not written down. They were just a small collective of friends. Later, when they got some issues amongst each other, it became quite difficult to say goodbye to one of the founders because nothing was officially stated. This is something that they certainly would do differently, if they had to do it again.

Other than that, they state that all the mistakes made were necessary to get at the point they are now. 'And we made a lot of mistakes, for instance with invoices and with pricing. In the beginning we were so cheap that it made clients laugh about it. However, these mistakes were all necessary to become the agency we are now'. Currently they are experts in marketing, branding and facilitating. However, in the beginning it was 'facilitating without thinking about the outcome of the session and without thinking of how to bring the outcome further but now they gained expertise in the whole process from A to Z'.

Regarding the question whether social value creation is aligned with their commercial activity Goedzooi states the following: 'when we do something, we ask ourselves the questions: has it to do with our goal, with our vision and with our values? If yes, then we go for it. Or we vote with the whole team. In case the commissioner is out of budget, we ask the team whether they want to be part of it or not. Then everybody needs to agree, otherwise we will not do it. This is the way we work'.

Furthermore, Goedzooi gives a discount to social entrepreneurs and social businesses. They have a special budget reserved for clients that do not have enough budget. If they are of the opinion that it is an interesting business to work with, they will use this. 'It is our fund for doing crazy things for people who do not have that much money'. In this way they try to find the balance between commercial activity and social value creation'.

Next to that, they have a list of brands they will not work for. For example, 'we will not work for Shell, Coca Cola or Ikea, those big brands that pollute the world and do things behind closed doors.



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Traditional brands that are operating in an old system, in the old world. These brands do not address the responsibility they have; we think they should’.

Goedzooi’s communication reflects its DNA; young, rebellious, edgy, and fun. Communication goes offline & online, via different media. The wider community probably perceives them as ‘those young creative boys that come up with crazy, wild, fantastic, famous and infamous ideas that help brands’. Clients on the other hand know what Goedzooi aims to accomplish.



## **7. Crisis Management**

Clients have been affected by the crisis. ‘The need to innovate is not as important as it was. All attention goes to addressing the current problems’.

Before Covid Goedzooi was thriving. Clients, however, have been affected by the crisis. ‘The need to innovate is not as important as it was. All attention goes to addressing the current problems’. Now the company can survive for another year or more. Some projects were postponed, and others were cancelled. To give an example: Goedzooi had several projects on the agenda for Arriva, a national bus company. They were in the process of creating campaigns to take the bus for a day out, for the summer holidays and for visiting festivals. However, most campaigns were cancelled or put on hold. The estimation is that 70% of the work was put on hold.

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Before Covid most of their work was about building the connection between brands and consumers in the offline world. Because of the crisis adaptation from offline to online sessions was needed. It meant a huge change to make the transformation to co-creation in an online world. Furthermore, new ways to communicate with the target audience had to be developed. For this, they experimented with new formats, for instance talk shows via livestreams. Nevertheless, Goedzooi hopes the crisis will be over soon, so they can get back to working offline again.

Although Goedzooi experienced that they could do activations in the online and offline world, they believe the online experience is not the same because the personal touch is missing. Also internally Goedzooi had a tough time during the crisis, because the business family, as mentioned above, experienced hard times. Goedzooi works with young people, most of them living at very small rooms, and 'they were going crazy at home'. When Goedzooi realized this, they had to take action because they have a responsibility for the wellbeing of their people. For this reason, they plan to open the office for 3 to 5 people each day according to the rules of social distancing was developed.



### **8. Potential Recommendation**

There are many lessons that can be learned from the successes of Goedzooi. To name a few:

- ❖ Doing business and doing good can be combined.
- ❖ Having a discriminating vision and mission and clear core values helps a company to make the right strategic management decisions.
- ❖ Starting a business while being a student can be an option.
- ❖ Starting a business community ('business family') with your (former) employees can be a win for all involved.
- ❖ Starting a 'friends of the company' community ('friends of Goedzooi') can be a win for all involved.
- ❖ Reserving a budget to support clients that do good but do not have enough money is a valuable initiative to contribute to a better world.

Lessons that can be learned from the failures of Goedzooi:

- ❖ When starting a company, make sure to have all the necessary documents on paper.
- ❖ Making mistakes is not a problem as long as you learn from your mistakes.

All lessons learned mentioned above are applicable in other contexts as well.

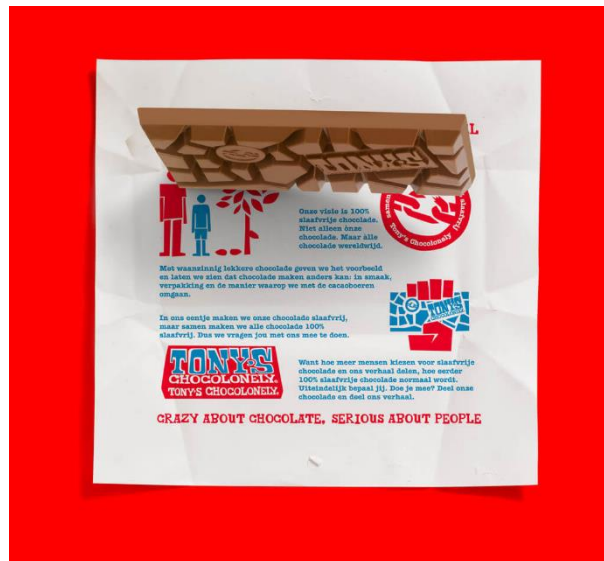
### **Acknowledgements**

- Sources of information:
  - ❖ [www.goedzooi.com](http://www.goedzooi.com)
  - ❖ Interview conducted with Mitch van Veldhoven, founder of Goedzooi, June 15, 2020.
  - ❖ Document titled 'Wat is Goedzooi?'

**Strengthening innovative social  
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# Tony Chocolonely

## The Netherlands





## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

### Short description

Tony Chocolonely is located in Amsterdam, the Netherlands under the following address: Tony's Office & Home Store; Pazzanistraat 1; 1014 DB Amsterdam.

However since 2011 they have been expanding and now have an office in the USA, in the UK and are also active in Germany. They have been existing since 2005, already for 15 years on the market.

Tony's chocolates can be now found in 22 countries all over the world.

"Our mission: together we'll make 100% slave free the norm in chocolate. How we are going to achieve it? It won't be easy. The situation is complex. But Tony's roadmap will help us accomplish it. Our roadmap has 3 pillars and points the way to 100% slave-free chocolate."

Around 125 people (also including the number of people working in the stores). Not all of them are full-time but also some are part-time. Moreover there are also students working part-time. What is also an interesting policy of Tony's is that every worker, no matter at which level or what kind of function, every 6 weeks needs to do a shift at the store for about two hours to maintain the general link with the customers, connect more to the story and also how the commercial activity goes in line with generating the impact.

There are no volunteers involved, they do have interns but not exactly volunteers.



What is also special about the team is the organizational culture and the value that is behind each and every team member. Tony's culture is about the four core values, their eagerness to always raise the bar and the fact that in addition to being crazy about chocolate, they're always serious when it comes to people. Tony's Chocolonely is outspoken, willful, entrepreneurial and.. makes you smile! To them, these core values aren't just pretty words you hang on the wall; they are their compass for making

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choices and decisions, like hiring new Tony's, determining their approach and responding to successes and failures. They discuss their core values with the entire team on a regular basis.



