

WDI CELEBRATES 20 YEARS




GlobalLens
Case study publisher at the
University of Michigan

**GLOBALENS IS A
MAJOR SPONSOR
AT THE ACADEMY
OF MANAGEMENT
MEETING** PAGE 12

 **ACADEMY OF
Management**

A few years after the Berlin Wall fell in 1989, Bill Davidson began discussions with B. Joseph White, then dean of the U-M School of Business Administration, about making a gift to the school.

“Neither of us knew where (the discussion) was going,” White, now president emeritus of the University of Illinois, recalled recently.

The two had lunch at a suburban Detroit Chinese restaurant and talked about several possibilities for the focus of a significant gift. One was manufacturing. Another was transitional economies.

“Bill immediately gravitated toward transitional economies as the focus,” White said. “We discussed at length and over several meetings the magnitude of his gift. At the time of the announcement of the William Davidson Institute (on April 23, 1992), \$30 million was the largest private gift ever given to any business school, public or private. We were all proud of that - but the real reason for the size of the gift was that Bill wanted to be sure there was enough money to do great things for our students, faculty and the world.”

Twenty years later, the William Davidson Institute at the University of Michigan has stayed true to the vision of its founder

— that is, doing great things for U-M’s students, its faculty, and the world at large.

“Bill was very proud of the Institute and the work it was doing,” said Karen Davidson, who replaced her late husband on the WDI board of directors when he passed away in March 2009. “I know he would be happy with how it has grown in recent years in both size and scope. The Institute is having the impact he envisioned it would 20 years ago.”

As Davidson and White were discussing a potential gift, the fall of communism a few years before had created great opportunities but also great challenges. Namely, how can the former communist countries make the economic transition to a market economy?

Davidson experienced this obstacle firsthand when his company, Guardian Industries, was negotiating to build a plant in communist Hungary in the mid-1980s. The country was considered the most progressive of the communist regimes. But Guardian’s people had to repeatedly revisit the fundamental principles of free market business. After the agreement was signed, Guardian decided to move the entire Hungarian workforce to Western Europe and the U.S. for intensive training.

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re:view

William Davidson Institute
724 East University Avenue
Ann Arbor, Michigan 48109 USA

Editor: Dan Shine
danshine@umich.edu

The William Davidson Institute (WDI) is an independent, non-profit education, research and applied practice organization established at the University of Michigan in 1992. Through a unique structure that integrates research, educational outreach, field-based collaborations, and development consulting services, WDI works with businesses, universities, development organizations, and governments in emerging economies to implement sound business practices and speed the transition to global engagement. WDI also provides a forum for academics, policy makers, business leaders, and development experts to enhance their understanding of these economies. WDI is the leading U.S. institution of higher learning fully dedicated to understanding and promoting actionable business and public policy approaches to addressing the challenges and opportunities in emerging market economies.

greetings

from the William Davidson Institute at the University of Michigan.

Since we are celebrating WDI's 20th anniversary, I thought I would take a moment to reflect on the creation of the Institute and the man who gave his name and vision to it.

I joined WDI in 2003, 11 years after Bill Davidson decided that his alma mater and the world needed a place to help firms speed their transition to a market economy. It didn't take long before I realized that I was working for a special person.

During our many face-to-face meetings and phone calls, Mr. D — as most everyone called him — always expressed his support for the work we were doing. He didn't micromanage. He expected great things from WDI and made sure to push us in that direction. Even when I had an occasional bad idea (and there were a few clunkers), there would be some probing questions but he always remained an encouraging voice. No meeting or phone call ever ended without him saying, "What can I do to help?"

He remained a mentor to me right up until his death in 2009, and was always willing to give me his time, advice, and counsel. For a man of so many accomplishments, he was down-to-earth and personable.

Mr. D had a vision of WDI as a bridge between academia and the real world. He would get most excited when talking about the student project teams and interns we deployed to all parts of the world, and about WDI's capacity building projects that affected conditions on the ground. He loved the image of the Institute engaging intensively in ways that positively affected local organizations and people.

While he was happy with the development of the Institute while he was alive, I think he also would be impressed with how we have positioned WDI to have even greater impact in the future.

And that future looks bright. Our research initiatives have attracted the attention of major funding institutions, and they are now approaching us with ideas to work together. Development Consulting Services, Executive Education, and Educational Outreach all have clear strategies, solid leadership, and increasing momentum.

I look forward to guiding WDI towards its next big milestone – 25 years. I expect it to be a much larger place in five years with an even bigger reach, wider influence, and greater impact.

Just like Mr. D would have wanted.

Sincerely,



Robert E. Kennedy
Executive Director



The Base of the Pyramid (BoP) Research Initiative, under the direction of Dr. Ted London, has continued to build its network and the corresponding opportunity to influence the development of the BoP domain. We are implementing several exciting foundation-funded projects, working with a variety of partners in Africa, Asia, and Latin America, further developing our research capabilities, and continuing to publish our latest work and present it at key conferences and events. Our efforts at developing cutting-edge teaching curricula and associated teaching materials for students and managers were also recently recognized with two awards.



Donor-Funded Projects Progressing Well

The BoP initiative has worked to deepen relationships with partner organizations interested in the base of the pyramid space. A goal of this effort is to generate resources to expand our field-based research and increase our impact. The initiative currently is engaged in three donor-funded projects supported by two foundations. One project, Impact Sourcing, is in collaboration with WDI's Globalization of Services Research Initiative. You can read more on that project on page 7. Here are updates on these BoP projects.



Impact Enterprise Research Moving Forward

The BoP research initiative is evaluating the impact enterprise sector in the developing world to give the Rockefeller Foundation insights into how they can accelerate the development of the domain going forward.

Impact enterprises are financially self-sustainable and scalable ventures that actively work towards producing significant positive changes in BoP markets for the well-being of people, their communities, and the broader environment.

There is on-going interest in better understanding how to increase the size and scope of the pool of impact enterprises. But a lack of clarity in this space makes it difficult to

identify impact enterprises with the most promise and provide targeted support to facilitate their growth. WDI's work, along with other grantees, will give the Rockefeller Foundation a roadmap for future potential investments and engagement strategies for promoting venture development that serves the base of the pyramid.

At the start of the project, "Catalyzing & Scaling Impact Enterprises to Benefit Poor & Vulnerable Communities," WDI researched and provided Rockefeller with a definition of impact enterprises in order to provide clarity and consensus on what constitutes an impact enterprise.

The WDI team is now assessing the impact enterprise landscape to see what factors influence their growth potential and their opportunity for creating a positive impact on the BoP.

In addition to conducting research for the project, Rockefeller Foundation contracted with WDI to be the coordinating partner for this project. In this role, WDI has been helping align the efforts of all the partners to ensure the multiple work streams achieve Rockefeller's overall objectives related to the search process. A key outcome of this coordination effort is to synthesize the findings from other search grantees into a roadmap that provides

logical next steps for the project.

The WDI team met with the Rockefeller Foundation staff and the other grantees in New York in March. WDI's Ted London, Bob Kennedy and Sateen Sheth were the meeting facilitators. A second meeting of all the grantee partners is planned for August.



Clockwise from left: a solar lamp; WDI's Heather Esper (right) in Kenya; local women with bee hives at Honey Care.



African Ventures Focus of Recent van Leer-Sponsored Work

London and WDI Base of the Pyramid Researcher Heather Esper recently visited BoP ventures in Kenya and Tanzania as part of a research project with the Bernard van Leer Foundation. These ventures include enterprises focused on sanitation, energy, and food production.

The project will produce six in-depth case studies that explore how ventures operating in different sectors directly and indirectly impact children eight years of age and younger. WDI's Base of the Pyramid Impact Assessment Framework was developed by London and then customized by London and Esper to focus on identifying both direct and indirect impacts on young children. Each case will assess the venture's impact on the economic, capability, and relationship well-being of young children, and explore ways the ventures can further enhance these outcomes. The cases also will include information on how the ventures can more effectively measure their impact on children over time. One of the research case studies

also will be developed into a teaching case. After completing the case studies, London and Esper will produce a summary article that aggregates the findings across all six ventures.

London and Esper visited and assessed the impact of CEMEX's Patrimonio Hoy initiative on young children in January. Patrimonio Hoy provides low-income families living in urban and semi-urban areas with a 70-week savings program to build a home room by room.

For this most-recent trip, London and Esper first visited Sanergy in Kenya. Sanergy's model involves four parts: building a network of low-cost sanitation centers in slums; distributing the centers through franchising to local entrepreneurs; collecting the waste produced daily; and processing it into electricity and fertilizer. Across each step, the company seeks to create jobs and income-generating opportunities while addressing critical social needs.

Esper then visited SolarAid for a week

in Tanzania. Solar Aid aims to provide universal access to clean and renewable energy in Africa, and thereby reduce the use of kerosene lanterns in both rural and urban areas through the promotion of solar-powered lighting. SolarAid is working towards this goal through its SunnyMoney initiative, a social enterprise that is providing lighting by selling solar-powered products. SolarAid supports SunnyMoney by creating a market for solar products in Africa through education and marketing.

And then Esper wrapped up her three-week trip by visiting Honey Care Africa in Kenya. Honey Care, which produces and sells honey, hires local teams from the community to manage farmers' beehives.

Speeding a week with each venture, the WDI team conducted one-on-one interviews and focus groups with key stakeholders, including customers, franchisees, local staff, non-users, as well as partner organizations, and the venture's headquarter team. "We want to hear from many voices," Esper said.

The goal of each week was to triangulate the information collected from different stakeholders to gain a deep and rich understanding of the actual and potential impacts on young children.



AWARDS

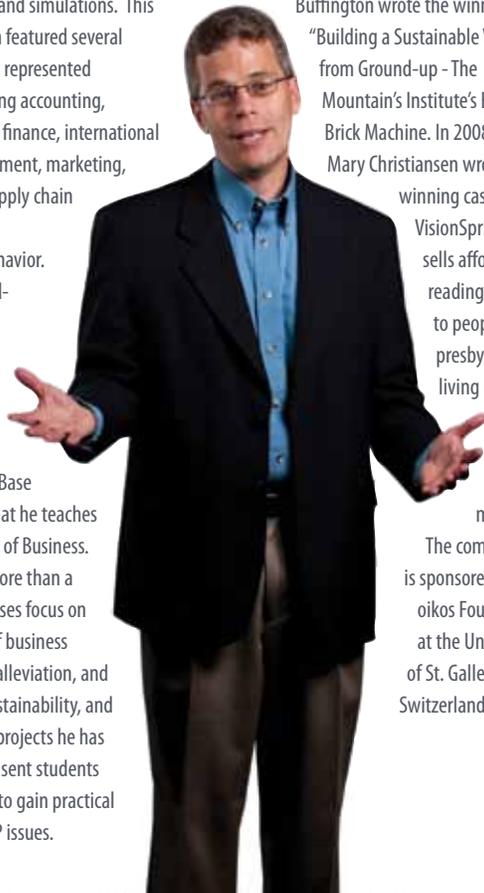
London Wins Sustainability Prize

WDI Senior Research Fellow Ted London won the grand prize in the 4th annual Dr. Alfred N. and Lynn Manos Page Prize for Sustainability Issues in Business Curricula (<http://www.moore.sc.edu/about/sustainableenterprise/development/pageprize.aspx>).



Sponsored by the Darla Moore School of Business at the University of South Carolina, the Page Prize's goal is to encourage efforts to expose business students to state-of-the-art knowledge relevant to sustainability and social issues such as poverty alleviation. Faculty applicants are judged on innovativeness and impact of the teaching materials they have developed, including curricula, courses, and course content, such as teaching cases and simulations. This year's competition featured several dozen entries that represented disciplines including accounting, entrepreneurship, finance, international business, management, marketing, operations and supply chain management and organizational behavior.

London's award-winning materials are used in the graduate-level course, "Business Strategies for the Base of the Pyramid" that he teaches at the Ross School of Business. The portfolio of more than a dozen teaching cases focus on the intersection of business strategy, poverty alleviation, and environmental sustainability, and the international projects he has sourced that have sent students around the globe to gain practical experience on BoP issues.



London Case Receives Oikos Award

A business case written by WDI's Ted London and two others placed second in the prestigious 2012 oikos Sustainability Case Writing Competition (<http://www.oikos-international.org/academic/cwc/>).

London, along with Jonathan Doh of Villanova University and Vasilina Kilibarda of WDI's case writing initiative GlobaLens, wrote "Building and Scaling a Cross-Sector Partnership: Oxfam America and Swiss Re's Empower Farmers in Ethiopia."

The case discusses how international charity Oxfam and leading global reinsurer Swiss Re, together with a number of key local partners, collaborated to provide micro-insurance and other services to help rural farmers in Ethiopia protect their crops and livelihoods from the impacts of climate variability and change, including drought.

London has won the oikos competition twice before. In 2005, he and John Buffington wrote the winning "Building a Sustainable Venture from Ground-up - The Mountain's Institute's Earth Brick Machine. In 2008, he and Mary Christiansen wrote the winning case on VisionSpring, that sells affordable reading glasses to people with presbyopia living in BoP

markets.

The competition is sponsored by the oikos Foundation at the University of St. Gallen, Switzerland.

BOP IN BRIEF

London Gives Talks at Key Conferences and Events

WDI Senior Research Fellow Ted London gave a number of presentations and keynotes over the past few months.

These include talks for the United Nations Development Programme, International Finance Corporation and the Business Call to Action, conference presentations at Yale University, Columbia University, and the University of San Diego, and a keynote address for the Ross School of Business' Alumni Reunion event.

London Pens New Article

A new article written by Ted London, "The Impact of a Scholar's Career: More than Just the Usual Numbers for Jagdish Bhagwati," was published in *Advances in International Management*.

In the article, London discussed how the impact of a prolific scholar is based on more than just publications, awards, and the number of interesting questions addressed. London argued that the importance of these questions also matter because important questions offer insight into how we can reframe our thinking. London then applies this argument to the work of Professor Jagdish Bhagwati, the winner of the 2011 Booz & Co./Strategy+Business Eminent Scholar Award in International Management.

London Part of Judging Panel

Ted London was invited to participate in a 10-member international judging panel for the World Business and Development Awards. London was a judge for the awards in 2010 as well.

The awards honor companies with sustainable, commercially viable business initiatives that expand access for low-income people while also generating sales and profit growth. The International Business Leaders Forum, the International Chamber of Commerce, and the United Nations Development Programme organize the awards. An awards ceremony was held as part of the Rio+20 Conference on Sustainable Development.

Metrics Topic of Esper's Talk

WDI's Heather Esper led a session at the June ANDE "Metrics from the Ground Up" conference.

During Esper's session ANDE members collaboratively defined the metric terms output, outcome and impact in order to create consistency and guidelines as the network moves towards measuring outcomes and not just outputs. Esper is continuing to work with ANDE members on this topic after the conference as part of a working group.