### 1. Social problem

In the year 2003 Journalist, Teun van de Keuken, is shocked when he reads a book about illegal child labour and modern slavery on cocoa farms in West Africa. Modern slavery still exists and so he decides to research this phenomenon further. It turns out illegal child labour and modern slavery is alarmingly common in West Africa - where most of the cocoa originates from. This is particularly shocking considering that in 2001 a number of large international chocolate companies signed the Harkin Engel Protocol aimed at eliminating the 'worst forms of child labour'. As soon as Teun is aware of the illegal practices of the chocolate industry, he decides to eat a couple of chocolate bars and turn himself in as a chocolate criminal to the Keuringsdienst van Waarde (A Dutch television program). The judge, however, refused to prosecute Teun, but instead of becoming discouraged, Teun followed the advice of his lawyer and looked for witnesses: victims of the chocolate he'd eaten. He found four boys who had worked as slaves on a cocoa farm in Ivory Coast. They tell Teun their stories and provide him with the evidence he needs. Teun is awaiting the judge's ruling and decides to take action against the atrocities of the established choco order.

At this time, the chocolate company Nestlé, is the main sponsor of the new 'Charlie and the Chocolate Factory' film. Teun decides to approach them to see if they would be willing to produce a slave free chocolate bar. Nestlé isn't particularly interested in this proposition so Teun decides to lead by example. The first Tony's Chocolonely bar is born on the 29th of November 2005: it's a milk chocolate bar packaged in a startling red wrapper and is Fairtrade and '100% slave free'. Teun ensures 5,000 Fairtrade milk chocolate bars are produced but it turns out this isn't enough. They're a huge success: 13,000 chocolate bars have been sold! Thus a hard lesson was learned: Fairtrade doesn't necessarily mean slave free. Tony's founding father, Teun van de Keuken, visits Ghana and discovers a Fairtrade certificate only goes so far. Then Bellissimo decides to take legal action against Teun and the other journalists. According to the Swiss chocolate brand, 'slave free chocolate doesn't exist' which is why such a claim would be harmful to other chocolate makers. The judge votes in the favor of the journalists.



We change '100% slave free' to 'on the way to 100% slave free chocolate' as a lot needs to be accomplished before chocolate is really slave free.

People in West Africa, who grow the cacao beans, are the ones directly affected by these social problems – the farmers, children, the families of the farmers, etc. Every one of these above is forced to work in conditions very far from human being paid insufficiently or not at all.

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Tony's launched the 'Tony's in Africa' project to study the cocoa supply chain and identify ways of improving Fairtrade certification. They started the project with the financial support of Oxfam Novib and examined the supply chain and research possible options for improving it. To this end, they traveled to the cocoa farms in Africa and engaged in dialogues with the farmers and cooperatives. Based on the results, it has been decided for the time being, to purchase Fairtrade cocoa according to the Mass Balance principle.



The root cause of the problem Tony's sees in the inequality in the supply chain of cacao in West Africa, whether this would be translated in child labour, moving out of poverty for the farmers or whether that is the farmers who cannot alleviate themselves based on the current cacao prices.

Chocolate is made from cocoa beans. Cocoa beans are seeds from the fruit of the cocoa tree. It's a tropical tree that prefers in warm and humid climates, so it grows in countries

round the equator. Most of the cocoa beans come from West-Africa. In Ghana and Ivory Coast there are some 2,5 million farms where cocoa is being farmed!

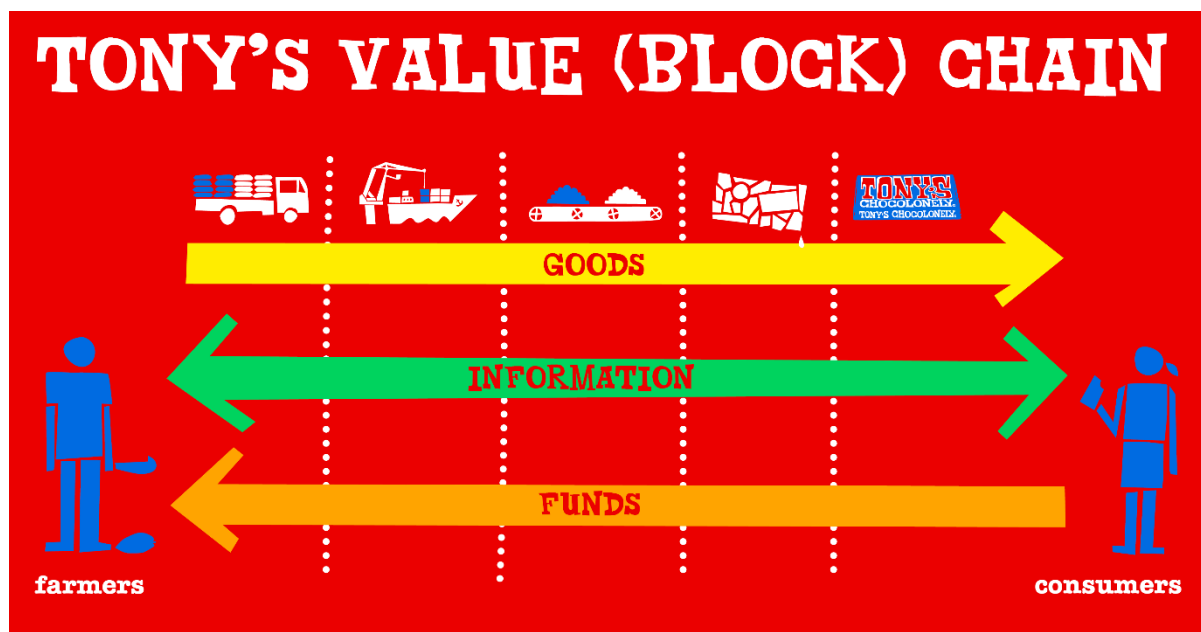


There are a lot of factors contributing to the problem described above, actually everything being connected to everything else. It is almost impossible to trace where it all starts and where it comes to an end: is it the poverty, or the price of cacao or child labour, they all are connected to the well-being and prosperity of the people who grow the cacao beans and the probability of those having a decent life as a result of what they do on a daily basis.



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Here is also the cacao chain, how it goes from beans to bar:



In Ghana and Ivory Coast, there are just about 2,5 million farms where cocoa is being farmed. About 2,26 million children work on these farms.

That is as many children as ALL the children between 1 and 12 in the Netherlands! In some cases, these children only help out after school and they don't do dangerous work. This is not illegal.

But, of all those 2,26 million kids, about 90% have to do illegal and dangerous labour. That's 2 million children! These children have to carry heavy loads, or work with dangerous chemicals or tools like machetes. In a lot of cases, they don't go to school and work all day on the farm. Up to 9 hours a day, 7 days per week.

Tony's manifesto summarizes their how, what and why.

The manifesto describes the problem more clearly with due respect to everyone involved:

"The cause of modern slavery and illegal child labour is extreme poverty. So we added the sentence "This is a result of the unequally divided cocoa chain." The word "slave" has been replaced by the word "slavery." Defining people as slaves perpetuates inequality and shifts the focus to the victim, instead of the systemic issues of the industry that cause the problem. And we no longer refer to "the way we treat cocoa farmers"; instead we talk about "the way we do business with cocoa farmers." Because they are our equal business partners.

We have also changed wording of our mission to "Together we'll make chocolate 100% slave free." Outside the Netherlands, our mission is occasionally misinterpreted as a claim. In introducing the word "will," we are clear about our mission, our commitment and our view of the future.

The word "slavery" is controversial. But we believe in grabbing the bull by the horns. Let's not confuse words. What we're talking about is modern slavery. Slavery is a shameful chapter in Dutch, British and American history. Back in the 17<sup>th</sup> century, the trading of commodities such as sugar, cotton, salt and

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cocoa involved appalling human tragedy, as human beings were also traded. You might think this all happened a long time ago. If only that were true. Transatlantic slavery was eventually abolished in the 19th century. This form of slavery is now

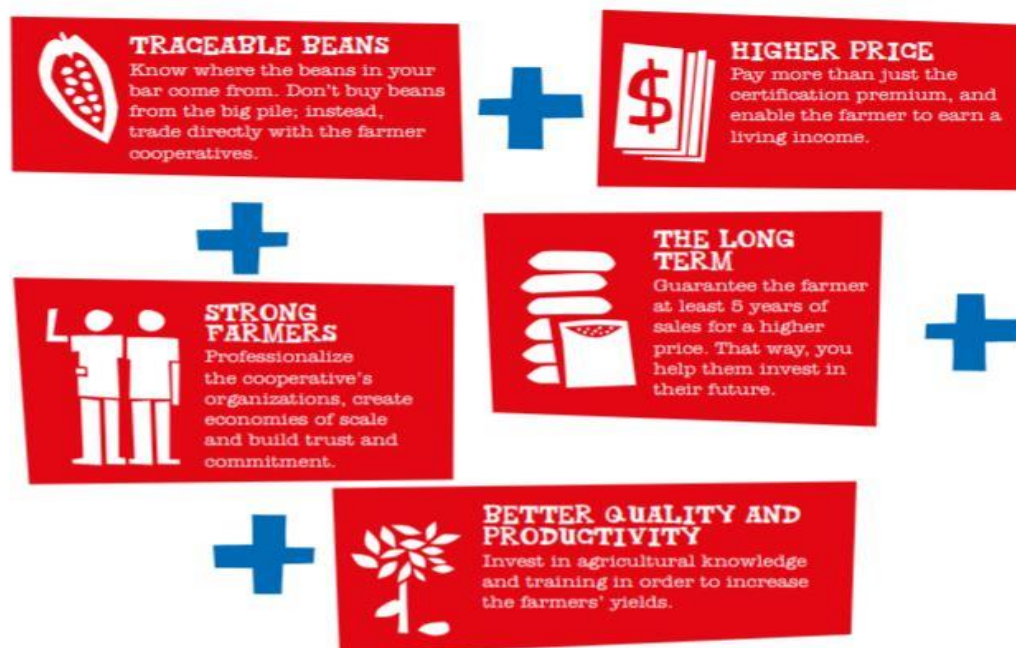
banned worldwide by international conventions. But it has yet to be completely eliminated. Millions (yes, millions) of people worldwide are still under the yoke of slavery – or conditions very much like it.

Transatlantic slavery and modern slavery are not the same, but both involve economic inequality and human exploitation. More than 30,000 instances of slavery in the cocoa industry in Ghana and Ivory Coast are evidence of what happens when there is inequality in the supply chain.

In most cases, children are forced to work away from their family and do not have the option of stopping. In some cases, they are trafficked, taken far from their homes and forced to work on cocoa farms belonging to strangers. Neither they, nor their parents benefit from the money they “earn.”

Adults who are victims of loan sharks and have no choice but to keep handing over their income to pay off impossibly high interest rates are also considered to be entrapped in modern slavery. The situation makes it impossible for them to build a life for themselves.

And, just so we’re clear: Illegal child labour and modern slavery are two different things. Illegal child labour is far more common. Having to do dangerous work, working an excessive number of hours for your age and working during school hours are all examples of illegal child labour. If children are working on their parents’ farm, this doesn’t qualify as modern slavery. The fact that the children have to work because their parents earn far too little is totally unacceptable, but it’s not modern slavery.”



The target social group of Tony's are the farmers in West Africa, who grow the cacao beans, out of which chocolate is being produced.

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### 2. Founders' Profile

Tony's Chocolonely actually has its origins in the television program 'Keuringsdienst van Waarde'. In this program, journalists reveal some of the dark secrets behind the production of our food and goods. One of the presenters is Teun van de Keuken. Together with the other journalists are the first to launch the organization.

Neither Teun nor the rest of the journalists from their group see themselves as social entrepreneurs. Very soon after the first chocolate bars were sold they realized they were not entrepreneurs but journalists. This is what they still do today, while often writing about Tony's. The Chief Chocolate Officer – as he is called in Tony's terms – Henk Jan Beltman bought the company and this is the person who currently runs it. He himself does not like the term "social enterprise" since he believes that every single company should run under the mission of having positive social impact.

What Tony's tend to say is that "we are not a chocolate company that makes impact but we are an impact company that makes chocolate".



Tony's Chocolonely was founded in 2004 by the Dutch TV program "De Keuringsdienst van Waarde" with the clear purpose of making all chocolate 100% slave free across the globe. It is the result of dissatisfaction and frustration with the social inequality in the chocolate industry. Things CAN and MUST change. "Together we'll make 100% slave free the norm in chocolate. And, to achieve that, we have a strategy: our roadmap. This roadmap consists of 3 pillars: Tony's raises awareness, Tony's leads by example and Tony's inspires to act. Through our Open Chain platform, we give businesses the opportunity to take on our approach and change the chocolate industry together."



### 3. Social Mission

How did Tony's Chocolonely get started? Tony's was originally a "journalist bar" designed to draw attention to a serious problem. Journalists working for the Dutch television program Keuringsdienst van Waarde expose the issue of modern slavery and illegal child labour in the cocoa industry. They take action and, in 2005, the first Tony's bar rolls off the production line in the Netherlands - in a shocking red wrapper that says "100% slave free."

Their mission is "To make chocolate 100% slave-free", which over the years developed into "Together we'll make chocolate 100% slave-free" since as they say there are two ways of looking at it: there can be only one chocolate existing and this is Tony's, which is very unlikely or there are plenty of diverse

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chocolate companies, who are willing to source the way Tony's do and thus together create this positive change.

Together with the above, they also work under the following slogan and driving goal: "We are definitely crazy about chocolate but at the same time we are also serious about people."

Their key activities Tony's describe in the following way:



There is a roadmap that is divided in three different pillars:

- 1) **Raise awareness** – it started from the very first moment – Teun and his colleagues wanted to raise the issue of the cacao nuts in the sector and that is the first step that the team is still pushing, they keep on telling their stories inside the bars – for example even by having the bar unequally divided to really show that there is something that is not yet fully achieved and this would cause a discussion.
- 2) **Lead by example** – here the 5 sourcing principles come into play: to pay a higher price; to help farmers be strong farmers to be democratically united and have a strong voice on the market; to be fully traceable so that they can actually trace from bean to bar; to work on productivity and quality and to lift farmers out of poverty – they need to be able to plant further than one season, Tony's usually have a 5-year commitment with the cooperatives they work with and they call this sourcing principle "the long-term". These 5 principles they see as their recipe to success which they would give to any chocolate company which is interested in doing it bottom-up the way Tony's does it.
- 3) **Inspire to act** – they realize and are grateful that they are not the only chocolate on the planet, however what they do is they try to inspire others to get onboard. Really looking into how they can collaborate with other chocolate companies. In that respect they have what they call: "Tony's open chain", which is an open-source platform where they share what they do and they collaborate with other chocolate brands. Since 2019 they have one of their mission allies – one of the Dutch retailers – Albert Heijn, they source their chocolate brand Delicata the way Tony's does it. Delicata also uses the yellow button Tony's does to show the 5 sourcing principles. This is not certification but a mission to show the sourcing process.



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### 4. Value Proposition

The beneficiaries of Tony's are actually not their customers. The customers are people all over the world (currently in the 22 countries) where Tony's chocolates are being sold. Tony's are the leaders in chocolate bars in the Netherlands and expanding their business with a very high pace.



The way Tony's defines it – their “customers are those who consider sustainable consumption. Next to that chocolate is a gift that we can give to ourselves and others – thus bringing joy.”