BoP Web Pages Revamped

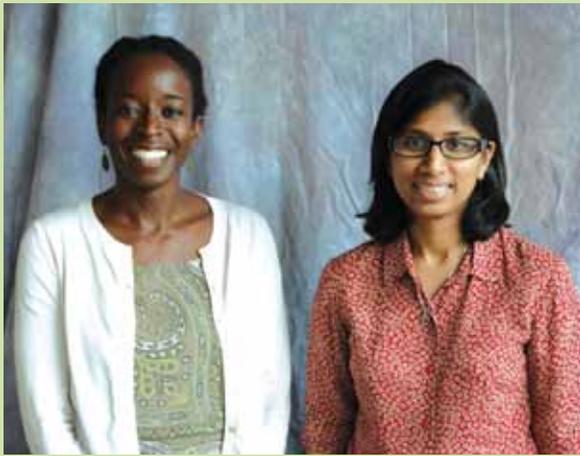
The BoP team recently completed a major revision of the research initiative's website. You can find it at: <http://www.wdi.umich.edu/research/bop>

The new look features the BoP initiative's three-part collaboration model, including leadership development support, field-based partnerships across the globe, and long-term relationships designed to build organizational capacity and shape the development of the BoP domain.

Also featured is the BoP initiative's areas of expertise – venture development, market creation, and impact assessment; a list of recent projects and partners; an interactive map of current and past work; bios of the BoP team members and engagement opportunities, including 10 ways to partner with WDI's BoP research initiative.

London Part of Ross Committee

Ted London is serving on a Ross School of Business task force looking at how the school can bring together the many disparate initiatives in the social impact field in order to have more visibility and impact. The committee will examine how to integrate existing strengths while also developing new initiatives. The committee is one of three recently assembled by the school administration. The other task forces are MBA of the Future and Classroom Delivery Innovation.



Tayo Akinyemi, left, and Ekta Jhaveri.

WDI Hires Two to Assist Projects

WDI added two research associates to its staff to assist on two Rockefeller Foundation projects.

Tayo Akinyemi is focusing on identifying the factors that influence the success, failure, and sustainability of impact enterprises.

She is an entrepreneurship enthusiast who has worked for several young ventures in the U.S., Africa, and Latin America. She also has experience in the development and nonprofit sectors. Akinyemi began her career at an NGO dedicated to advancing women in corporate business. Since then she has focused on understanding how businesses are built and sustained.

From developing a community-inclusive business strategy for an ethanol venture in Mozambique to executing the U.S. entry strategy for a digital marketing company in Brazil, Akinyemi has explored the social impact of commercial business. Most recently, she has worked with the founder of a low-cost Pan-African digital cinema chain to identify potential partners and impact investors, and contributed to the launch of the Center for Entrepreneurial Leadership at the African Leadership Academy.

She has an MBA in Sustainable Global Enterprise from Cornell University and a BA in Sociology from Princeton University.

Ekta Jhaveri is exploring the potential of impact sourcing as an opportunity for job creation and livelihood improvements for people living in base of pyramid markets.

Jhaveri is passionate about seeking market-based solutions to alleviating social and economic problems. She has an extensive background in development work most notably through her work at the World Bank in Washington, DC. Jhaveri's work has primarily focused on education and social protection issues in the Middle East and North Africa, and East Asia and Pacific regions.

She was a core member of World Bank's Global Child Labor Program. During her time there, she worked with counterparts in UNICEF and ILO through the inter-agency research cooperation initiative on child labor called "Understanding Children's Work."

In addition to her work at the World Bank, Jhaveri's past experiences include working at WDI's Globalization of Services (GoS) initiative and for an automotive supplier company in Michigan in a finance role.

Jhaveri has an MBA from the Ross School of Business at the University of Michigan. She also holds a master's degree in Economics from Tufts University, and a bachelor's degree in commerce from University of Mumbai.



GoS Research Initiative Reactivated For Rockefeller Foundation Project

WDI has joined the Rockefeller Foundation to work on its PRIDE (Poverty Reduction through Information and Digital Employment) initiative.

The foundation approached WDI in January and asked if the Institute would participate in the initiative, which supports the development and testing of impact sourcing business models, supports research on interventions, and continues to build the network of key impact sourcing stakeholders to advance the field.

The Rockefeller Foundation targeted WDI for this work because of its expertise in the sector — specifically WDI Executive Director Robert Kennedy's research on offshoring, his 2009 managerial book on the topic, and his advisory role to leading firms such as Genpact, Perot Systems, and Spectramind.

Although WDI's Globalization of Services Research Initiative, which looked at offshoring from a business strategy perspective, was wound down during the past couple of years, Kennedy said the Rockefeller Foundation project was "a great opportunity to reactivate the research initiative and link it more closely to development issues."

The current business process outsourcing (BPO) industry has been successful at creating job opportunities for well-educated segments of the population in Asia and Africa. Examples include staffing call centers, carrying out accounting tasks, or performing data analytics. The PRIDE initiative looks to find ways to move some of this work to poor and vulnerable communities.

WDI will explore existing and potential impact sourcing opportunities across approximately 20 countries that are popular destinations for BPO activities. WDI will then create an actionable template on how to improve opportunities for those in the poor and vulnerable communities to do offshored and outsourced work.

During the eight-month project, WDI's team will analyze the tasks performed in the BPO industry and analyze which ones could easily be moved to poor and vulnerable communities. Simultaneously, WDI will explore the labor markets in the BPO targeted countries and determine which outsourced and offshored jobs would fit best in which poor and vulnerable communities. WDI will also identify strategies and challenges for BPO companies and impact sourcing service providers as it relates to employing people from poor and vulnerable communities.

As a result of WDI's research, the Rockefeller Foundation will have a roadmap that identifies BPO tasks that are currently available or could be transitioned to workers from poor and vulnerable communities. The work will also identify the factors keeping this work from being moved, and the ways in which the Rockefeller Foundation could engage the sectors to lessen those roadblocks.

The impact sourcing work is the second Rockefeller Foundation grant WDI has received. Late in 2011, the Institute was awarded a grant to assist in a research project that will evaluate and analyze impact enterprise sectors, business models, and enabling conditions that have the greatest potential to benefit poor and vulnerable populations globally.

The Healthcare Research initiative uses research and business knowledge to help increase access to essential medicines, vaccines, and other health technologies in developing countries. It disseminates research and policy advice to large philanthropic agencies, multilateral and bilateral development aid agencies, developing country governments, and private companies. The initiative currently has eight funded field projects for a number of organizations, including the Bill and Melinda Gates Foundation, UNITAID, Management Sciences for Health, and the Global Fund to Fight AIDS, TB and Malaria. The initiative is working with WDI's Development Consulting Services on a project, is writing a case study with WDI's Educational Outreach, and is collaborating with the Institute's Base of the Pyramid initiative on market-based approaches to healthcare delivery.

WDI Organizes U-M Malaria Group

WDI's Healthcare Research Initiative, along with the University of Michigan's School of Public Health, has formed a new group that brings together U-M researchers whose scholarly interests include malaria.

The Michigan Initiative for Research Against Malaria (MIRAM) forum, which has held two meetings so far, looks to foster cross-disciplinary discussions, share information and research findings, and network to create greater visibility for malaria research being done at U-M.

The group is made up of faculty, staff, and doctoral students who study the multifaceted economic, behavioral, social, epidemiological, logistical, or policy-related aspects of malaria

prevention, control, treatment and elimination.

The schools and colleges represented so far include the Ross School of Business, the School of Public Health, the Medical School,

"Group meetings provide a forum for ongoing research dialogue, exploration of new ideas, integration of different levels of analysis, and other activities. Our hope is to bring together various initiatives to share knowledge and build networks." PRASHANT YADAV

the College of Engineering, the Center for Healthcare Engineering & Patient Safety, and the departments of Anthropology, Afroamerican and African Studies, Ecology and Evolutionary Biology, Microbiology and Immunology, Economics, Biomedical

Design Engineering, and Industrial and Operations Engineering.

The U-M group addresses "a clear need for experts in public health, public policy,

semester depending on availability of its members. The meetings will be information-sharing sessions that include specific research presentations all relevant to ongoing malaria field, laboratory, or theoretical research.

"Group meetings provide a forum for ongoing research dialogue, exploration of new ideas, integration of different levels of analysis, and other activities," Yadav said. "Our hope is to bring together various initiatives to share knowledge and build networks."

Yadav said a longer-term objective of the group also is to identify new response opportunities and create new research prospects that consider more integrated approaches.

business, engineering, supply chain management, and the social sciences to work together in developing more focused, effective, and timely use of limited resources," WDI's Prashant Yadav said.

The group will meet once or twice each

Supply Chain Board Game Lets Players Learn, Play

WDI's Prashant Yadav, with research and design support from Lisa Smith, has developed a unique board game that reflects the many issues associated with pharmaceutical supply chain management.

In the Malaria Treatment Distribution Simulation Game, each player represents a different link in the supply chain: the clinic that treats and provides medicines to patients; the central pharmaceutical distributor that supplies multiple clinics; the warehouse that supplies the distributor; and, the pharmaceutical manufacturer that supplies the warehouse.

Unlike other board games, the players do not sit at the same table but are well out of earshot from one another. This introduces the real-world problem in rural areas where communication networks are unreliable or non-existent.

Each player starts the game with a certain stock of medication. The player representing the patient clinic begins the game by drawing a card revealing how many patients are in need of anti-malarial medications. The clinic must then order new medications from the distributor to anticipate demand.

Likewise, the players representing the warehouse, distributor, and manufacturer must order their stock and manage shipments with the understanding that the shelf life of the medications (represented by wooden tokens) is limited. Order too much supply and it could expire, resulting in penalties for the player. Don't order enough and patients die.

After a few rounds of steady demand, uncertainty is introduced into the game. The player representing the patient clinic may draw a card indicating a spike in the number

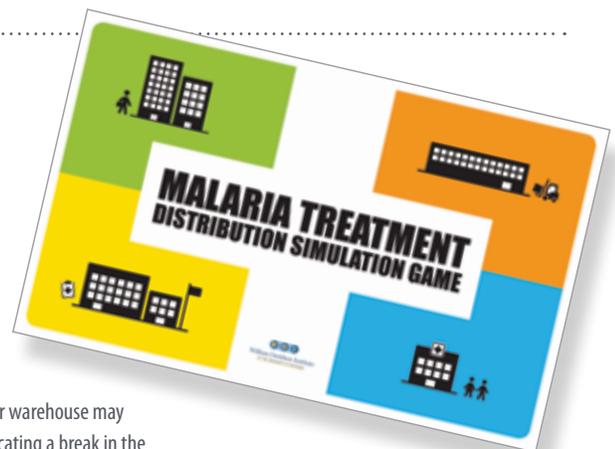
of patients who require medication. Or the players representing the distributor or warehouse may draw a card indicating a break in the supply chain.

The object of the game is to best anticipate demand and plan and manage inventory to ensure the survival of as many patients as possible. The game demonstrates the delicate balancing act for healthcare providers, suppliers, and drug producers.

Yadav piloted the game to rave reviews at Harvard University in June as part of a course on supply chain management and malaria.

"Malaria supply chains are complex with multiple stakeholders, and often the main

cause of stock-outs and drug expiration is lack of coordination between the actors," Yadav said. "We feel it is important to demonstrate the value of better information flow and coordination to those who manage and operate these supply chains using an interactive game within the context they operate. Conventional pedagogical methods don't have the 'learning by doing' and 'learn while you play' value which the board game provides."





WDI's Prashant Yadav, right, and Harvard's Jessica Cohen discuss their joint work on the subsidized medicines project.

Product Availability in Remote Areas Focus of Project

WDI has just completed a multi-year extensive research project on how to increase the availability of subsidized medicines in remote areas.

The main objectives of the project, sponsored by the Bill and Melinda Gates Foundation and the Clinton Health Access Initiative, were to examine the spatial/geographical differences in the availability and prices of subsidized drugs in three regions of Tanzania.

This project first developed a new approach for measuring "remoteness" of a retail outlet, drawing from existing approaches used in trade and market access economics, geographical information science (GIS), and supply chain management. GIS analysis and statistical regression models were then used to compare the availability, prices, and sourcing patterns of drugs between remote and non-remote areas.

This is the first study that shows the impact of demand and supply side factors on product availability in remote retail outlets.

One interesting finding is that in most places, competition between retail pharmacies results in lower prices, improved customer service, and better stocking of essential medicines. But in Tanzania, competition is just not about having a cluster of shops near each other. Having a high influence shop with

a social link to the community is what drives price, quality, and quantity, and is what motivates shops to become better.

Results from the study were presented to the World Bank at a special event in February,

"The findings from this multi-year research project will have a significant impact on how global policy around retail markets for medicines in developing countries are designed." PRASHANT YADAV

and at the Production and Operations Management Society (POMS) annual conference in April. The study also is one of the key studies being used by several global agencies and the board of the Global Fund to Fight AIDS, TB and Malaria to understand the impact of the subsidy for the antimalarial drugs called artemisinin combination therapies.

The first paper from the study is under review at the "Malaria Journal." A second paper is ready for submission to "Health Policy and Planning," and a third is under preparation for "Applied Economics Review."

Trade Credit Project Wraps Up

The Healthcare Research Initiative spent a year studying ways to improve access to trade credit for rural drug shops, which, in turn, could increase access to medicines for the rural poor.

BILL & MELINDA GATES foundation

In its final report for the project, which was sponsored by the Bill and Melinda Gates Foundation and Management Sciences for Health, WDI identified key findings and made some recommendations.

For the project, the WDI research team reviewed literature, interviewed key informants, and collected data in Tanzania and Uganda by developing and using a questionnaire and framework to measure the needs and availability of working capital at drug shops. This helped the team analyze how trade credit impacts the availability of medicines with the highest public health advantage, and compare different options for providing trade credit on their feasibility and cost effectiveness.

The lack of affordable and available medicines in remote areas is an ongoing challenge in healthcare due to a number of interrelated and complex issues. In large cities, retail pharmacies have direct access to health product distributors and may receive frequent deliveries to their shops. Because of this, they can carry minimal inventory on their books and their need for working capital is low. Also, pharmaceutical wholesalers often extend 30-45 days credit to large pharmacies with good credit standing.

In contrast, drug shop owners in rural towns and small villages often travel to larger cities to purchase medicines or to sub-wholesalers in nearby mid-sized towns. Most of these sales require cash—credit is rarely extended. As a result of this and other potential constraints such as drug expiry dates, rural drug shop owners stock very small quantities of high quality products, some of which have significant public health benefits, while passing the high cost of working capital on to the consumer.

WDI's research showed that many

Accredited Drug Dispensing Outlets (ADDO) and Accredited Drug Shops (ADS) were stocking essential medicine categories, however, these categories were not always stocked optimally.

This in-depth, exploratory research revealed lack of working capital appears to impede the success of drug shops. WDI recommended a financing mechanism which provides funding for drug shops while also encouraging the appropriate use of money by prioritizing use of funds on essential medicines and health products.