The value proposition of Tony's is “to support and enable farmers in West Africa to move out of poverty in a sustainable and long-term way. They just happen to do that by chocolate (since cacao is in the core of farmers grow in West Africa).”

There is no innovation in the way the chocolate is being produced however if you would look into the three pillars of the roadmap as well as the 5 sourcing principles, this is really the innovative approach around the value proposition.



Tony's generate revenue means of selling chocolate in 22 countries all over the world and still expanding and thus manage to ensure their financial independence. Aside from the chocolate company they have a foundation. The foundation was founded back in the days when the journalists

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did not know what to do with the profit they were making (which they were not interested in) and then they started with the foundation. Nowadays Tony's spent 1% of their net revenue on the foundation.

And although they are still making profit, it is not too big at the moment.

Tony's also use external funding. It has to be noted that they do have a significant part of their net revenue - in 2019 it was 6,4% dedicated to impact costs (which is a substantial amount if it is compared to the profit generated by other chocolate companies). This is how their research and impact projects in general in West Africa are being financed.

Apart from the above they are part of "Beyond chocolate" in Belgium, the "ICI – International Cacao initiative" and other collaborations and through that there is a lot of funding coming in as well.

There are also a lot of community projects they fund via their foundation. They join bigger initiatives as for example the Jacobs foundation, which is currently active in the Ivory coast and Tony's is also taking part in it, kicking off a huge educational project.



### **5. Social impact**

In order to summarize everything that so far been said in terms of mission, driving goal and key activities, the social impact Tony's is trying to achieve is: "To solve the inequality in the supply chain of cacao".

Tony's deliberately chooses to work in Ghana and Ivory Coast. That's where the worst problems are so that's where they want to have a positive impact in making 100% slave free the norm in chocolate.

The way they show their main impact results is by means of:

#### **❖ bars sold**

"More and more people are discovering our chocolate. Last book-year (2018) we sold 43.176.336 bars. Whoopee! Growth is an important part of our mission. It enables us to work with more farmers who benefit from our recipe for slave free cocoa. It also means we can make more noise in the chocolate industry so the chocolate giants follow our example."

#### **❖ metric tons of cocoa beans purchased**

"The beans used to make our cocoa mass and our cocoa butter are all traceable, purchased directly from our partner cooperatives in Ghana and Ivory Coast. We're unique in this respect. Almost no other chocolate brand sold in supermarkets knows where or how its cocoa beans are grown. They have no relationship with the cocoa farmers and if the cocoa comes from West Africa they're completely in the dark. As strange as it may seem, this applies to the vast majority of certified (sustainably produced and organic) cocoa. The beans we purchased during the 2018-19 cocoa season (some of those 5,5645,000 kg) will be in your bar in 2020."

#### **❖ farmers we work with directly**

"The 6,624 farmers who produce cocoa for Tony's are 6,624 farmers who earn a decent income. And because they have wives and children, the number of people who benefit is far greater. The farmers

## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

are proud to be able to provide for their families. That's why we do it! We buy cocoa per season. So the number of farmers we're working with this year is higher than the number of farmers who produced the cocoa for the 27 million bars we sold last year."

### ❖ paid in premiums

"In addition to the Fairtrade premium we also pay a Tony's premium so cocoa farmers can earn a decent income. The premium helps increase the farmer's income both literally and by enabling them to invest in resources that increase productivity, such as agricultural training courses and nurseries for new cocoa trees. The premium also reduces their outgoings by enabling them to buy fertilizer in bulk and install central water pumps and by making education more accessible. More than 9.6% of the retail price of our bars goes to the cocoa farmers."

Tony's definitely do achieve their intended impact.

They look into the living standard and welfare of the farmers they work with. They have the farms GPS-mapped and they look into the productivity (having the so-called yield level). Thus it can be fully traced how the farmers are producing and what it needs to be done to help them produce more. There is also a lot of farmers' coaching going on provided by Tony's.

Tony's put efforts into looking how the premium for example is being spent by the farmers. For example Tony's is paying higher price for the cacao but then how is the money being spent – yes, part if it goes to the cooperatives, however also a significant amount goes to the farmers.

The cocoa farmers are affiliated with their partner cooperatives, which comprise Kapatchiva, Ecojad, ECAM and Socoopacdi in Ivory Coast and ABOCFA and Suhum Union in Ghana. Tony's Impact team regularly travels to Ghana and Ivory Coast to visit the partner cooperatives and attend the annual meetings. "It goes without saying, that we always take an extra bag of Tony's chocolate with us so that the farmers can see the results of all their hard work."

Tony's have also linked their impact to the Sustainable Development Goals – primarily to number 8.7 but not only, please see below:



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### 6. Key Success Factors

In 2012 Tony's managed to achieve full traceability, they had the been-tracker thus able to really trace where every single ingredient would come from and how. Thus they took an important next step in their journey towards 100% slave free chocolate as following on from Tony's chocolate milk, their first bean to bar chocolate becomes a reality. The cocoa mass in the bar became fully traceable and is until the very day today manufactured by farmers that we know personally.

2013 was the year with the first FAIR report in which Tony's shared their vision on the chocolate industry and elaborated further on their new step in the direction of 100% slave free chocolate. To celebrate this positive turn of events, they organized Tony's Fair for the first time ever, featuring speakers such as Teun van de Keuken and Miki Mistrati.

In 2014 Tony's started paying cocoa farmers a Tony's premium in addition to the Fairtrade premium.

In the year 2016 Tony's installed their own cocoa butter tank at Barry Callebaut. Thus they were able to make cocoa butter fully traceable. Consequently, every cocoa bean in a Tony's chocolate bar was traceable and has been directly purchased at one of their partner cooperatives in Ghana and Ivory coast. Now that their cocoa butter became fully traceable, they could make white chocolate again. That is why in 2016 there was the return of the white chocolate bar with raspberry popping candy.

In December 2017 13,000 (!) choco friends signed Tony's petition for the Child Labour Due Diligence Act. And they created more commotion by delivering the signatures to the Upper House in person. Also, they became market leader in the Netherlands.

On Friday the 13th of April 2018, Tony's opened the doors of their Super Store on the place where cocoa was traded as early as 1900: the Beurs van Berlage! This was the hotspot where their choco-fans and Serious Friends are always welcome for a good conversation about their mission; All chocolate 100% slave-free. "Critical questions, or compliments; they're all welcome! But whilst enjoying some chocolate of course."

The 11<sup>th</sup> of March 2019 was a BIG day for Tony's mission. From then on, Delicata chocolate bars were in the Albert Heijn stores with Tony's Open Chain cocoa with a yellow button on the wrapper. The button says "together we'll make chocolate 100% slave free". With chocolate brand Delicata, Albert Heijn was the first to join Tony's open source platform "Tony's Open Chain". From then on, Albert Heijn started purchasing the cocoa for Delicata bars according to Tony's five sourcing principles. With this method, a living income for cocoa farmers became possible.

Tony's launched in the U.K. in 2019 with their awesome slave free chocolate pop-up shop.

The child labour due diligence-act was finally adopted on April 14<sup>th</sup> 2019 by the House of Representatives.

They see their competitive advantage over other similar social services and in their commercial activity in the following way:

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“Never hiding anything, always open and upfront” as they claim. Moreover one of their core values is “makes you smile”.

“While we make our lives more difficult by sourcing the way we do, this is very serious, we still have the advantage of being very positive and very playful brand and also very recognized based on the font and the cover.”

Most of the key partners Tony’s work with have already been mentioned but to summarize these are: the cooperatives in West Africa, the farmers themselves, all their choco fans, the organizations whom they collaborate with, their mission allies, the stores they are selling the chocolate worldwide, the two subsidiary offices they have now in UK and the US, and many more. If one would look like into the 13 000 people who signed the Child labour Due diligence act, then Tony’s key partners are to be found almost everywhere.

It is interesting whether Tony’s see anything within their work/history/experiences so far which can be called a mistake they were able to overcome. They however rephrase this into more of a long-term learning, this was a long time ago – in the beginning when Teun and the other group of journalists actually discovered that “Fairtrade” did not mean full traceability the way that Tony’s later on developed it with the 5 sourcing principles. This was a key learning that brought Tony’s so much further.

Teun and the group of journalists actually dug deeper than just the label of “Fairtrade” and actually found out that although there was a “Fairtrade premium” paid to the farmers, the exact beans that a chocolate company would receive might not have at all come from those farmers but also from others. Thus Tony’s designed their own model – the 5 sourcing principles’ one.

Their social value creation is fully aligned with their commercial activity. As their CCO (chief chocolate officer) states: “Money is never an end, money is always a means.” What their foremost core is – Tony’s is an impact company. And to show an example of why there is a very good balance and no pulling of the organization in two different directions, the example of the year 2017 was given. This was an year where the International price of cacao dropped by a very significant amount. It was obvious that the farmers in West Africa would lose a lot of money because of that. So Tony’s collaborators gathered for a discussion and it was in less than 20 minutes that it became clear Tony’s would compensate for it and pay the farmers so that the loss can be as much as possible balanced out.

When it comes to communication, the most important that has to be mentioned is the style Tony’s is using – open, transparent, friendly and playful, yet very serious about the impact they are doing their utmost best to achieve.

Tony’s is using all different channels – they actively communicate with everyone along the line, using every opportunity. Their annual Fair reports present a very clear, transparent and open picture on what and how they do.

There are definitely the people, whom Tony’s calls “their serious friends”, they know their mission, their story and what they aim at and there also the “chocolate fans”, who are enjoying the colours and enjoying the taste, and also the jokes. So there is a different extent of “seriousness”, if it can be said so.

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### 7. Crisis Management

As every organization all over the world, Tony's has also been affected by the coronavirus crisis. They of course try to make the best out of it as much this is possible. First everyone at Tony's is currently learning how to work from home and what this means. One positive thing is that since Tony's is an international company spread all over the world, now they are a lot closer to the teams in the other countries – deeper and closer connections have been created.

One of the standard learnings is also that there are meetings that can definitely be an e-mail. And although they saw a dip in the beginning in the sales, in general it can be said that so far it has been ok since chocolate is still being eaten, given as a gift and eaten as much even in these challenging times.

What Tony's however has been very concerned about were Ghana and Ivory Coast since the virus spread everywhere, including there. And since the information and healthcare systems there are weaker, Tony's immediately launched raise-awareness campaigns, distributed soap as well as water points to avoid for example clash at one of the communal local water tabs (which in general is common for cacao farmers – to have one water tap, where usually everyone has to queue and cannot keep the social distancing). Tony's is also in constant contact with their partners on the spot to tell them what needs to be done next. For now the soaps (actually also made for the cacao pot) and the additional water points have been quite helpful.

The most important lesson learned so far from the crisis is to continue being authentic and practice what they preach! Tony's is basically showing in practice how much in a very volatile and uncertain situation they still act with impact being on the first place.



### 8. Potential Recommendation

- ❖ Social impact and commercial value can go hand in hand
- ❖ Complexity (sourcing cacao beans) can be translated and traced into simplicity (the 5 sourcing principles)
- ❖ Image is not a perception but authenticity
- ❖ Playfulness can be the core of Seriousness

Dependent on the context and the diverse information presented the Thai/Burmese social enterprises can translate them to their specific reality and reflect upon the meaning and the experiences generated and shared by Tony's.

#### Acknowledgements

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  - ❖ Interview with Ms. Belinda, Impact Editor/Impacticular Storyteller
  - ❖ The Presentation guide
- Thank you's: special gratitude to Ms. Belinda, Impact Editor/Impacticular Storyteller



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## **Kuchnia Konfliktu Restaurant (Conflict Cuisine)**

Poland





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### Short description

Kuchnia Konfliktu (Conflict Cuisine) was a restaurant created in 2016 and operated in Warsaw. Restaurant employed refugees who prepared meals which were considered typical in their national cuisine. Its purpose was to help refugees in a difficult life situation, integrate refugees into the labour market, raise awareness of cultural differences, as well as draw attention to the situation of people from countries engulfed in armed conflicts.



### 1. Social problem

One of the groups most endangered of exclusion are refugees. Arriving in a new country forces them to learn a different language, customs and culture. In addition, adaptation requires time and commitment. Unfortunately, this is not always so simple, because each refugee has a different story and experience. Some refugees had to leave their homes in fear because of armed conflicts or repression. Compared to other EU countries, Poland receives few refugees. It is difficult to say whether this results only from political discourse. Fear and distrust seem to be the contributing factors of the problem. In addition, the process of applying for refugee status in Poland is tedious and complex. Moreover, when staying in centres for foreigners, refugees have much less opportunities to learn Polish and take up paid employment.

Many applications for refugee status in Poland are considered negative. According to Asylum Information Database from 2019, 4096 such applications were submitted. At the end of year, 3364 applications were still awaiting a decision. Only 131 people were granted refugee status in Poland and 130 were granted subsidiary protection. As many as 1730 applications were refused. Kuchnia Konfliktu Restaurant addressed the problem of refugee social exclusion in Poland. Thus far it has employed

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about 30 refugees from Warsaw area. It was a chance for them to be waged under an employment contract and fair working conditions. It was also an opportunity to assimilate, become involved in the local community, learn Polish and start a new life.



### **2. Founders's Profile**

The founders of the restaurant were three people: Jarmila Rybicka, Paulina Milewska and Maciej Kuziemski. All three met during the Academy of Human Rights, organized by the Humanity in Action Foundation. It is an intensive four-week program that sensitizes to issues related to diversity, social justice and liberal democracy. In addition, all three had prior experience in working for non-governmental organizations.

The idea behind the opening of the Conflict Cuisine met with the support of several organizations supporting the idea that food can be a means of bringing people together: Historie Kuchenne, Stół Powszechny, Plac Zabaw and "Kultura kulinarna" postgraduate studies.

The driving motivation for starting restaurant refugees was the situation in Ukraine and the war in Syria. In fact, it was the war in Syria that initiated the migration crisis in Europe. The scale of the conflict, the number of victims, but also the stories of individuals who tried to get to Europe looking for opportunities for a better life were shock for many Europeans. Many people wanted to get involved and help. In addition, one of the reasons for the creation of the Kuchnia Konfliktu Restaurant was also the public debate in Poland regarding refugees, which was heading towards radicalization.

Later, Paulina handled journalism and started working at Gazeta Wyborcza, while Maciej took up studies at Oxford. However, they were constantly trying to support the Kuchnia Konfliktu Restaurant.



### **3. Social Mission**

The Kuchnia Konfliktu Restaurant was created in 2016 thanks to the crowdfunding collection and two art actions that were supported by numerous artists, including famous Polish painter Wilhelm Sasnal. Initially, the restaurant was located in the food track by the Vistula boulevards in Warsaw. Afterward the restaurant moved to a container, then it also enriched its activities with catering and cooking workshops. However, the goal from the very beginning was to operate in their own place. In 2018, this goal was achieved and the restaurant started operating at Wilcza 60 in Warsaw, in the very centre of the city.

The name of the restaurant, although it raises a lot of emotions, was supposed to give food for thought. The driving goal was also to draw attention to the number of armed conflicts and wars in the modern world.

The mission of the Kuchnia Konfliktu Restaurant, according to the saying "The way to a man's heart is through his stomach" was to prepare meals from countries of origin by refugees, as well as to overcome stereotypes and prejudices regarding refugees among Poles.