Such a working capital fund should be paired with training exercises to develop routine-stocking strategies as well as consistent cash flow management, WDI recommended. As for drug shop owners who have difficulty maintaining or renovating their stores, WDI recommended a fixed capital provisioning method leveraging local banking institutions.

One approach to the disbursement of working capital financing for drug shops would involve management and provision of the both working capital and fixed capital loans through local banks. In this design, banks would receive collateral guarantees and risk coverage from the capital financing mechanism.

An alternative recommendation is to create a working capital financing mechanism that is independent from a fixed capital provision and/or local banks. This recommendation entails a community of accredited retail shop owners managing and accessing a revolving credit facility generated by an initial investment of capital from an external funder.

Regardless of the mechanism determined to be the best fit to address the identified challenges, WDI recommended that the role of technology play a vital role in the ongoing management of any financing approach.

Study of India Health Program Concluding



WDI researcher Monique Smith, right, in India.

The WDI Healthcare Research initiative, together with its partners at ACCESS Health, is studying the impact of decentralized and flexible financing under the National Rural Health Mission (NRHM).

NRHM is an ambitious, large-scale funded Indian health program for improving health care delivery across rural India.

A WDI research associate spent two months studying area clinics in the states

of Uttar Pradesh and Bihar. The research in India yielded interesting insights into how centralized and decentralized decision-making helps, and sometimes hampers, the health systems.

The Government of India launched the NRHM in 2005 in order to improve public health services in rural parts of the country. A key component in the design of the NRHM was the Flexipool, a relatively “fungible” untied money pool allocated to each state. This pool allows more bottom-up planning and allocation, and a strengthening of ingenuity at the decentralized level.

To assess how well program resources are being spent via the Flexipool and the impact of such a financing arrangement, WDI collected primary data from a carefully selected sample of facilities, including district health units when

available, in the two Indian states.

WDI is currently analyzing the expenditure data from the health facilities to see how much money each clinic spent and what they spent it on. There were a few facilities that did not spend any money at all so WDI also is looking at why that occurred.

Additionally, WDI is analyzing the objective and subjective aspects of each facility such as whether there was a full-time doctor on staff, if there was a high rate of absenteeism, and whether the clinic felt pressure to spend the money in a certain way. And at the clinics that identified their operational challenges, did they spend the money to address these problems?

WDI will soon submit a report with a set of findings and recommendations to policy stakeholders in India and abroad.

WDI, Others Look to Develop Functioning NCD Supply Chain

Non-Communicable Diseases (NCDs), such as diabetes, cardiovascular disease, and cancer represent a large portion of the total global morbidity and mortality. In many low and middle-income countries, there is a double burden of disease where communicable disease infections, including malaria and tuberculosis, remain prevalent and a growing number of individuals are developing NCDs.

Additionally, within low and middle-income countries, as with communicable diseases, NCDs disproportionately impact low socio-economic statuses making issues of affordability and accessibility important areas of research.

Provision of care for these disease areas requires ongoing access to a diverse set of medicines, consistent/ongoing adherence to treatment regimes, and use of diagnostics, which vary in complexity, for management of each disease. As a result, the supply chain and distribution system must be equipped to support a diverse set of treatment provisions.

The WDI Healthcare Research Initiative,

in collaboration with the Institute for Applied Economics, Global Health, and the Study of Business Enterprise at Johns Hopkins University, is actively studying the aspects of an optimum supply chain structure that considers NCD treatment complexities.

Functioning properly, supply chains – whether public sector or private sector – can improve healthcare. But NCD supply chain presents a number of challenges, including stocking, delivery and storage.

WDI and its collaborators have studied a properly funded and functioning supply chain for AIDS treatment as a comparison.

The consortium will study the most effective supply chain designs in the private and public sector for NCDs. The group will then look to pilot a supply chain for the treatment of an NCD, such as diabetes, and monitor it to determine its scalability to other diseases and its long-term sustainability.

At the end of the study, the group is expected to have a set of conclusions and recommendations as well as three or four immediate supply chain policy steps.

Zambia Project Studies Enhanced Public Sector Distribution

WDI and its partners in Zambia, including the government of Zambia and the World Bank, studied the feasibility and effectiveness of improved information flows in the public sector to ensure consistent stocking of essential medicines throughout Zambia.

“We have been involved in a very successful pilot to improve the medicines supply chain in Zambia through better system design. Now, many other programs are highlighting the approach we took in Zambia.” PRASHANT YADAV

In an earlier project Yadav and team researched the most effective redesign of the supply chain and found that health facilities that order supplies directly from the Central Medical Store, supported by logisticians and coupled with central pre-packaging of orders, dramatically reduced stockouts for essential medicines. This process simplifies the role of the district to just delivering facility packages and providing emergency

stock. There is an increased cost using this redesigned supply chain, but supporters say this improved process results in a 21–25 percent reduction in child and adult deaths due to malaria.

A new research project in collaboration with the World Bank, Jérémie Gallien from the London Business School, and MIT doctoral student Zachary Leung is investigating how to enhance the improvements from changes in supply chain structure through streamlined information flows and better resupply algorithms. Such distribution enhancements borrowed from best practices at leading retailers in the U.S. and Europe ensure quantities of medicines consumed at the clinic level are recorded and using an appropriate restocking algorithm, optimal quantities of medicines are shipped back to the clinic.

“Relying on effective communication and innovation around planning mechanisms ensure stakeholders throughout the supply and distribution chains are engaged and accountable to their roles and responsibilities,” WDI’s Prashant Yadav said.

TALKS, PAPERS, AND AWARDS



Because of his expertise and experience in the pharmaceutical supply chain field, Prashant Yadav, director of WDI's Healthcare Research Initiative, often is asked to deliver keynote addresses at conferences, serve on panels, moderate discussions, and give lectures. Here is a recap of some recent appearances by Yadav.

YADAV LECTURES AT HARVARD

Prashant Yadav gave several lectures as part of a course on supply chain management and malaria at Harvard University in June.

The course, *Science of Eradication: Malaria*, is part of the Harvard School of Public Health's "Harvard Malaria Initiative." Global public health professionals in the health, business, and private sectors, along with scientists, researchers, program administrators, and those based in the field, attended the course.

Approximately half of the world's population is at risk of malaria. An estimated 247 million people are infected every year. According to the World Health Organization, nearly one million people died from malaria in 2008, most of them young children in impoverished sub-Saharan Africa.

Yadav discussed the critical role of supply chains in the elimination and eradication of malaria, including supply/demand side drivers and incentives for intervention adoption. Also discussed was how to address key bottlenecks.

Yadav gave three lectures on topics such as how supply chains can eliminate delivery bottlenecks, using the public sector to get drugs and bed nets to the population, and centralization versus decentralization when it comes to delivery and distribution. He also moderated a panel, "Better Value for Money in Prevention."

Other talks at academic and practitioner-prominent conferences include:

- Keynote speaker on topic of global health supply chains at the INSEAD-Georgia Tech Health and Humanitarian Logistics Center Conference in Hamburg, Germany

- Research keynote address, "Saving Lives and Improving Global Health with Better Supply Chains," at the University of Pablo Olavide speaker series in Seville, Spain
- Keynote talk, "Setting Up Distribution Models to Maximize Reach in sub-Saharan Africa," at the 11th annual Logipharma conference in Geneva, Switzerland
- Keynote address at the Supply Chain Security Seminar in Wilmington, Delaware
- Talk, "Perspectives on Vaccine Pricing," at the World Vaccine Congress in Washington, D.C.

YADAV QUOTED IN MAGAZINE ARTICLES

Prashant Yadav was quoted in May in *Science* regarding a promising new way to produce an important malaria drug. Yadav was asked about German chemist Peter Seeberger's new way to cheaply make artemisinin, a key drug in the fight against malaria. Yadav said Seeberger's discovery is a "powerful technology" that could potentially "increase global access to malaria medicine."

THE LANCET

Also in May, Yadav was quoted in an article in *The Lancet*, one of the most respected journals in the medical field. The article chronicled how the U.S. Food and Drug Administration is using a global strategy to combat unsafe imported pharmaceutical, food, and medical products. The strategy, outlined in an FDA report, complements a study by the Institute of Medicine (IOM) in which Yadav participated. Yadav, in the article, said the IOM study provided greater emphasis on risk management.

OP-ED DISCUSSES INDIA HEALTHCARE SYSTEM

Prashant Yadav penned an op-ed in March for the *Times of India* newspaper, the largest English daily newspaper in the country. Yadav was asked by the newspaper's editors to write an opinion article on the quality of healthcare provision in India's healthcare system. In the piece, Yadav outlined the important, and often competing, challenges of expanding access, ensuring affordability, and guaranteeing quality that India's healthcare system faces.

Yadav wrote, in part: A prime cause of our inability to ensure higher quality in healthcare provision is the excessive fragmentation of our healthcare provisioning system. This makes monitoring, regulating, or improving quality very costly. The infrastructure investment required for collecting quality performance data from small owner operated clinics is extremely high at present.

YADAV PAPER WINS AWARD; THREE OTHERS SLATED FOR PUBLICATION

Prashant Yadav recently won an award at the Production and Operations Management Society (POMS) annual meeting for a paper he co-wrote.

The POMS paper, written with Jérémie Gallien from the London Business School and MIT doctoral student Zachary Leung, was named second best paper in the *College of Humanitarian Operations and Crisis Management*. The college is a set of members from the POMS community that

seeks to create a focus group of researchers and practitioners to study how to manage operational systems under stress or severe resource constraints.

The paper written by Yadav, Gallien, and Leung is titled "Rationality and Transparency in the Distribution of Essential Drugs in Sub-Saharan Africa: Analysis and Design of an Inventory Control System for Zambia."

Yadav's paper "Always cola, rarely essential medicines: Comparing developing country supply chains for Coca-Cola with healthcare supply chains" was accepted for publication in the journal *Stanford Social Innovation Forum*. The article, co-authored with Luk N. Van Wassenhove and Orla Stapleton from INSEAD, demonstrates how best practices from private sector consumer product supply chains such as Coca-Cola and mobile phones can help improve healthcare supply chains serving the poor in developing countries.

Additionally, Yadav's paper—"Reservation and Allocation Policies for Influenza Vaccines"—was accepted for publication in the *European Journal of Operations Research*. Yadav wrote the paper with Behzad Samii and Ann Vereecke of the Vlerick Leuven Ghent Management School, and Richard Pibernik of the University of Wurzburg.

And another Yadav paper—"Supply Chains and Global Health: An Imperative for Bringing Operations Management Scholarship into Action"—was accepted for publication in the journal *Production and Operations Management*. It was written with Santiago Kraiselburd of INCAE Business School and McKinsey & Company.

Over the past six months, Educational Outreach (EO) has continued developing complete courses and modules, working closely with Ross faculty to formalize and publish their materials. Aggressive marketing has led to an increase in revenue and in the number of top-100 business schools adopting our materials. Promotional efforts include growing a database of nearly 30,000 educators from 260 top business schools globally, hosting an increased number of webinars, making on-site visits to universities to promote our materials, and having a visible presence at key events such as the Academy of International Business Annual Meeting and the upcoming Academy of Management Annual Meeting. EO is also supporting Dean Alison Davis-Blake's Ross School initiatives by participating on a task force entitled "Classroom Delivery Innovation."

Globalens Major Sponsor at Academy of Management Meeting



Educational Outreach's publishing division, Globalens, is a platinum sponsor at the upcoming Academy of Management (AOM) annual meeting in Boston. Globalens is sponsoring the hospitality suite for first-time attendees to the conference, and will also be an exhibitor.

"This sponsorship gives Globalens a high visibility at the single biggest gathering of national and international university professors," said Educational Outreach

director Marc Robinson. "It's a great opportunity for us to spread the word about ourselves. It's the perfect event to market our great products to these 9,000 professors."

At the Globalens exhibit booth (#133), Robinson said he and EO marketing manager Sandra Draheim will be talking about the Globalens catalogue, the case study collections, the new courses and modules, and the upcoming 2013 NextBillion Case Competition, which is managed

by Globalens.

They also will be on hand in the hospitality suite to answer questions from professors about writing case studies, publishing them, and using them in the classroom.

"Our sponsorship at the AOM annual meeting will raise the profile of Globalens," Robinson said. "I'm excited to share Globalens materials with people who haven't heard of us or who aren't yet aware of all we have to offer on Globalens.com."

EO Webinars Teach Others About Case Studies

Part of Educational Outreach's (EO) mission is to teach others about business case studies, from how to write them to how to use them in the classroom.

To accomplish this, EO holds periodic webinars hosted by Marc Robinson, director of EO and its e-commerce site Globalens.com. Robinson has more than 20 years of operations and leadership experience in positions at NATO, community colleges, non-profit organizations, and universities. His teaching, research, and course development activities focus on adult learning and education leadership.

EO has held two, hour-long webinars in recent months that were attended by about 75 people each. One was for faculty on how to use the case teaching method in class. It was designed for research or teaching faculty who want to better understand the case teaching method, to hone existing skills, or to start incorporating cases into their teaching. It also included an overview of case method teaching and protocol, followed by guidelines for case study development and writing.

The second recent webinar, "Case Writing: Selecting a Topic/Developing Objectives," was on the case-writing process. A typical case takes between six and nine months to develop and write.

The webinar proved valuable for professors who were not well versed in case method teaching or in case writing, but wanted to

"Case writers should not underestimate the complexity and attention required in developing solid teaching objectives, choosing a topic, and selecting an organization or company to feature there is a hunger out there for more information on how to write cases, publish them — anything related to case studies." MARC ROBINSON

be. The webinar also was helpful for those professors already using cases in their courses but who wanted to improve their teaching. It also proved beneficial to professors who don't use cases while teaching but would like to, and those who would like to create a case study out of their research but aren't sure how.

The webinar began with a brief overview of case method teaching and learning, followed by guidelines for the first steps of writing a

case study. Specifically, participants learned how to develop solid, measureable teaching objectives, choose a case topic, determine an organization or company to feature, gather credible background information, and create a case outline.

"Many first-time case writers assume the first step is simply to have knowledge

of a specific decision or situation," Robinson said. "They are often surprised to learn that developing measureable teaching objectives should come first in the process."

Robinson said the initial steps in writing a case are very important because they set the foundation for the rest of the case writing process.

"Case writers should not underestimate the complexity and attention required in

developing solid teaching objectives, choosing a topic, and selecting an organization or company to feature," he said.

Robinson said judging from the two recent webinars, "there is a hunger out there for more information on how to write cases, publish them — anything related to case studies"

"There is intense interest for detailed instructions regarding case study development, as well as real life examples of the entire process," he said. "We want to continue to be the resource that fills that void in the market."

EO is planning two future webinars on how to teach entrepreneurship and how to teach sustainability via the case method. Both webinars will feature appropriate professors from the University of Michigan's Ross School of Business.

EO has also held webinars in the past to help college students interested in entering the NextBillion Case Writing Competition, which is managed by Globalens. Also, Robinson led a webinar on how to incorporate case studies into teaching as part of the Global Business School Network's "Case Method Month" activities.