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Cooking and serving meals were among the key activities of the Kuchnia Konfliktu Restaurant. However, the restaurant was actively involved in cultural events, e.g. by organizing workshops. It is worth adding that the restaurant also supported various charity campaigns, e.g. a charity concert for Refugees Welcome Poland, or a collection of cosmetics for women living in refugee centres.



### 4. Value Proposition

The Kuchnia Konfliktu Restaurant generated revenue by serving international dishes, prepared with local ingredients available in Poland. All the dishes were vegetarian or vegan. The restaurant offered a unique value added for the guests: it acted as a platform for dialogue between refugees and guests visiting the restaurant. Each guest could talk to exceptional chefs, learn their story and come to know something about their country of origin. It was an amazing opportunity to get to know other cultures. Restaurant guests were able to eat fantastic dishes and also increase their knowledge of cultural differences and geopolitical situation in the world. They have gained greater awareness about the experience of refugees and armed conflicts in the world. They could also get to know cuisine from various regions of the world. The Kuchnia Konfliktu Restaurant was also a great example of the fact that one cannot remain passive in the face of ubiquitous xenophobia and hate speech that has been spreading in Polish society in recent years.

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### 5. Social impact

The main purpose of the Kuchnia Konfliktu Restaurant was to help refugees. They came from different countries and cultures, are of different ages, each of them has different experiences. Refugees prepared their favourite dishes from their country of origin, which were later on the restaurant's menu. It is worth adding that none of the refugees employed in the restaurant had experience in gastronomy.

The restaurant was characterized by high work standards. All employees worked under a contract of employment and were paid a fair remuneration. They were provided with insurance and holidays, which unfortunately does not always happen in the gastronomy sector. In addition, gender equality was promoted, the Kuchnia Konfliktu Restaurant employed about the same number of women and men. In addition, the restaurant helped employed refugees with formalities in Poland, finding a flat, or put them down for a medical appointment. In fact, the Kuchnia Konfliktu Restaurant helped with what the state should guarantee.



Kuchnia Konfliktu Restaurant was fulfilling its mission and achieved its intended impact. Some refugees employed in the restaurant found a job. They are involved in such professions as an Arabic translator, a beautician or an employment agency worker. In addition, the restaurant provided employed refugees assimilation and a sense of security. Importantly, they also learnt Polish, making it easier to live in Poland.

Kuchnia Konfliktu Restaurant linked its impact to the Sustainable Development Goals. Engagement and helping refugees drew attention to the 16<sup>th</sup> Sustainable Development Goal - Peace, Justice, and Strong Institutions. The guarantee of fair working conditions and remuneration, as well as offering coffee from Fairtrade crops, were part of 8<sup>th</sup> Sustainable Development Goal - Decent Work and Economic Growth. Moreover, serving vegetarian and vegan meals and using local ingredients were connected with 12<sup>th</sup> Sustainable Development Goal (Responsible Consumption and Production) and 13<sup>th</sup> Sustainable Development Goal (Climate Action).



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### 6. Key Success Factors

The key factors to Kuchnia Konfliktu Restaurant's success was the original idea, fantastic food and drawing public attention to the challenges that refugees have to face. In addition, restaurant customers had the opportunity to interact with refugees employed in the restaurant. They could talk to them and learn their story, each one is different. The restaurant helped build a kind of relationship between refugees and restaurant guests. Both sides benefited because refugees had a chance to assimilate. In turn, restaurant guests learned tolerance, were able to refute various stereotypes, and also got to know new cultures.

The restaurant also carried out many cultural events, including cooking workshops, and also cultural weeks at the beginning of its activity. A very well run restaurant pages on Facebook and Instagram were an incentive to visit. All events were promoted there. In addition, customers could found out what dishes will be served in the restaurant.

Moreover, the Kuchnia Konfliktu Restaurant cooperated with migration organizations and supported many charity events. It is worth adding that the restaurant has been awarded many prizes. In 2018, the restaurant received an Award for Discovery of the Year in the Jacek Kuroń Social Economy Contest.

The Kuchnia Konfliktu Restaurant also faced many challenges when developing the organisation. One of them was the level of knowledge of Polish by employed refugees, which affected the working time. It was also difficult to find a place to rent on preferential treatment.



### 7. Crisis Management

The COVID-19 coronavirus pandemic had a significant impact on the operation of the Kuchnia Konfliktu Restaurant. Due to numerous restrictions introduced in March to combat a pandemic, the restaurant temporarily ceased operations. Later, like other restaurants, the Kuchnia Konfliktu Restaurant began to provide its take-away services. In addition, employees prepared various preserves that could be ordered. However, it turned out that this type of activities brings too much loss. When the restrictions were loosened, the Kuchnia Konfliktu Restaurant had to meet a lot of



loss. When the restrictions were loosened, the Kuchnia Konfliktu Restaurant had to meet a lot of

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different requirements. Daily take was much lower than before the outbreak of the pandemic. In addition, the restaurant previously carried out catering orders or serviced weddings and conferences. Unfortunately, many of them have been cancelled or deferred due to a pandemic. Therefore, the restaurant had far fewer orders. Thereupon, in the first half of June it was decided to close the Kuchnia Konfliktu Restaurant. Until the end of the rental agreement, various farewell meetings were organized.



### **8. Potential Recommendation**

The example of the Kuchnia Konfliktu Restaurant showed that migrants and refugees do not have to be a group at risk of exclusion. Coherent goals and mission make it possible to achieve success. However, it is also extremely important to obtain incentives that will allow to compete in a rather difficult sector, such as gastronomy.

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#### **Information:**

In October, the Kuchnia konfliktu resumed operations as a shop and bistro. From Monday to Saturday, it operates as a shop that offers vegetarian and vegan products, as well as fruit and vegetables, and baked goods. On Sunday the Kuchnia konfliktu turns into a bistro serving delicious dishes. This place still integrate refugees into the labour market and raise awareness of cultural differences.



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## Leżę i Pracuję (Work from bed)

Poland





## Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar

### Short description

“Work from Bed” is the first Polish marketing agency that has been established to provide employment opportunities for people with mobility disabilities. It’s a social enterprise operating in Katowice (Poland) since 2015. Currently it employs 12 people.



### 1. Social problem

“Work from Bed” employs people with mobility disabilities, who are oftentimes socially isolated in Poland and usually it is extremely hard for them to find a proper job. Even though they would like to work, and often have the necessary competence to do so, employers are reluctant to hire them. Employers are often unaware of how to adjust a workplace for a disabled employee and the stigma that a physically disabled person is not a sterling employee just makes the problem worse.

There are almost 5 million people with disabilities in Poland (about 12% of the whole population), half of whom are of working age. Only less than 30% of them have a job, while in European Union countries almost half of the disabled of working age work professionally. In Poland, the government does not provide many tools to help employers hire the disabled, nor help the disabled in finding jobs.

People with mobility disabilities which are hired by “Work from Bed” live all over Poland. Because they work online, it doesn’t matter from which region they are or how close they live to the office.

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### 2. Founders' Profile

The founder of “Work from Bed” is Maria “Majka” Lipiak, a marketing specialist and an entrepreneur with a huge heart for helping others. She’s a specialist in Brand Consulting, Marketing Consulting, Social Media Marketing, Graphic Design, Diversity & Inclusion. She is also a business trainer. She started the social enterprise as a person with a solid business background in marketing. She started the enterprise because she wanted to help people with disabilities. Majka is very engaged in teaching others about social entrepreneurship and is an advocate for social entrepreneurship.