New BoP Module, Sustainability Course Added to Catalogue

GlobalLens has spent the past year focusing on developing complete modules and courses within key focus areas and disciplines. This strategy is a result of ongoing monitoring of the business school teaching materials market to identify any unmet needs or opportunities.

The modules and courses use cutting-edge research and proven design processes, and feature high-quality teaching notes and other support materials that make it easy to assimilate or adopt into an existing or new curriculum.

The GlobalLens catalogue already features the “Introduction to Business” and “Entrepreneurship: New Venture Creation” courses. Just added to the catalogue is a new teaching module, “Base of the Pyramid: Business Strategies,” and new course, “Strategies for Sustainable Development.” Here are more details about both.

Course Merges Business Strategy, Sustainability



The “Strategies for Sustainable Development” course prepares students to address the most critical issues at the intersection of business and sustainability.

The seven-module course addresses corporate strategy in the face of the market shift that sustainability creates, said course coordinator Andrew Hoffman, director of the University of Michigan’s Frederick A. and Barbara M. Erb Institute for Global Sustainable Enterprise and the Holcim Professor of Sustainable

Enterprise at U-M. It focuses on merging business strategy and sustainability to expose business opportunity and business risk. It is designed to use the mainstream business concepts of regulatory risk, consumer demand, operational efficiency, and cost of capital to discuss the issue of sustainability as a core business concern.

Hoffman said the first four modules explore the market drivers of sustainability as they relate to the corporate environment. The last three examine the corporate market responses. The seven modules and overall themes are:

- MODULE 1:** Sustainability and the Regulatory Environment
- MODULE 2:** New Sustainable Consumer Segments
- MODULE 3:** External Pressures and Social Change
- MODULE 4:** New Markets in Developing Countries and the Base of the Pyramid
- MODULE 5:** Hybrid Organizations and New Business Models
- MODULE 6:** Mainstream Companies and New Business Models
- MODULE 7:** Venture Capital and Energy Efficiency

Five business cases in the course were written by graduate students at U-M’s Ross School of Business as part of a class taught by Hoffman. The cases feature relevant companies such as Google Energy, BP, Patagonia, and NextEra Energy. Other companies featured in the course’s case studies include Nike, Coke, and Clorox.



Andrew Hoffman

Hoffman said the teaching objectives of the course are:

- Frame sustainability in the language of business
- Identify the roles consumer demand, regulatory compliance, cost of capital, and operational efficiency play in corporate sustainability
- Describe how sustainability has impacted corporate strategies and structures
- Apply mainstream business concepts to sustainability issues as they relate to the corporation
- Explain how “being green” fits in with the profit maximization objectives of the business organization

BoP Module Looks At Ventures, Poverty Alleviation

The custom-developed case studies in the new “Base of the Pyramid: Business Strategies,” teaching module challenge students—graduate level and undergraduate level—to explore ways to create sustainable business ventures that alleviate poverty.

GlobalLens and WDI Senior Fellow Ted London, who teaches a graduate-level course, “Business Strategies for the Base of the Pyramid,” at the University of Michigan’s Ross School of Business, developed the case studies. They focus on the intersection of business strategy, poverty alleviation, and environmental sustainability.



Ted London

“Our new BoP module is an excellent addition to our growing collection of teaching materials in the social impact field,” said GlobalLens director Marc Robinson. “Plus, the teaching objectives and pedagogy provided in the module’s teaching note provide clear direction for seamless adoption into a variety of business or non-business courses.” The module includes:

- TEACHING SESSION 1:** Reinventing Strategies for the BoP
Case: Global Seeds to Village Farmers: Hearing the Voices at the Base of the Pyramid
- TEACHING SESSION 2:** Reaching Scale
Case: Constructing a Base of the Pyramid Business in a Multinational Corporation: CEMEX’s Patrimonio Hoy Looks to Grow
- TEACHING SESSION 3:** Creating Mutual Value
Case: Hindustan Lever at the Base-of-the-Pyramid: Growth for the 21st Century
- TEACHING SESSION 4:** Impact Investing
Case: Movirtu’s Cloud Phone Service: Funding a Base-of-the-Pyramid Venture
- Conceptual Note:** Note on the Role of Subsidies in a market Economy
Case: Subsidies in Base-of-the-Pyramid Venture Development
- TEACHING SESSION 5:** Building Cross-Sector Partnerships
Case: Building and Scaling a Cross-Sector Partnership: Oxfam America and Swiss Re Empower Farmers in Ethiopia
- TEACHING SESSION 6:** Reconsidering Conventional Wisdom in Poverty Alleviation
Case: Targeting Malaria: Comparing Charity and Social Marketing-Based Approaches

Case Studies in the Classroom Topic of Panel Discussion

GlobaLens recently organized a popular panel session on using case studies to teach international business. The session, presented in front of a full room of professors from all parts of the world, was part of the 2012 Academy of International Business (AIB) annual meeting, June 30-July 3, in Washington, D.C. The panel offered perspectives on why robust, high-quality, international business case studies are critical to the education and successful development of the world's future business leaders.

The panel session, "Case Studies for International Business Teaching: The Opportunities and Challenges," featured two panelists from WDI. Additionally, Sandra Draheim, marketing

and communications manager for Educational Outreach, moderated the panel. Attendees had the opportunity to pose questions to the panel for a majority of the session.



The panelists were: Robert Kennedy, executive director of WDI; Marc Robinson, director of Educational Outreach; Guy Pfeffermann, CEO and founder of the Global Business School Network; and Roberto Garcia, clinical professor of international business at

Indiana University's Kelley School of Business.

"The panel went very well and we received some positive feedback from the attendees," Robinson said. "Many said they would like to see a workshop on teaching and writing case studies on international business topics at the next annual AIB meeting, if not before."

Attendees were given surveys to fill out after the session. One wrote: "Interesting to find out that there is such uncharted territory. Exciting, actually."

The AIB is the leading association of scholars and specialists in the field of international business. The annual meeting is titled, "Rethinking the Roles of Business, Government and NGOs in the Global Economy."



EO Adds Case Writer

Mary Lowe has joined Educational Outreach as a business case writer, working with faculty to develop cases about businesses in emerging economies. Her specialization is project management.

She graduated with a B.A. in Journalism from Oakland University and her Master of Management degree from Walsh College.

Lowe has eight years of experience in community beat reporting and two years of experience in business journalism. She has covered areas from banking/finance to education, government, health, and non-profit organizations.



Robinson Member of the Ross School Task Force

Educational Outreach director Marc Robinson is a member of a new committee at the University of Michigan's Ross School of Business studying the pedagogy at the school. The committee is called the Classroom Delivery Innovation Task Force."

Robinson is also serving on a subcommittee looking at non-traditional delivery methods in the classroom.

Case Study on African Start-Up Featured in *Financial Times*

For the third time, the *Financial Times* (FT) featured a GlobaLens business case in its print and online editions.

In the March 19 edition, FT published a case study summary entitled "Investors for a social enterprise" as part of its weekly feature, "Case Study." The business case study, by WDI Senior Research Fellow Ted London, featured the start-up Movirtu, which provides innovative mobile phone cloud technology to rural poor communities in Sub-Saharan Africa and South Asia.

Movirtu's "Cloud Phone" software is designed for the nearly one billion people who cannot afford mobile phones and as a result share phones with friends and family. Cloud phones provide phone sharers with a private number that sends and receives calls.

In the case study, London discussed Movirtu's challenge of balancing expectations of both impact investors, who would want a return on its investment along with a social good, and venture capital investors, who bring along more scrutiny and different financial and social expectations.

The case puts students in the shoes of Movirtu's founder, Nigel Waller, as he weighs whether having a profit-oriented venture capital investor will allow the start-up to not only survive but also achieve maximum financial and social impact.



Back in October, FT published the case study, "The Supply Chain Reconsidered: Building Boeing's Dreamliner," by Ross School of Business Professor Ravi Anupindi. The case discussed why Boeing was nearly two years behind schedule in delivering its 787 Dreamliner.

The case introduced students to the challenges of operating a global supply chain, and how a small part can derail a multi-billion dollar project. It provides deep discussion

on the topics of value-sharing, supply chain visibility, program implementation, and globalization. And in May 2011, FT published a summary of the GlobaLens case, "Customer Service at American Express." The case, authored by Ross School of Business Professor M.S. Krishnan and the late C.K. Prahalad, described the challenges faced by American Express in improving customer relationships in a very competitive industry.

Global readership of the *Financial Times*—online and print—is 12.3 million.



“I learned from our experience in Hungary that there is a great need for knowledge—not just in Eastern Europe, but on nearly every continent where today there are countries struggling to make the transition from a command to a market economy with minimal social upheaval,” Davidson said during the announcement of WDI’s creation. “But instead of an ad hoc, investor-by-investor approach to education, a broad-based plan is required to address the immediate needs in these countries.”

Ralph Gerson, executive vice president of Guardian Industries and a WDI board member, said Davidson believed that an accurate understanding of market principles could be a very powerful tool in the hands of young entrepreneurs.

“As Guardian Industries expanded into countries being transformed from centralized to market-oriented economies, Bill saw the hunger of managers to acquire and understand market business practices,” Gerson said. “He wanted the Institute to provide practical knowledge and training to prospective entrepreneurs and, by doing so, to help build a better understanding of best practices in

business education.”

When it was created, WDI’s primary goal was to help countries make this transition through a program of instruction, faculty and student development, and research. At the same time, the Institute would work to help U.S. businesses operate successfully in emerging market economies.

.....
“My vision for the Institute is that it will help to forge a path for those responsible for economic change in these emerging markets — that it will give them the knowledge, the methods, and the blueprints for a successful transition to a market economy.” BILL DAVIDSON // April 23, 1992, at the announcement of the creation of the William Davidson Institute

Davidson did not want to create an ivory tower institution. His vision was of a think tank that would roll up its sleeves and go into countries to implement projects. It wouldn’t confer degrees or grant academic credit. Instead, Davidson structured WDI as an independent educational organization with its own endowment.

“The separate nature of the Institute was a result of our looking at a number of other institutes established with significant gifts

— I remember the Poynter Institute was one—and that was a practice we saw and embraced,” White said.

In the early years, WDI—under the direction of Ted Snyder, now dean of Yale’s School of Management—concentrated on the economic transition in central and Eastern Europe. The Institute focused on three major efforts:

- Delivering annual, six-week seminars for 50 senior business leaders, entrepreneurs and government officials from countries with economies in transition;
- Providing internships that allowed U-M students to work in Poland and the former Soviet republics;
- Funding fellowships that allowed U-M scholars to engage intensively on the ground.

Snyder was executive director for four years, leaving in 1996 to return full-time

to the business school. At that point, WDI looked to strengthen the research agenda of the Institute and undertook a national search to find Snyder’s replacement.

Jan Svejnar, an economics professor at the University of Pittsburgh, was recruited to be WDI’s second executive director. Svejnar had been one of the chief architects of the Czech Republic’s economic reforms of the early 1990s and served as an advisor to Czech President Vaclav Havel. He also was co-founder of CERGE-EI in Prague, a graduate program that trains economists from the former Soviet bloc countries.

During his time as executive director, Svejnar invested heavily in creating an internal research capability. One success was a transition economics working paper series that ranked among the most-downloaded in the world.

Under Svejnar, WDI also helped establish or assisted in the development of American-style business schools in emerging markets such as the Czech Republic, Uzbekistan and the Ukraine.

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Case Writing Contest Back for 2013

After a one-year hiatus, the NextBillion Case Writing Competition is returning.

The competition has a new sponsor — Citi Foundation — and higher prize money — \$3,500 for first place, \$2,500 for second, and \$1,000 for third. In addition to the prize money, the winning cases will be published on the GlobalLens website. Two other cases will receive “honorable mention” recognition but no prize money. Their cases, however, also will be featured by GlobalLens, which is WDI’s publishing division.



CONTEST ADMINISTRATOR



SPONSOR

The 2013 NextBillion Case Writing Competition engages students and faculty on campuses all over the world in the emerging field of social ventures. Students and student teams, under the supervision of a university faculty member, submit original cases that describe a challenge faced by a company or organization as it tries to create a sustainable, scalable business venture aimed at alleviating poverty, especially in the developing world.

The contest’s primary goal is to generate, publish, and disseminate the latest and most compelling case studies about positive social impact. By doing so, students who will be the business leaders of tomorrow will be better prepared to bring about improved economic well-being for the billions of people at the base of the pyramid.

Entry forms are due in October, the cases must be submitted in December, and the winners will be announced in April 2013. GlobalLens has already held one interactive webinar on the case writing process, and will host a second prior to the case submission deadline.

The five judges for the competition are: Robert Kennedy, WDI’s executive director; Marc Robinson, WDI’s director of GlobalLens; M.S. Krishnan, the Joseph Handleman Professor of Information Systems and Innovation at the University of Michigan’s Ross School of Business; Stuart Hart, the S.C. Johnson Chair in Sustainable Global

Enterprise at Cornell University; and Hui Chan, impact analytics & planning officer at Citi Foundation.

The competition was held in 2010 and 2011 before skipping 2012.

In 2011, 20 cases were submitted for judging. Students who submitted cases represented these schools: Harvard/Kennedy School of Government; Indian Institute of Technology – Bombay; Cornell University; Universidad Anahuac Mexico Norte; Universidad del Istmo (Guatemala); INSEAD; IBS Hyderabad (India); Birla Institute of Technology & Science Pilani (India); Sattva Media and Consulting Pvt. Ltd.; University of Wisconsin; Universidad Santa Maria de Chile; University of Michigan; University of Scranton; Johns Hopkins University (School of Advanced International Studies); Narsee Monjee Institute of Management Studies (Mumbai); Indiana University; Emory University; and Wake Forest University.

The winning case in 2011 was “Village Capital: Using Peer Support to Accelerate Impact Investing” by Carol Gee of Emory University’s Goizueta Business School.

That case and the other winners from 2011 have been adopted at Emory, New York University, Johns Hopkins University, Indiana University, Quinnipiac University (Connecticut), the University of Michigan, and Wake Forest University.

2011 NEXTBILLION CASE WRITING WINNERS

- 1 Village Capital: Using Peer Support to Accelerate Impact Investing**
Bob Patillo piloted the Village Capital idea in four locations worldwide, supporting over 80 entrepreneurs and investing almost \$1 million but now he needs to make several strategic decisions about the direction of the program.
- 2 The South Pacific Business Development Foundation: Fighting Poverty in Fiji**
Owner Greg Casagrande must decide if SPBD can successfully navigate an unstable political and economic environment and serve client needs that differ from those in the company’s existing geographic locations.
- 3 Catch a Falling STAR: Sustainable Finance for a BoP Hospital**
A mission hospital in India benchmarks three other hospitals that serve the BoP to develop a more sustainable financing mechanism to combat impending decreases in donations.
- 4 Good Capital: Emergence of the Social Capital Market**
The cofounder of social investment firm Good Capital considers possible expansion strategies.
- 5 Habitat for Humanity: Implementing a Global Strategy Locally**
Can and should the New Orleans affiliate do both rehabilitation and environmental sustainability programs at once? What is the best way to implement it in New Orleans? Will this be consistent with the organization’s philosophy?