Majka became engaged in solving a social problem by accident, when she met Artur - her friends’ friend. She helped with the renovation that took place in his apartment and noticed that Artur was spending most of his time in a horizontal position, but it did not bother him to be a renovation manager! He is

a tetraplegic, i.e. has paralysis quadriplegic as a result of an unfortunate jump into the water. He was then unemployed and when asked about it, replied: “there is no job for me”. Majka decided to prove him wrong. She believed that in these days it takes a computer and internet access to work from anywhere – including a bed.



### 3. Social Mission

“Work from Bed” as a marketing agency has a mission to promote positive activities, projects and brands worthy public attention. By employing people with mobility disabilities they create jobs for the ones that need it the most. Their driving goal is to make their lives better and richer; with new skills, new goals, new knowledge, new acquaintances, new experiences disabled people become empowered.



Everything started with Artur, but as soon as the idea of a marketing agency appeared, it was clear that it was also about other paralyzed people to whom they will give jobs in the future. What was it about? About wise help. About giving a job, the fundamental tool for change.

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### 4. Value Proposition

“Work from Bed”’s offer is directed to any type of company that is looking for a marketing agency or that needs help with employing disabled employees. As a marketing agency it: creates strategies (concept of a brand, its communication, visual identity, recommendations of activities etc.), implements marketing activities, design websites, prepare and conduct social media strategies, create visual identification and communication strategies. The specialize also in building awareness, social innovations and social campaigns.

Their beneficiaries are their employees who learn new skills and competences to be able to find a new job in the future. “Work from Bed” allows them to become professionals in different areas of marketing and be valuable employees for the job market.

Their value proposition is based on an innovative approach. They keep looking for new solutions for employers and employees with disabilities. They create prototypes and test solutions for professional and social activism as well as ergonomics of the work of people with mobility disabilities.



### 5. Social impact



They work in the "mentor + mentee" model. Mentors are experts with experience, whose role is to educate mentees, i.e. paralyzed people who have never worked before or who have little professional experience. The mentor has many important roles. He is a teacher and quality controller, small team manager and project manager.

Experience and education in the field of education are relevant for mentors, but not for mentees. While recruiting employees they are looking for paralyzed candidates (paralyzed tetraplegics after spinal cord injury, people with spinal muscular atrophy, Duchenne muscular atrophy, cerebral palsy or meningitis). This brand “specialization” is well understood and memorable, and also allows them to be



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experts in what they do and to create solutions and deliver client services that are more effective because they are suited to this particular group of employees.

They not only provide employment to the ones that nobody is willing to hire, they also educate, break taboos. They visit schools and teach about disability, without unnecessary conventions and very openly. Additionally, they visit TV and radio stations, conferences, discussion panels, give interviews and speak out about the advantages of hiring



the disabled. They continuously monitor and measure their impact (number of hired employees, conducted trainings, schools visited, talks, interviews etc.) and



keep track of their activities. They already received public recognition and numerous rewards for their work, which make them more popular and therefore they attract more clients and are able to help more people and have broader social impact. Majka was even included in a „30 Under 30” Polish Forbes ranking. In July 2020 Majka Lipniak was awarded “Businesswoman of the year” award in social sector category. Through those activities and that publicity they create social change.

The social enterprise is generating revenue through their commercial offer (about 70% of their total revenue) and this revenue stream gives them financial independence. Because they are registered as a foundation, they are able to receive donations and apply for grants. They operate independently of other organizations.

So far, over 120 people have filled out the application form for work in “Work from Bed” so an idea appeared to expand their activity and offer recruitment services to companies – to support other employers in employing people in wheelchairs. It is still in plans though.

„Work from Bed”'s mission addresses UN SDGs: goals 1, 8, 9, 10 (web platform Zdalniacy, 100% remote work, business hardware and software adjusted to disabled users), 4 (Tour de School – educating in schools all over Poland, mentor-mentee relationship in the workplace, training employees for future jobs, promotion of education), and 11 (promotion of availability of workspace to the needs of the disabled employees).



## 6. Key Success Factors

Majka invested her creative resources and prior business experience in creating a strong brand. Choosing the name, photo sessions, creating and engaging brand and marketing communication were key factors of success. Facebook and other social media were the main channels of communication and PR. Journalists (newspapers, journals, TV, radio, internet portals) got interested in them immediately, which helped to promote the enterprise. This also gave them a great competitive advantage over other marketing agencies – their unique social mission and the ability to promote it effectively helped them to achieve success.

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Thanks to Majka's skills and competences, as well as a rising interest in this company, they were able to avoid setbacks. Their employees are all fully committed to their job and appreciate the employment opportunity more than average employees do. They are fully engaged and willing to learn on the job quickly. Professionalization of their services also helped greatly to avoid mistakes. Because their social mission is aligned with commercial activity, they are recognized as an honest brand and it allows them to keep evolving in the set direction. Right now they are recognized locally and internationally on a large scale and the best proof of Majka's professionalism and effectiveness are numerous awards that she won.

They cooperate with schools, British Council, Cooperation Lab, few other foundations, Ashoka and the State Fund for Rehabilitation of Disabled People. Their network of partners is quite advanced, which also confirms their professionalism.



## 7. Crisis Management

"Work from Bed" employees work from their homes, so COVID-19 crisis did not affect their working style. The enterprise used this situation to help other organizations in terms of organizing home office



work system. Their effective work during COVID-19 is also the best proof for employers that hiring the disabled and adjusting their workplaces as home offices is beneficial during the crisis. The only activity that was affected were the school visits.

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### **8. Potential Recommendation**

The “Work from Bed” example shows that a professional PR strategy can be the driving motor of success. Creating a strong brand is in this case the key to a great success. The promotion can be done fully online, so it is applicable all over the world.

Strongly aligning the social mission with the business idea will help to communicate this mission in a more effective way and create a strong reliable brand.

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## Ogniwo Cooperative

Poland



## **Strengthening innovative social entrepreneurship practices for disruptive business settings in Thailand and Myanmar**

### **Short description**

The Ogniwko cooperative was established in 2014 and operates in Krakow. For 5 years, its legal address was in the Jewish district - Kazimierz. The main goal of the cooperative was to create an inclusive and progressive community centre, a place where everyone is welcome, where ideas are freely exchanged. The venue holds a bookstore and cafe, where regular events are organized. The Ogniwko cooperative is a meeting place and platform for dialogue between various communities that enables establishing cooperation.

As a result of the COVID-19 coronavirus pandemic, the cooperative was forced to search for a new location and was temporarily moved to the Grzegórzki district.



### **1. Social problem**

The Ogniwko Cooperative is a place to promote culture, a place where you can express yourself. Different social groups meet here. Equality, freedom and democracy are promoted. The Ogniwko Cooperative is a friendly place for social activists. Here, issues such as human rights are important, including the rights of women and LGBT communities. This is where economic inequalities, social issues, as well as climate change and the need to protect the environment are spoken of.

According to research by the Ombudsperson and the Office for Democratic Institutions and Human Rights of the Organization for Security and Co-operation in Europe, ethnic origin and nationality are the main reasons for discrimination in Poland. However, reasons such as the social role of women and men, faith, sexual and gender identity, political views and even the protection of the environment cannot be forgotten. On the one hand, the problem is rooted in politicians and the media, as public debate in Poland is becoming more and more aggressive. On the other hand, judgment is often made on the basis of unverified information or lack of access to information.

The founders of the Ogniwko Cooperative wanted to influence current political, economic and social events. They strive for change for the better, encouraging local communities to act and critical thinking.



### **2. Founders' Profile**

The Ogniwko Cooperative was founded in 2014 by a group of a dozen or so people. Some of them have experience related to political activities belonging to the political party called Razem. It is worth emphasizing that they were invited to cooperate by themselves, wanting to create an interesting initiative. They have different professional experience. Among the members of the cooperative

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are: computer graphic designer, psychologist, and even architect. Thanks to this diversity, everyone brings a different skillset and approach to initiatives.