NextBillion, Ashoka Publish E-Book on Housing

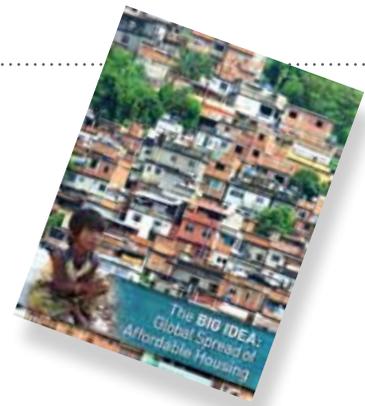
NextBillion teamed up with one of its content partners, Ashoka, to publish an e-book, “The BIG IDEA: Global Spread of Affordable Housing.”

The book was the culmination of a project that began with a Twitter chat between NextBillion and Ashoka in early 2011 to shine a light on the overlapping challenges and market solutions to affordable housing for the world’s low-income consumers and producers. The chat showed the complexity and breadth of the issue, but also helped define a framework for a long-term series on NextBillion.

Armed with a bevy of topics — from financing to land rights, construction of new

homes to rehabilitation of dilapidated dwellings, and business models that ensure sustainable and profitable development in coordination with low-income customers — NextBillion and Ashoka’s Full Economic Citizenship (FEC) initiative got to work.

They reached out to a diverse cross-section of leaders from organizations including Acumen Fund, Ashoka, Citi Foundation, Dow Corning, Echale a tu casa, Habitat for Humanity International, Hystra, micro Home Solutions and Tara Nova asking if they would contribute blog posts to a NextBillion “Big Idea” series. The result was a strong lineup of nearly two-dozen posts from a diverse group of authors — in



terms of both expertise and geography — that gave readers cutting-edge information, experience, and openness that ultimately led to a rich online exchange during the six-week series.

Spearheaded by Rochelle Beck of Ashoka’s Full Economic Citizenship initiative, the series was formatted into an e-book to serve as a resource for those interested in affordable housing, and to provide a spark for generating new ideas on the topic.

Website Redesign Now on All Three Sites

The newly redesigned NextBillion.net website was launched in January, and those same top-to-bottom redesign features were rolled out to the two NextBillion sister sites — NextBillion Espanol and NextBillion Brasil — in July.

The new-look sites have a more logical information architecture, improved usability for readers, and enhanced content sharing and discussion features to advance conversations around best practices in the growing social enterprise sector. The redesign was funded by a grant from the Citi Foundation.

Additionally, the redesign enables NextBillion to create multiple topical blogs focused on issues important to readers, such as agriculture, BoP business knowledge, energy and technology, finance, and capturing impact.

Three New Content Partners Join NextBillion

Another aspect of the redesign on NextBillion is the addition of “content partners.” NextBillion editors work with content partners (CPs) on material that highlights areas of



expertise or interest to the CP. Also, each CP has its own page on the NextBillion website with a sub blog that highlights all posts written by or related to the CP. Organizations pay an annual fee to be content partners.

When the new NextBillion site launched, the content partners were: Acumen Fund; Ashoka; AVINA Foundation; Citi Foundation; the Aspen Network of Development Entrepreneurs (ANDE); Inter-American Development Bank; and TechnoServe.

In July, NextBillion welcomed three new content partners: Anavo Global LLC, which finds entrepreneurs early in their development and guides them in building service offerings for low-income people with the least resources; Calvert Foundation, a non-profit organization that fights poverty, finances affordable homes, and funds small and micro businesses; and Mercy Corps, which focuses on disaster response, sustainable economic development, health services, and emergency and natural disaster relief.

IN BRIEF

All three NextBillion sites have served as the “media partner” for a total of eight social entrepreneurship conferences through June. This participation has helped to raise NextBillion’s profile in the social enterprise space, while helping to recruit new readers and writers to the site.

The NextBillion social media channels, including Twitter, Facebook and LinkedIn, continue to gain fans and followers, leading to more interaction and discussion among readers. As of late June, NextBillion had approximately 13,400 Twitter followers, nearly 3,100 Facebook “likes,” and about 1,750 members in NextBillion’s LinkedIn group.

NextBillion.net

PROJECT PORTFOLIO



Focus on Results: Enhancing Capacity Across Sectors in Transition II – Participant Training (FORECAST II-PT)

// Global

FUNDING AGENCY: U.S. Agency for International Development (USAID)
GOAL: Provide technical training, exchange visitor and education interventions, workforce development, youth program services, and leadership development.

Recruiting Employable Students at the University with Management Education (RÉSUMÉ)

// Constantine, Algeria

PARTNER: University of Mentouri Constantine (UMC)
FUNDING AGENCY: Higher Education for Development (HED), U.S. Agency for International Development's Office of Middle East Programs (USAID)
GOAL: Enhance the school's English language studies and Business Management curricula to align them with the needs of the Algerian labor market; establish a career center that will help Mentouri students make informed decisions about career paths and strengthen the school's relationships with private sector employers.

Goldman Sachs BBA Scholarship

// Kigali, Rwanda

PARTNER: School of Finance and Banking
FUNDING AGENCY: Goldman Sachs
GOAL: Manage successful Goldman Sachs Scholarship program for underprivileged and disadvantaged undergraduate women business students in Kigali, Rwanda.

Impact Sourcing

// Global

FUNDING AGENCY: Rockefeller Foundation
GOAL: Explore existing and potential impact sourcing opportunities across approximately 20 countries that are popular destinations for business outsourcing activities.

Economic Growth for Poverty Reduction (EG4PR)

// Global

PARTNER: Bankworld, Inc.
FUNDING AGENCY: U.S. Agency for International Development (USAID)
GOAL: Promote economic development while also addressing challenging issues such as climate change, conflict, and food insecurity.



Public-Private Partnership Development Program

// Ukraine

PARTNER: FHI Development 360 LLC

FUNDING AGENCY: U.S. Agency for International Development (USAID)

GOAL: Promote public-private partnerships by reforming legal and institutional issues, serving as a bridge between government and private sector interests, establishing a capacity building communications program, and creating a project development facility to build and finance a pipeline of public-private partnership projects.

Business Environment for Agile Markets (BEAM)

// Global

PARTNER: Carana Corp.

FUNDING AGENCY: U.S. Agency for International Development (USAID)

GOAL: Improve the enabling environments in building trade capacity, improving enterprise growth and competitiveness, and creating sound financial systems.

Pakistan Training Workshop

// Pakistan

FUNDING AGENCY: U.S. Agency for International Development (USAID)

GOAL: Deliver a management, team building and leadership training workshop at the Office of Financial Management at the USAID Pakistan Mission.

Broader MENA – U.S. Community College Entrepreneurship Program

// Jordan

PARTNERS: Washtenaw Community College, Al Quds College

FUNDING AGENCY: Higher Education for Development (HED) and the U.S. Agency for International Development (USAID)

GOAL: Develop an entrepreneurial mindset among the students at Al Quds College by infusing entrepreneurial concepts, business skills and practical experience into the vocational and technical coursework, and creating a business incubator.

Impact Enterprise

// Global

FUNDING AGENCY: Rockefeller Foundation

GOAL: Assess impact enterprises and provide roadmap for Rockefeller for future engagement in venture development at the base of the pyramid.

Systems for Improved Access to Pharmaceuticals and Services (SIAPS)

// Global

PARTNER: Management Sciences for Health

FUNDING AGENCY: U.S. Agency for International Development (USAID)

GOAL: Ensure availability of quality drugs and services in developing countries.

Economic Growth for Poverty Reduction (EG4PR)

// Global

PARTNER: Abt Associates

FUNDING AGENCY: U.S. Agency for International Development (USAID)

GOAL: Promote economic development while also addressing challenging issues such as climate change, conflict, and food insecurity.

Development Consulting Services (DCS) maintained a steady international marketing drive while at the same time continuing its strong business development, project management, and implementation support for WDI's research initiatives. This period was marked by six key new contract and grant awards, investment in key ongoing projects, and an aggressive pursuit of new business opportunities. DCS is now also fully integrated into WDI's framework of academic and research initiatives. This proved to be a good strategy that supports new funding sources for the application of WDI's research in emerging markets, as well as rigorous project management services that all donor agencies now require. Four of the six new project awards leverage WDI's core competencies in the Base of the Pyramid and Healthcare research initiatives, and the Executive Education and Educational Outreach departments.

NEW AWARDS

WDI to Tackle World Issues as Part of Global USAID Project



WDI's Development Consulting Services (DCS) was recently awarded a contract to promote economic development while also addressing some of the world's most challenging issues, such as poverty alleviation, conflict, trade and investment, food insecurity, business environment reform, and global climate change as part of the Economic Growth for Poverty Reduction (EG4PR) project.

Equally exciting is that DCS, as a major sub-contractor to both the winning bids of the Bankworld, Inc. and Abt Associates consortia, will have access to both large (over \$3 million) and small business set-aside (under \$3 million) contracts from USAID under the project.

"In partnering with Bankworld, Inc. and Abt Associates, we've gone a mile wide and a mile deep," said DCS director Khalid Al-Naif. "A mile wide because it's an IDIQ (Indefinite Delivery Indefinite Quantity Contract), and a mile deep because we'll be delivering technical expertise on both small and large contracts."

An IDIQ is an umbrella contract that allows the U.S. Agency for International Development (USAID) missions to use the services of prequalified contractors through a limited competitive bidding process or by sole sourcing, thereby expediting the award-making process. The awards, called task orders, can be for any value. The total value of task orders awarded is limited by a predetermined ceiling. The award ceiling for the entire EG4PR project is \$2 billion.

WDI has not received any task orders yet, but is poised to address several broad technical areas in economic

growth and poverty reduction thanks to WDI's research abilities and the knowledge of its consultants.

These technical areas include:

- Promoting the policies, laws, regulations, and administrative practices affecting international trade and investment
- Facilitating the collection of services, technologies, equipment, and techniques used to enhance private sector response to international and regional trade and investment
- Supporting the establishment and broad-based acceptance of expert regulators and professional bodies that consistently improve laws, regulations, standards, and administrative practices necessary to shape and inform a competitive and inclusive financial sector

"EG4PR is the third and, by far, largest funded IDIQ award that WDI will have access to over the next five years. These funding resources will give us an opportunity to expand our international operations as well as grow and diversify our portfolio." KHALID AL-NAIF

- Advancing the capacity of all public and private service providers to adopt modern management practices, strengthen professionalism, and improve systems and processes involved in providing financial services inclusively
- Improving the competitiveness of the private sector through the improvement of policies, laws, regulations, and administrative practices
- Improving the competitiveness of key sectors and value chains for growth and poverty reduction
- Supporting equitable access to essential financial services of diverse providers to low-income families and micro-scale enterprises

- Reducing national and local barriers to registering and operating micro and small enterprises by improving the policies, laws, regulations, and institutions
- Facilitating the improved productivity of low-income micro-entrepreneurs participating in value chains and their ability to access both business development and financial services
- Ensuring that poor people, women, and other disadvantaged groups have equal legal rights and protection in economic matters

WDI also may be called upon to help USAID address complex challenges that cut across the aforementioned program areas, such as conflict-affected business environments, food security, vulnerable populations, gender issues, and global climate change.

The project shows a new approach by USAID's Bureau for Economic Growth, Agriculture, and Trade (EGAT). The bureau's typical approach often helped solve immediate problems, but did not always address the inter-relationships between development challenges and broader economic systems, nor did it leverage broader knowledge and information networks.

The EG4PR project will address issues such as climate change, food insecurity, and conflict together with economic growth. Each issue has unique features and requires context sensitive solutions to achieve lasting impact. WDI and its partners will work together to capture, share, and translate the knowledge generated through decades of USAID experience into operational practice.

"We're pleased to be a part of this flagship USAID project supporting inclusive private sector development," Al-Naif said. "We've been working hard over the past five years to position WDI to contribute our vast knowledge and resources to help make this project successful."

WDI Part of Major USAID Project on Workforce and Leadership Development

WDI and its partners have been awarded a contract to provide skills training in the U.S. to individuals and groups from around the world to solve specific job performance problems they may have or to fill identified performance gaps in their work.

WDI has partnered with Dexis Consulting to win the Indefinite Delivery Indefinite Quantity Contract for the FORECAST II-PT (Focus On Results: Enhancing Capacity Across Sectors in Transition II-Participant Training) project.

No specific task orders have been awarded by USAID yet, but WDI has submitted proposals to train civil servants and staff from non-governmental organizations from Lebanon and Nicaragua. WDI has also proposed to deliver an exchange program for civil servants from Belarus and the Central Asian Republics. The exchange program, called Community Connections, exposes participants to U.S. society and promotes reform in USAID countries. Entrepreneurs, local government, legal professionals, non-governmental organization leaders, and other professionals are placed with community organizations of similar interest in the U.S. that arrange such activities as hands-on internships with volunteer companies and organizations, site visits, professional training, seminars, and community-based cultural activities.

"This is one of the two major USAID contracts awarded for participant training. We will work with our partners to provide long- and short-term training both in the U.S. and abroad to USAID recipient country citizens." KHALID AL-NAIF

Khalid Al-Naif, director of WDI's Development Consulting Services, said the contract win was big for the Institute.

"We have positioned ourselves with the important players, the major consulting firms in Washington, D.C.," he said. "We are no longer competing with them, we are partnering with them. We have strategically aligned ourselves with them."

"That is something very few NGOs, let alone universities, have been able to do."

USAID said participant training is one of the most sustainable investments that it makes in development. The training involves teaching knowledge and skills through structured learning and follow-up activities. Some examples of training include long-term academic degree programs, short or long-term non-degree technical courses in university or other settings, seminars, workshops, conferences, on-the-job learning experiences, observational study tours, or distance learning exercises.

Training, when integrated with other interventions, holds the greatest promise for increasing job productivity and more broadly addressing needs within diverse categories of countries that are coping with changing economic, political, and social systems. Strengthening the capacity of individuals will promote greater sustainability and effectiveness of all USAID assistance.



Paul Sullivan

DCS Consultant Leads Pakistan Workshop

WDI's Development Consulting Services (DCS) delivered a three-day workshop in Bhurban, Pakistan, a hill station in Punjab province 45 miles northeast of Islamabad, for USAID's Office of Financial Management (OFM) in Pakistan.

"We were there to help the OFM build a cohesive group to better serve technical teams that are directly helping the people of Pakistan," said DCS director Khalid Al-Naif. "WDI worked with the office's staff and leadership to define a new vision and initiate four projects for a renewed OFM."

"The workshop also was a response to U.S. Secretary of State Hillary Clinton's initiative to bring more accountability to USAID activities", Al-Naif said.