### 3. Social Mission

The members of the Ognivo Cooperative emphasize that it is a friendly place to act. In addition, as a social community centre, it promotes culture and social activity. The founding members were involved in political activities, which also affects the values promoted by the Ognivo Cooperative.

Members of the Ognivo Cooperative have invested their own funds in the cooperative. They renovated the premises where the cooperative was located until June 2020. It is worth adding that the decisions about the Ognivo Cooperative are made by everyone, and each vote has the same meaning in the name of democracy. In addition, each member determines how much time he will be able to commit to work for the Ognivo Cooperative.

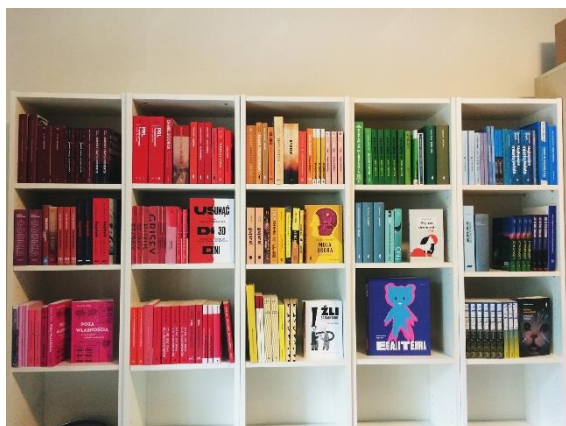
The key activities of the Ognivo Cooperative include the organization of author meetings, debates, lectures, workshops, concerts and exhibitions.

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### 4. Value Proposition

The Ogniwio Cooperative is a social culture centre with a bookshop and a cafe. It is a space where a lot of meetings and events are organized, including meetings with authors, debates, lectures, lectures, concerts and exhibitions. During these meetings social, political and economic issues are raised. These activities are a value proposition for the Ogniwio Cooperative, attracting mainly young people. Reading is also promoted, which is extremely important because in 2018 only 37% of Poles read at least one book. In addition, the Ogniwio Cooperative is also focused on the organization of interesting events.



Anyone with an idea can cooperate with the Ogniwio Cooperative and organize an event. In addition, in the previous venue of the Ogniwio Cooperative there was a smaller room that could be rented for workshops. Foreign language classes were also conducted there. The Ogniwio Cooperative is also a bookstore and cafe with a wide selection of titles, as well as delicious coffee and finger-licking cakes. All of these activities are generating revenue which enable the cooperative to remain financially sustainable.



### 5. Social impact

The Ogniwio Cooperative recognizes the essence of sustainable development and circular economy, as well as the problem of excessive consumerism. Therefore, it implements a number of activities that are linked to the Sustainable Development Goals.

Organization of lectures, discussions and promotion of reading are connected with the 4<sup>th</sup> Sustainable Development Goal - Quality education. In addition, issues related to freedom, independence and democracy are raised as part of the discussion. This in turn is a reference to the 16<sup>th</sup> Sustainable



Development Goal - Peace, Justice, and Strong Institutions. As well the Ogniwio Cooperative is actively involved in the fight for women's rights, it is also a friendly place for the LGBT community. Thus, Spółdzielnia Ogniwio is also actively involved in achieving the 5th Sustainable Development Goal - Gender Equality. The Ogniwio Cooperative regularly organizes books and clothes swappings. Thanks to this, the Ogniwio Cooperative brings awareness to excessive consumerism and the negative impact of the clothing industry on the natural environment. This is directly related to 12<sup>th</sup> Sustainable Development Goal - Responsible Consumption and Production and 13<sup>th</sup> Sustainable

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Development Goal - Climate Action. At the previous dwelling, the Ogniwo Cooperative also supported the Foodsharing Programme in Krakow. The Ogniwo Cooperative had a fridge that could be used during its opening hours. Everyone could leave food in the fridge that couldn't consume or takes something out of the fridge. Information when it was possible to use the fridge and information on what was in it were published on the Foodsharing Programme Facebook page. The commitment of the Ogniwo Cooperative was associated with the 2<sup>nd</sup> Sustainable Development Goal - Zero Hunger. It was valuable because Poland is classified among the leading European Union countries, where the most food is wasted. It is also worth mentioning that at the Ogniwo Cooperative we can buy coffee from Fairtrade crops. Thanks to this, the Cooperative also supports the 8th Sustainable Development Goal - Decent Work and Economic Growth.



### **6. Key Success Factors**

The Ogniwo Cooperative is an open and friendly place to various communities. It is such values as diversity, openness, freedom and tolerance that make it a place for everyone. The Ogniwo Cooperative supports trade unions, feminists, people who care about the natural environment and the LGBT community. Hence a number of different events that are organized at the Ogniwo Cooperative. In addition, these are the key factors in the success of the Ogniwo Cooperative.

The Ogniwo Cooperative also collaborates with numerous non-governmental organizations, social cooperatives and labour cooperatives, which are the key partners of the organization. It is worth emphasizing that the partners of the Ogniwo Cooperative also actively participate in promoting women's rights, tolerance and equality. In addition, the social economy is also close to the Ogniwo Cooperative.

The Ogniwo Cooperative is well perceived by the local community and is popular especially among young people and those who seek change. In addition, it is worth emphasizing that the Ogniwo Cooperative maintains contact with the beneficiaries and customers of its activities, mainly through the Facebook page. Information on current events appears regularly there.



### **7. Crisis Management**

The COVID-19 coronavirus pandemic crisis has significantly impacted the activities of institutions such as the Ogniwo Cooperative. All restrictions that were introduced by the Polish government to combat the pandemic significantly hindered the organization's various projects. Suddenly, the customers could not visit cafe and bookstore. Online events proposed by the Ogniwo Cooperative are a response to the restrictions. These events including writers meetings are broadcast live on the Ogniwo Cooperative Facebook page. In addition, Ogniwo Cooperative has introduced the possibility of buying books online. On its Facebook page, Ogniwo Cooperative posted a list of books that can be purchased with home delivery. This is a valuable initiative because the Ogniwo Cooperative promotes difficult and important subjects. Readers can purchase bestsellers like: "The Shock Doctrine: The Rise of Disaster Capitalism"



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by Naomi Klein, “23 Things They Don't Tell You About Capitalism” by Chang Ha-Joon, or “Hunger: The Mortal Crisis of Our Time” by Martin Caparros. There are also less known titles like “The End of Ice Bearing Witness and Finding Meaning in the Path of Climate Disruption” by Dahr Jamail. The Ogniwko Cooperative also promotes many Polish authors. During the pandemic, Ogniwko Cooperative suffered from a drastic drop of income and forced by the very difficult financial situation, it ran a fundraiser to be able to continue its activities and remain afloat.

Overall, the COVID-19 coronavirus pandemic has left its mark on the activities of Ogniwko Cooperative, which was forced to change its place of business. At present, the venue of the Ogniwko Cooperative is located in a temporary legal address. There is still a search for a suitable premises that can be adapted to the needs of the Ogniwko Cooperative.



## 8. Potential Recommendation

A place open to everyone and promoting culture can be an idea that will bring success. The proof is the Ogniwko Cooperative operating in Krakow. It is a great opportunity to take grassroots movements, promote civil society, but also culture. The idea is so universal that it can work in any region of the world.

### Acknowledgements

- Sources of information:
  - ❖ <https://www.facebook.com/ogniwokrakow>
  - ❖ <https://ogniwo.org/>
  - ❖ <https://dziennikpolski24.pl/punk-rock-rownosc-spoldzielnia-czyli-wszystkie-ogniwa-razem/ar/9062587>
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