Paul R. Sullivan, WDI's senior global business management expert, led the late June workshop. He has been an adjunct professor in Executive Education with U-M's Ross School of Business and was managing director of Global Partners, Inc. He drew upon his 40 years of experience in management development with organizations around the world in preparing and presenting the workshop.

Sullivan conducted a pre-survey of the workshop participants, reviewed a customer expectation survey they had filled out, interviewed all the OFM leaders, and met with external managers—including the deputy mission director to gain outside perspectives on OFM.

"My goal in preparing for a program like this is to uncover burning issues and develop a tailored program to address and resolve as many issues as possible," Sullivan said. "I want to identify the issues keeping USAID from achieving the full purpose of their mission, and to help resolve problems while building a cohesive and highly motivated team."

Sullivan said the workshop, attended by 15 Pakistanis and 3 Americans, helped the OFM assess where they were as a service organization in relation to the rest of USAID. Sullivan then created a vision of where the staff wanted to be in two years and then developed projects to close that gap.

"I think of it as 'consulting in a classroom,'" he said. "I am teaching, guiding the team in identifying and resolving their own problems, and often coaching and mentoring senior managers during breaks and in the evenings."

Sullivan said in addition to developing leadership skills and teamwork, a number of other topics arose during the three days. Participants, he said, asked to learn more about

communication, conflict resolution, multicultural management, and project management.

Although the U.S. and Pakistan governments have had a history of strained relations from time to time, President Obama has reiterated his commitment to a partnership with Pakistan. The U.S. is providing substantial resources to support Pakistan's democracy and development.

Sullivan said the workshop showed a commitment to USAID's goals and went a long way to demonstrating the value the U.S. can bring to helping the Pakistani people.

"WDI guided the OFM at the USAID Mission to Pakistan with the leadership principles, techniques, and strategies to bring this about so that the Pakistani people will know that the U.S. is concerned with its long-term prosperity and committed to assisting its citizens reach their potential," Al-Naif said.

Sullivan and WDI delivered a similarly tailored workshop for the USAID mission in Colombo, Sri Lanka in 2009. Shortly after the Arab Spring in 2011, Sullivan represented WDI at two events in Tunisia. He gave a talk at a two-day conference on new information and communication technologies, and conducted a workshop on marketing for entrepreneurs.

At the OFM workshop's conclusion in Pakistan, participants said the program was very valuable to the mission, and brought people together in a stronger and more energized team. Here are some of their comments.

"I think this was a beautifully designed program catering to the requirements of my organization and has helped me individually as well as our whole office to rethink our strategy and better integrate as an office and come up to the expectation of our clients."

"The program was wonderful in that small, practical, doable assignments that gave us deeper insight into ourselves as individual as well as a team."

"Thank you! You have made us a better team. We benefitted greatly from your knowledge and expertise."

"The subject material was perfectly tailored to our needs/department. Paul incorporated each and every concern area (highlighted in pre-program meetings with individuals) so cleverly that it was fascinating."

"This retreat helped us in identifying our concerns and jointly coming up with the solutions."

"Most effective training I attended to date."

"Experience, knowledge and delivery of the instructor were excellent. He was in control and had insight for our issues. The whole exercise has established quantifiable and visible programs for the group."

"This retreat helped us in identifying our concerns and jointly coming up with the solutions."



WDI's Khalid Al-Naif (right) with Ahmad Abu Hantash.

Jordan // BMENA // Broader Middle East and North Africa-U.S. Community College Entrepreneurship Development Program

DCS recently helped Washtenaw Community College (WCC) design, develop, and submit the baseline assessment report and first progress report on its project to develop the skills of young entrepreneurs in Jordan.

The Ann Arbor, Michigan-based community college is the first Higher Education for Development (HED) grantee to implement USAID's new monitoring and evaluation (M&E) methodology that was launched in April. WCC successfully submitted the reports under this new system in close consultation with WDI, and expressed appreciation for WDI's long-standing expertise in M&E.

WCC and Al Quds Community College in Amman, Jordan are partnering on the project, "Community College Entrepreneurship: Integration to Incubation," to develop an entrepreneurial mindset among the students at Al Quds. WCC plans to do this by infusing entrepreneurial concepts, business skills, and practical experience into the vocational and technical coursework at Al Quds. WCC also will create a business incubator, identified as a priority by both Al Quds leadership and the students.

DCS director Khalid Al-Naif visited Amman in March to conduct a baseline assessment at Al Quds Community College for the HED project. Al-Naif is the designated M&E expert on the project.

While there, he met with Jordanian entrepreneur Ahmad Abu Hantash to discuss

challenges for entrepreneurs in Jordan. Hantash used his entire life savings of \$600 to establish a small mini-market 10 years ago and has been growing sales ever since.

"It's not about the idea that you have, it's what you do with that idea that counts," he said.

He used the profits from his mini-market to establish a second small business that recycles gold jewelry. Both businesses are doing well and still growing despite an ongoing economic recession in Jordan.

"When I first started, they told me that I will fail because I didn't have enough capital," Hantash said, smiling. "But I knew that treating my customers well and hard work was better than any capital that they were talking about."

Al-Naif said Hantash's first-hand experience and success makes him an ideal role model for those Al Quds students who want to become entrepreneurs.

"Ahmad will attend all of the project's entrepreneurship Training-of-Trainer programs and WDI's Entrepreneurship Boot Camp Course next year, and he will work with WCC faculty to develop several sector toolkits," Al-Naif said. "We're taking Ahmad to the next level and then we're going put him in front of Al Quds students as a teacher and mentor and say, 'Here's the example. Here's what you can be. Here's what's you can achieve.'"

Rwanda // GSSP //

Goldman Sachs Scholarship Program

A second cohort of 12 women has graduated from the School of Finance and Banking (SFB) in Kigali, Rwanda as part of the Goldman Sachs Scholarship Program. The women went through commencement ceremonies on June 22.

In December 2011, 14 women were the first from the scholarship program to graduate from SFB. Another 15 women are expected to graduate in December 2012.

The program, which is under Goldman Sachs' 10,000 Women initiative umbrella, provides scholarships for disadvantaged women to attend SFB in Rwanda as undergraduates in the four-year Bachelor's of Business Administration (BBA) program. The scholarship covers tuition, room and board, meals, textbooks, and other academic

fees. DCS manages the scholarship portion of the program in Rwanda.

Under a mentoring project instituted by WDI, the women receive about two hours of mentoring each month from SFB faculty members. The mentoring program has positively impacted the scholars' performance, giving relatively underperforming students a chance to benefit from more focused attention, and enhancing capabilities of high-performing students.

Mentoring has provided the scholars with the advice they need in multiple areas of studies, from time management skills and help with English to academic ethics and career planning. A total of 9 mentors, all of them SFB professors, have been assigned to the scholars.



Some of the recent SFB graduates.

South Africa // SALETTI // South African Logistics Excellence and Transportation Training Initiative

DCS successfully closed out the three-year SALETTI project in December 2011.

In partnership with U-M's Transportation Research Institute (UMTRI) and U-M's Ross School of Business Master's of Supply Chain Management Program, DCS implemented the USAID-funded project. It was administered by Higher Education for Development (HED).

The project team developed and launched a master's in business management program with a focus on supply chain management in order to build capacity in logistics and supply chain management at the University of Johannesburg (UJ).

The SALETTI project also included faculty and student exchange programs, executive education workshops, experiential learning projects, and baseline assessment of the department's programs in order to expand and improve what is currently offered.

Students from UJ visited U-M to audit Ross School of Business courses and also toured Michigan and Ohio companies' distribution facilities.

Additionally, UJ faculty came to U-M to give lectures, sit in on Ross School of Business classes, and visit several local companies in and around Michigan to witness supply chain operations first hand.



Far left: WDI consultant Judy Dyer (left) in UMC class.

Left: A class at UMC in Algeria.

Below: WDI consultant Ned White



Algeria // RESUME //

Recruiting Employable Students at the University with Management Education

Development Consulting Services has been very active in the past six months on its RESUME project, with DCS Director Khalid Al-Naif visiting Algeria as well as three WDI consultants.

Al-Naif visited Algeria in March to assess progress on the project and to better understand the feedback from the University of Mentouri Constantine (UMC). RESUME is designed to increase the employability of UMC students by enhancing the school's English language studies and establishing master's degree programs in Business Administration and Tourism Management. WDI also has established a career center to help UMC students make informed decisions about career paths and to strengthen the school's relationships with private sector employers.

While in Algeria, Al-Naif met with senior representatives from Higher Education for Development, the U.S. Embassy in Algiers, the Office of Middle East Programs at the USAID Cairo Mission, and UMC.

The delegation held several meetings in Algeria, including one with the U.S. Ambassador to Algeria and one with a Deputy Minister from the Algerian Ministry of Higher Education. Both expressed appreciation for WDI's work and voiced strong support for the continuation of the project, which is scheduled to conclude later in 2012. WDI plans to apply for an extension.

"RESUME is WDI's flagship project and was the U.S. Department of State's first response to President Obama's 'New Beginning' speech to the Muslim world in Cairo in 2009," Al-Naif said. "In many ways, this project set the stage for cooperation in the field of higher education and human resource development

where both countries are in absolute full agreement. WDI is working with the Algerian Ministry of Higher Education to improve the employability of its next generation of university graduates and place them in sustainable private sector jobs."

Prior to Al-Naif's visit, WDI consultants Judy Dyer and Carolyn Madden from the University of Michigan's English Language Institute (ELI) traveled to Algeria to work with UMC faculty and staff on the new English for Specific Purposes curriculum that is being implemented at the School of Management and Economic Sciences at UMC

Dyer and Madden organized and managed workshops with UMC professors involved in RESUME to complete the ESP curriculum and to enhance the ESP course instruction.

On the heels of the visit by Dyer and Madden, WDI consultant Julie Felker went to UMC to evaluate the status of the master's degree program in General Business Administration. Felker is an assistant professor of Organizational Behavior at the College of Business at the University of Michigan-Dearborn.

WDI created the master's program in conjunction with the UMC faculty as part of the RESUME project.

While at UMC, Felker identified gaps in course offerings and made recommendations to fill those gaps. She assisted the Organizational Behavior and Human Resources Management faculty in improving their pedagogy. She evaluated and built, where necessary, the capacity of the administration in the master's program. And she conducted a workshop on assessment of student learning.

Ukraine // P3DP //

Public Private Partnership Development Program

A senior consultant from WDI's Development Consulting Services will lead two financial modeling training workshops that are part of the Institute's work on the Public-Private Partnership Development Program in Ukraine.

Edward "Ned" White, a public-private partnership (PPP) financing and training specialist with over 21 years of international experience in 52 countries, is scheduled to conduct a five-day program for Ukrainian government officials in the city of Kiev and another in the city of Simferopol in late July. He will do a second round of two, five-day workshops in the fall in the same cities.

"Ned's workshop is a significant component of the planned training curriculum being delivered to the Ministry of Economic Development and Trade (MoEDT)," said Mick Mullay, a WDI strategic advisor who is the senior technical assistance coordinator for the Ukraine project. "It will help management and staff have the knowledge and skills needed to establish and operate a national level PPP Unit that will facilitate the creation of PPPs by bridging the gap between the government and private sector interests."

WDI is partnering with FHI Development 360 LLC (FHI360), a major Washington, D.C. consulting firm, on the five-year USAID-funded program — Public-Private Partnership Development Program in Ukraine (P3DP) to promote the use of public-private partnerships.

During his workshops, White will introduce basic Public-Private Partnership (PPP) modeling

concepts and practical skills to key management and staff members of the MoEDT in Kyiv and the MoEDT of the Autonomous Republic of Crimea, located in Simferopol.

Mullay said during the last quarter, P3DP significantly expanded support to municipalities in their efforts to improve public services by leveraging private sector expertise and finance through the use of public private partnerships. Introductory workshops, sector specific trainings, tailored consulting services, and a study tour to Poland enhanced the capacity of municipal leaders and staff to identify opportunities and design projects.

Mullay represented P3DP during the study tour to Poland and conducted individual meetings with local government officials and Polish NGOs working extensively in PPPs. It is expected that future cooperation will continue to leverage Poland's PPP experience into Ukraine as training programs and guidance tools for municipalities are developed. Mullay also has been conducting meetings with international and Ukrainian businesses with interests in PPP development to learn how P3DP activities can be better aligned with their efforts.

"In addition to contributing to prefeasibility studies and creating task orders for needed expertise, I worked extensively on creating a PPP stakeholders communication strategy and now am working on its implementation plan that will be incorporated into all P3DP assistance activities," Mullay said.

WDI's Executive Education business is going strong, with a record 55 programs in 12 countries conducted this fiscal year. Highlights include new program offerings in Mexico on the topic of social media and successful market entry into Venezuela. The department continues to form new partnerships and seek new funding sources to expand its programs. Teaming up with WDI's Development Consulting Services, WDI Executive Education plans to offer business training as a component of various grant proposals.

Human Resources (HR) Network Workshop Focuses on Social Media



Tracy Tuten, right.

Eighteen HR leaders gathered in Vienna in April for WDI's Strategic HR Network Europe (SHRNE) spring workshop on social media.

WDI Faculty Affiliate Tracy L. Tuten led the workshop, "Social Media Best Practices for HR Professionals." The workshop focused on how organizations can use social media for recruitment and communication with their current and future employee base. Increasingly, organizations are using social media tools to find the best employees globally.

"These were highly skilled HR professionals who were seasoned in all aspects of their roles," Tuten said of the SHRNE attendees. "Yet, social media are still very new to the majority of the group, despite a presence in social media in most of their companies."

Participants also learned how to develop social media policies that build and protect corporate reputations, including codes of conduct for employee use of social media. Monitoring social media sites can help

organizations learn what stakeholders are saying and hearing about the organization.

Tuten said participants asked many questions about social media and privacy. The companies represented at the workshop were StarBev, Starwood Hotels, Owens Corning, Japan Tobacco International, RWE Transgas, Raiffeisen Bank International AG, CSOB, Sanofi, Bunge Europe, Bank of Austria, Unicredit Group, Oracle, Nestle, and Lloyd Coils Europe.

"From an HR perspective, HR professionals are best able to use social media for screening when privacy is not considered as a concern or right of prospective employees," Tuten said. "Yet, these professionals were highly concerned for the privacy of the individual."

Tuten said she left the group with three things to take away from the workshop: optimize and maintain their own personal LinkedIn profiles; develop and optimize the company page on LinkedIn; improve social media policies and develop educa-

tional programs about the policy within their organizations.

SHRNE members have a new group on LinkedIn called the Strategic HR Network Europe that they now use to share information with each other in between face-to-face meetings and SHRNE workshops.

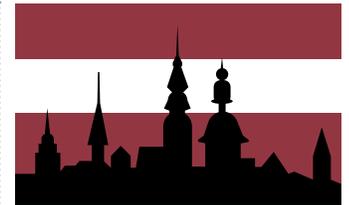
Tuten received positive feedback from the workshop participants, with several calling her a strong, motivating speaker. "I learned a lot about social networks that I had not used," said one. Another said: "All parts were very interesting to me, and even though we had a social media policy, it was eye-opening and helpful to improve ours." A third participant said the workshop made him "realize that we need to urgently invest in our social media. I appreciate the approach and giving tips on how to do it."

Since 1999, WDI's Strategic HR Network Europe has been the premier networking and educational forum for HR executives as they deal with the most pressing human resource problems in their organizations.

At SHRNE workshops, HR directors and vice presidents convene in European capitals to learn from top HR professors and to share ideas and best practices. Workshop leaders have included management gurus Noel Tichy, Wayne Brockbank, and Henry Mintzberg.

The network also provides members with the opportunity to interact with other top-level HR executives. This exclusive network attracts members at the director level and above. Members create a powerful peer network at professor-led seminars, best practices-sharing workshops, and informal information exchanges throughout the year.

Lastly, the Strategic HR Network Europe helps members to further the development of local management talent. Members are invited to take a local HR manager to each of the workshops.



PROGRAM OFFERINGS IN LATVIA REMAIN POPULAR

In late 2010, WDI Executive Education Director Amy Gillett and Dean of the Stockholm School of Economics in Riga, Latvia (SSE Riga) Anders Paalzow met in Ann Arbor to talk about growing their partnership.

Up until then, the two had delivered an annual Strategic Management Program and a Human Resources Professionals Program. But Gillett and Paalzow decided to add additional programs and expand the marketing of these programs to managers not only in Latvia but in neighboring countries such as the Ukraine, Russia, Moldova, and Belarus as well.

That spring, WDI and SSE Riga delivered five programs – including four intensive, two-day certificate programs – to packed classrooms and rave reviews. This past spring, WDI and SSE Riga once again delivered five popular programs. Those included two programs on negotiations, one each on supply chain management and HR, and the 10-day Strategic Management Program.

Gillett said WDI anticipates running at least five programs in spring 2013 in Latvia, and will add a new program on social media.

"Interest in the region in executive education courses for managers and senior managers continues to grow," Gillett said. "We will look for opportunities to add new programs and market them to the Baltics, Nordic countries, and the Commonwealth of Independent States.

"We have a lot to offer. SSE Riga is the leading business school in the Baltics; Riga is a beautiful city in which to learn; and our programs feature top-flight faculty from leading business schools around the world."

WDI Enters New Market – Venezuela – with Two Programs

WDI's Executive Education continues its long partnership with Seminarium, the leading executive training company in Latin America.

WDI and Seminarium delivered 20 joint programs in 2012, compared to 13 in 2011.

In May and again in June, the partners delivered their first-ever programs in Venezuela.

In May, the "Leadership for Experienced Managers" course was led by WDI faculty affiliate Neil Sendelbach, an adjunct professor of executive education at the Ross School of Business at the University of Michigan and director of the Management of Managers program. The course was held in Caracas.

In June, WDI faculty affiliate Chris

McCusker led the "Advanced Negotiations" program, also held in Caracas. McCusker is the Colleen and George McCullough Professor of Business Ethics at Tulane University's Freeman School of Business.

"We were excited to bring our executive education programs to Venezuela," said WDI Executive Education Director Amy Gillett. "The country faces big challenges, including the highest inflation rate in Latin America and an economy heavily dependent on oil. We believe that equipping leaders of companies in Venezuela with cutting-edge business practices will help the country in



WDI's Amy Gillett and Carola Dañoibeitia B. of Seminarium International S.A.

tackling some of its challenges.

"We were also pleased to work on these programs in partnership with Seminarium. They consistently attract high-quality audiences, both from leading local firms from across Latin America and major multinationals. Faculty members enjoy teaching in these

programs because they are so well run."

Carola Dañoibeitia B., director of Executive Education Latin American Programs at Seminarium Internacional S.A., visited WDI this past spring to explore ways to partner on more programs. WDI and Seminarium co-hosted their first HR program in 2003.



WDI: Is there a regional difference in adoption of social media practices?

TUTEN: There are definitely differences. One consideration is Internet penetration and mobile (connected) penetration. Countries with low Internet penetration will by definition have lower adoption of social media. However, a study by Forrester suggests that even in some countries with low Internet penetration, those who ARE online are heavily engaged in social media. We have to consider not just the percentage participating, but how engaged those who are participating are in the channels. Forrester's report found that people in emerging markets including India, China, Mexico, and Brazil were social media enthusiasts! We also have to consider the nature of participation. Forrester's study found that Westerners tend to be more passive users of social media – we are more likely to consume content

than to generate it. Lastly, there are definitely differences in privacy concerns. A higher percentage of EU residents are not active in social media (even if they are online) and I believe this to be related to the importance of one's perceived privacy.

WDI: What are your students most interested in learning about when it comes to social media?

TUTEN: The executive education students are eager to get up to speed and learn the strategic applications of social media as quickly as they can. Generally speaking, they tend to feel that there is a lot to this social media game that they may not know and they don't want to be in that situation. They want to learn about everything. Seriously. My traditional undergraduates enter my class with two ideas (sadly, and hopefully I am wrong) – first, this class must be an easy A because I already rock at Facebook; second, wouldn't it be cool if I could work in social media after college? I spend more time with my undergraduates explaining the vastness of social media, its relevance to marketing, and how to integrate social media into marketing strategy.

WDI: If a company is new to social media, how do you suggest they map out a social media strategy?

TUTEN: Would it be bad to say "Buy my book, Social Media Marketing, and read Chapter 2"? (Hint: Chapter 2's lesson is summed up by Stephen Covey's quote – Begin with the end

in mind. That's the best advice for getting started with social media too. Knowing up front what it is you want from social media goes a long way toward establishing a good strategy.)

WDI: What are the latest trends in social media? How do you see them evolving over the next year?

TUTEN: One is the increase in visual content over verbal content. The blog has been the king of social media content for years now. Even on social networks, the written responses to "what are you doing?" have served as the most common type of content. With the rise of Pinterest we are seeing a shift to the visual. Audio is increasing too – with networks like Spotify gaining ground. I also see shifts occurring in the social entertainment segment of social media. In the past, this zone has been dominated by gaming, but we are beginning to see other forms of social entertainment (and actually this relates to the audio example too!).

WDI: What are some global companies doing that other companies can use to benchmark for best practices in the use of social media?

TUTEN: There are many global companies that are using social media effectively. A good place to start to see how companies are using OR NOT USING social media effectively is a report by Altimeter. (In brief, Dell, eBay, SAP, and Toyota get high marks; McDonald's, VW, Kellogg's, BP, and Johnson & Johnson get low marks.)



GOLDMAN SACHS CERTIFICATE PROGRAM

Seventh Group Finishes; Eighth Group Nears Graduation

The seventh group of women graduated from the Goldman Sachs 10,000 Women Entrepreneur Certificate Program in February, bringing the number of successful graduates to 206 since the program started in September 2008. In late July, another 32 women — cohort #8 — will go through commencement exercises.

The ninth cohort of aspiring women entrepreneurs will then begin the six-month program, organized and designed by WDI in cooperation with the School of Finance and Banking in Kigali, Rwanda, on July 30 with modules on business management and strategy.



Jeannette Nyiramongi Kagame, wife of Rwanda President Paul Kagame, will be the guest of honor at the July commencement exercises. She is the founder and president of the Imbuto Foundation, which provides hope, good health, quality education, and economic empowerment to the most vulnerable communities.

Among the 32 women graduating are two from Women for Women International handicraft cooperatives, one from an Indego Africa cooperative, and women who run a petrol station, a technical school for tailoring, a hardware store, an event decoration rental shop, a bakery, a poultry farm, and an office supply and services shop.

Like the program graduates before them, the 32 July graduates can look forward to

continuing help. WDI organizes reunions for each class 6 months, 18 months, and 30 months after graduation so the women can discuss challenges they are facing and attend timely seminars. WDI also organizes industry-specific networking events, and offers post-graduation training.

WDI has worked hard of late to assist the women in accessing capital. As a result, there has been an increase in the number of graduates receiving loans. In the past 12 months, more than 25 graduates were approved for loans totaling nearly \$300,000.

WDI has started offering a post-graduation mentoring program. The program includes training for mentors and mentees, and support from program staff. Since the concept and practice of mentoring is new to Rwanda, WDI offered a separate training for faculty and staff members interested in mentoring and administering a mentoring program. The training included how to set goals for the mentoring program, how to mediate conflicts between mentors and mentees, how to motivate mentors and mentees, and how to overcome obstacles and track successes.

"We are constantly surveying the women to see what follow-up topics they are interested in," said WDI's Sharolyn Arnett, who is the entrepreneurship program manager. "We have learned over the years that the women continue to need help after the training program is over, so we have made a concerted effort to enhance our post-training programs."



Left: Poultry farmer Marceline Ikigennyne. Above: Christine Murebwayire.

Program Graduate is the Focus of Documentary

Christine Murebwayire, a graduate of the first training cohort and the managing director of a cooperative that produces banana wine, is the subject of a documentary being made by an award-winning filmmaker.

"MAMA RWANDA" is a feature documentary about women entrepreneurs in Rwanda by filmmaker Laura Waters Hinson, who made the award-winning 2008 documentary "As We Forgive" about the genocide. The film follows Murebwayire, a widowed mother of five living in Kigali, and Drocella, a village wife trying to build an agricultural cooperative.

Hinson views Drocella and Murebwayire as the new generation of Rwandan women transforming the country into an economic power. After the 1994 genocide, the country was left with a female majority population. Therefore, women in Rwanda are the driving force of the country's reconstruction.

The women's struggles to raise a family while also trying to be businesswomen is not dissimilar to the challenges working women face all around the world.

Drocella is trying to convince her fellow villagers to save 33 cents per person per week with the goal of obtaining the village's first-ever community loan to buy a farm

where former enemies of the genocide work together for both the individual and common good.

Meanwhile, Murebwayire struggles to balance her success as a rising entrepreneur with the demands of being a still-grieving widow with five children.

Previously a primary school teacher, she started the cooperative with a group of close friends in hopes of increasing her income. Since she became the managing director, the wine has become known throughout Rwanda for its delicious taste and hygienic processing.

Murebwayire attended the inaugural Goldman Sachs 10,000 Women Entrepreneur Certificate Program and was one of the business plan contest winners at the end of the program. She credits the training for teaching her how to restructure her workforce, bookkeeping, and accounting. She also held training sessions for the entire staff on topics she learned through the entrepreneur program.

The film and the women's stories show how education and access to capital can be powerful tools in empowering women to solve the problem of poverty through entrepreneurship. The film is in post-production. No release date has been set.

After eight years at the helm of WDI, Svejnar stepped down to return to teaching and research full time.

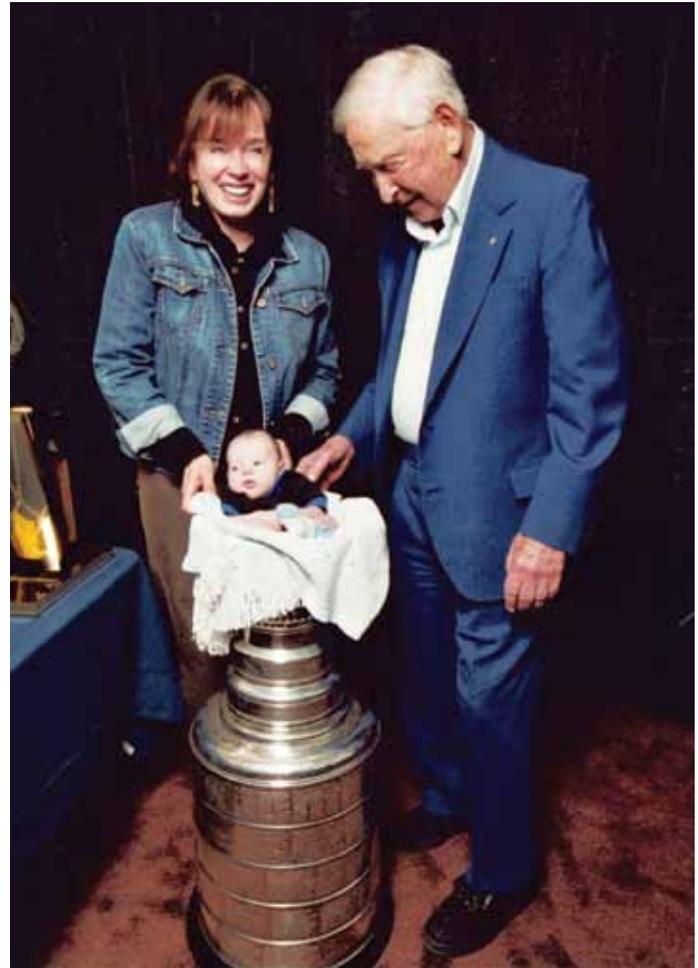
By the early 2000s, the transition in central and Eastern Europe had progressed significantly and businesses were encountering cutting-edge issues in other geographies, such as China and India. These new trends led the board to expand the Institute's mission to encompass "emerging economies" around the world.

In spring 2004, the WDI board announced that Robert Kennedy, then serving as the Institute's associate director, would become

impact work the Institute is doing.

DCS has quadrupled in size, and has developed a solid set of core competencies and a strong reputation for delivering quality projects. Executive Education, which ran four programs in its first year, now runs more than 50 annually. Revenues have increased five-fold and the initiative has consistently generated surpluses that are used to fund student engagement opportunities.

And in late 2007, WDI launched its Educational Outreach initiative to support teaching material development at the Ross School of Business.



That's because WDI is known not only as a thought leader in its focus areas but also as an organization that can deliver high quality, high impact programs around the world.

"That's a rare combination – thought leadership and effective engagement," Kennedy said.

"Mr. D's vision was that WDI would be unique, and I believe it is," Kennedy said. "WDI and Ross have become widely known as leaders in the BoP space, in healthcare supply chains, in development consulting, and in case writing – particularly on development issues. Mr. D planted the seeds 20

years ago and I think we are just starting to realize the potential of that vision."

Gerson said a lot has changed in the world during the past 20 years. "When WDI began there was a momentous transformation taking place in eastern Europe and that was the initial focus. Today the Institute has grown its focus to global emerging markets.

"But what's remained consistent over the years is the vision. WDI works directly to help people, governments, and organizations on the ground while also exposing students and faculty to enriching experiences. It is exactly what Bill hoped it would become."

"The book is now closed on a period of intense, bi-polar hostility that has defined our lives for more than four decades, and it is now for us to determine what will fill the next pages of history." BILL DAVIDSON

WDI's third executive director. Kennedy, the Tom Lantos Professor of Business Administration at U-M's Ross School of Business, came to the Institute in September 2003 from Harvard, where he had been an associate professor of business administration. Prior to that, he worked in more than a dozen countries as a management consultant and venture capitalist.

Responding to changes in the international business environment, Kennedy redirected the research effort from economics issues in Central Europe towards building multidisciplinary expertise in several focus areas. The initial areas were: the globalization of services (GoS); doing business at the base of the pyramid (BoP); and social enterprise.

Each initiative was to take the best insights from an academic discipline and connect it to real world applications, and to bring real-world experience back to the academy.

The focus areas evolved over time, with social enterprise being absorbed into the BoP effort, and the addition of a Healthcare initiative. Today, the BoP, GoS, and Healthcare research initiatives are global thought leaders.

Kennedy also invested in building capabilities of the Institute's Development Consulting Services (DCS) and pushed WDI's Executive Education (EE) to grow and become self-sufficient.

The strategy has borne fruit. Development agencies and global foundations such as the Rockefeller Foundation, the Bill & Melinda Gates Foundation, Goldman Sachs, UNITAID, the World Health Organization, and Citi Foundation have come to WDI in recent years because of the interesting and high

Kennedy also expanded programmatic support for international activities at the Ross School and across the University. The Institute's support includes sourcing and funding Multidisciplinary Action Projects (MAPs) and summer internships, research funding, two speakers' series, and support for student clubs.

"When we put the strategy in place, it took time to put down roots," Kennedy said. "But we have seen tremendous progress. The idea is for each initiative to be a leader in its sector – research, development, training, etc. But the real payoff is when we can deliver projects that draw on the strengths of the Ross School and more than one WDI initiative."

For example, WDI's research initiatives generate popular MAP projects and summer internships, which helps distinguish the Ross MBA and is a great benefit for students. At the same time, providing access to smart and energetic students solidifies WDI's relationships with its research partners in the field.

Another example is when DCS generates funding for BoP and healthcare projects that engage both WDI and U-M researchers. These projects enhance the reputation of both organizations, and the projects often lead to the next round of research publications. Similarly, Executive Education delivers training as one component of many funded projects, while providing opportunities for U-M faculty.

WDI has now reached the point, Kennedy said, where development agencies and foundations are seeking out the Institute.

WDI STUDENT INTERNS LOOK TO MAKE IMPACT AROUND THE WORLD

28



Twenty-one UM students are spending the summer in countries around the world working with innovative organizations as part of the WDI Global Impact Student Internship program.

WDI divides its summer internships into two categories – Institute initiated and student initiated.

The 14 students who chose a WDI-initiated internship partner with an organization identified by the Institute that is doing work related to one of its research initiatives: base of the pyramid, health care, sustainable development, and globalization of services.

The 7 students who chose to do a self-generated internship identified and contacted an organization in an emerging market that is doing innovative work. The student, along with the organization, co-defined an opportunity, received a commitment from the organization, and submitted a proposal to WDI.

The 21 interns come from eight different departments, schools, and colleges at UM. These include: the Ross School of Business; the Ford School of Public Policy; the School of Public Health; the School of Natural Resources and Environment; Medical School; School of Information; the Law School; and the Taubman College of Architecture and Urban Planning.

They will work in 15 countries. They are: Indonesia; Cambodia; China; Rwanda; India; Mozambique; Somaliland; Peru; Ghana; Jordan; United States; Ecuador; Bhutan; Tanzania, and Uganda.

Several of the organizations that students are working with this summer have been partners with WDI in the past. CARE, PATH, and GE Healthcare have partnered with WDI and its students on internships for the past four years. PharmaSecure, Druk Holding & Investments, and Ruli Hospital also are past partners.

“WDI’s internship program allows University of Michigan students to put into practice the things they have learned in the classroom by immersing them in the field with businesses and organizations doing interesting work in emerging market countries,” said WDI’s Chief Operating Officer Rosemary Harvey. “Many students come back from their internships energized, motivated, and with a clearer vision of the career they want to pursue.”



INSTITUTE-INITIATED

Ben Chen

ROSS SCHOOL/SCHOOL OF NATURAL RESOURCES & ENVIRONMENT

GE Healthcare // India and China
GE Healthcare's Maternal Infant Care has been a pioneer in advancing neonatal care around the world, including its Infant Warmer, Phototherapy units, and incubators. GE Healthcare's Rural Health Initiative has taken the company into new, underserved markets.

Chen will help GE Healthcare's Maternal Infant Care business understand new markets, and define a strategy to viably serve these markets in order to positively affect infant mortality at the base of the pyramid.

Mary Fritz

ROSS SCHOOL/SCHOOL OF NATURAL RESOURCES & ENVIRONMENT

Wello // India

Wello is a social venture with a mission to effectively deliver clean water. Wello has developed an innovative business model that empowers individuals to use the

WaterWheel as an income-generating tool to lift their families out of poverty.

Fritz will develop an impact assessment strategy to allow Wello to effectively and accurately evaluate its social impact and quantify its social return on investment.

Daniel Bickley

ROSS SCHOOL/MEDICAL SCHOOL

Ruli Hospital // Rwanda

Ruli District Hospital is a 150-bed hospital with 8 physicians on staff about 50 miles from Kigali. The Rwanda government and user fees fund the hospital.

Bickley will work with the hospital and a network of health centers to analyze the complex chain of information flowing between clinicians and administrators and between the different levels of the Rwandan health care system. He will provide recommendations and implement improvements that are congruent with and sustainable within the existing health care system.

Mesbah Ahmad

ROSS SCHOOL OF BUSINESS

Global Entrepreneurship Program // Indonesia

The Global Entrepreneurship Program (GEP) is a U.S. State Department-led effort to promote and spur entrepreneurship around the world.

Ahmad will assist in developing the business model of an incubator. He also will work on a highly impactful investment program to catalyze funding for up to five social enterprises that focus on sustainability and social impact.

Jennifer Hsieh

ROSS SCHOOL OF BUSINESS

Start Up! // India

Start Up is an angel investor for social entrepreneurs. It invests time, expertise and non-financial resources to launch ideas of social change.

Hsieh will help incubate a social business

and help it scale as an independent business. To accomplish this she will identify key markets, define product and service categories, and create and pilot a first-level marketing plan.

Lilly Connett

SCHOOL OF NATURAL RESOURCES & ENVIRONMENT

VillageReach // Mozambique

VillageReach improves access to healthcare for remote, underserved communities around the world. It partners with governments, businesses, nonprofits, and other organizations to improve the performance and reliability of health systems in the most inaccessible and isolated communities.

Connett will implement a comprehensive study documenting the range of challenges in the delivery of vaccines, diagnostic tests, and medicines to rural communities in Mozambique.



Pallavi Suresh

ROSS SCHOOL OF BUSINESS

Zagaya // USA

Zagaya was established in 2011 to ensure access to affordable malaria treatments in the developing world. Zagaya licenses technologies that allow it to partner and collaborate to solve problems. Over the longer term, Zagaya is committed to ensuring ACTs remain affordable by reducing the cost of raw materials, manufacturing, formulation with co-drugs, packaging and distribution.

Suresh will develop a detailed analysis and strategy for anti-malarial supply chains.

Dave Yeh

ROSS SCHOOL OF BUSINESS /SCHOOL OF PUBLIC HEALTH

Clinton Health Access Initiative

// Tanzania, Uganda, Ghana

The Clinton Health Access Initiative (CHAI) is a global health organization committed to strengthening integrated health systems in the developing world and expanding access to care and treatment for HIV/AIDS, malaria, and tuberculosis. CHAI's solution-oriented approach focuses on improving market dynamics for medicines and diagnostics; lowering prices for treatment; accelerating access to life-saving technologies; and helping governments build the capacity required for high-quality care and treatment programs.

Yeh will conduct detailed analysis, and coordinate with the Tanzania, Ghana, and Uganda Ministry of Health and NGO partners to develop an effective pharmaceutical distribution system.

Maharshi Vaishnav

FORD SCHOOL OF PUBLIC POLICY

Grameen Foundation

// Indonesia

Grameen Foundation helps the world's poor, especially women, improve their lives and escape poverty by helping to provide access to appropriate financial services (such as small loans and savings accounts), new ways to generate income, and important information about their health, crops, and finances.

Vaishnav will devise a "go-to-market" strategy for the Indonesian market so Grameen's AppLab can deploy its mobile solutions more broadly in the country. In addition, he will also work with a set of Grameen Foundation's partner companies focused on agricultural value chains.

Nour Shammout

TAUBMAN COLLEGE OF ARCHITECTURE AND URBAN PLANNING AND THE FORD SCHOOL OF PUBLIC POLICY

Vittana // Jordan

Vittana, the Seattle non-profit facilitating micro-loans to students in developing countries, aims to help students around the world attend post-secondary schools. Donors offer to pay for students' tuition by lending them small amounts – typically \$25-50. Student repayment rate is 99 percent.

Shammout will evaluate the successes and challenges of Vittana's current student loan products to determine the appropriate strategic approach for modifying existing loan products and scaling student microloan programs in Jordan.

Yannick Wood

LAW SCHOOL

Druk Holdings & Investments

// Bhutan

Druk Holding & Investments (DHI), established by Royal Charter by the King of Bhutan, holds and manages commercial companies of the government, makes new investments, raises funds, and promotes private sector development.

Wood will conduct a comparative study of Bhutan's existing company law with those in selected countries in the region. His assignment also includes researching the tax laws of Bhutan and coming up with suggestions on how they can be revised.

Arianne Tjio

ROSS SCHOOL OF BUSINESS

PATH // India

PATH is an international, nonprofit organization that creates sustainable, culturally relevant solutions, enabling communities worldwide to break longstanding cycles of poor health.

Tjio will develop an in-depth country assessment of the market opportunity for milk banking in India and to identify areas in which PATH can accelerate the expansion and adoption of human milk banks.

Julianna Oswald

ROSS SCHOOL OF BUSINESS

PATH – NASG

// Ghana and Uganda

PATH is an international, nonprofit organization that creates sustainable, culturally relevant solutions, enabling communities worldwide

to break longstanding cycles of poor health.

Oswald will develop a supply chain strategy for a medical device which treats women with uncontrollable postpartum hemorrhage by controlling the bleeding, reversing the shock, and stabilizing the patient for safe transport to a comprehensive obstetric care facility. So far, the device's benefits have been limited by its high cost of distribution and large minimum order quantity. It is expected that her work will alleviate these barriers and enable broader distribution of the device in order to save more mothers' lives during childbirth.

Javier Rivera

ROSS SCHOOL/ SCHOOL OF NATURAL RESOURCES & ENVIRONMENT

PharmaSecure // India

PharmaSecure is a social enterprise founded in 2007 to address the problem of drug counterfeiting around the world. PharmaSecure features Unique Identification codes that can be printed or affixed onto every single unit of a medicine and verified by a consumer at the point of purchase via a text message or on the web. It also has communication modules that can be used by manufacturers to reach out to consumers who have purchased their medicines for the purpose of prescription refill notifications, information about new products, and reminders to take their medicines.

Rivera will develop a study to gain insight into the rural market for PharmaSecure. The study will focus on consumer behavior, pharmacist response to PharmaSecure solutions, and strategies to raise authentication rates.



STUDENT-INITIATED

Brett Trzcinski

MEDICAL SCHOOL

The Quito Project // Ecuador

The Quito Project's mission is to collaborate with local partners in developing evidence-based solutions that support and build capacity in the health, education, and social sectors. The Quito Project's staff work alongside public health and clinical professionals in Quito, drawing on existing evidence to develop public health interventions targeted to specific problems.

Trzcinski will work on Proyecto Telesalud, a mobile device intervention that seeks to improve follow-up care for new mothers and their babies. His role is to conduct randomized control trials, help enroll patients in the study as well as develop a cost/benefit analysis for the intervention.

Claire Barco

SCHOOL OF INFORMATION

Concordia Welfare & Education Foundation // China and Cambodia

Concordia Welfare and Education Foundation (CWEF) is a Hong Kong-based, non-profit organization dedicated to poverty alleviation through education and service. CWEF coordinates and directs projects in three main areas: traditional education; public health and sanitation; and rural development.

Barco will refine the content management system (CMS) and create training materials on the new CMS. She also will help develop a fundraising strategy using the new system.

Adam Byrnes

ROSS SCHOOL/ SCHOOL OF NATURAL RESOURCES & ENVIRONMENT

Simpa Networks // India

Simpa Networks is a venture-backed technology company with a mission to make modern energy simple, affordable, and accessible for everyone. Simpa has introduced a product and business model that will make sustainable energy choices "radically affordable" to the 1.6 billion base of the pyramid (BoP) consumers who currently lack access to electricity.

Byrnes will explore new markets for Simpa's technology, analyze various business models and provide strategic recommendations based on field and other research.

Patrick Huang

ROSS SCHOOL OF BUSINESS

Village Capital // India

Village Capital uses the power of peer support to build enterprises that change the world. Inspired by the concept of the "village bank" in microfinance and peer support groups, Village Capital puts the hard tasks of building companies—criticism, strategy, feedback, and legwork—in the hands of entrepreneurs

themselves. Village Capital organizes cohorts worldwide and runs education programs focused on intensive peer review.

Patrick will work to identify partner organizations to collaborate with Village Capital, conduct due diligence in identifying promising entrepreneurs who are driven to alleviate poverty or reduce environmental impact, build capacity of those entrepreneurs in developing business plans, and obtain investments to increase scale.

Orson Kerrigan

ROSS SCHOOL OF BUSINESS

CARE Peru // Peru

CARE is one of the world's largest private international humanitarian organizations, committed to helping families in poor communities improve their lives and achieve lasting victories over poverty.

Kerrigan will develop a business plan for berry farmers in Peru for cultivation and international commercialization.

Mohamed Gulaid

SCHOOL OF INFORMATION

Abaarso Technical School

// Somaliland
Abaarso Tech (AT) is an educational institution leading change in the Horn of Africa through education and leadership development programs. AT works to improve education in Somaliland three ways: by providing a

world-class secondary boarding school for the country's brightest students; offering Somaliland's first internationally competitive undergraduate and graduate university studies; and leveraging secondary and university students to provide primary school tutoring.

Gulaid will assist in developing a new IT curriculum based on market needs, teach an introductory class on web development, and coordinate a mentorship program for Abaarso Tech students by Somaliland diaspora in the U.S.

Muriel Makarim

ROSS SCHOOL OF BUSINESS

Endeavor Indonesia

// Indonesia

Endeavor is leading the global movement to catalyze long-term economic growth by selecting, mentoring, and accelerating the best high-impact entrepreneurs around the world. Endeavor helps these entrepreneurs unleash their potential by providing an unrivaled network of seasoned business leaders, who provide the key ingredients to entrepreneurial success—mentorship, networks, strategic advice, and inspiration.

Makarim will identify the first batch of Endeavor Entrepreneurs from Indonesia and help them create a business plan. She also will develop and grow a network of Indonesian stakeholders.

Companies or organizations interested in partnering with WDI on a BoP or a Healthcare project should contact wdi-mapinfo@umich.edu. Project proposals are accepted for consideration each September through early December. Projects take place during a seven-week period between early March and late April. Sponsors receive top-notch deliverables and data-driven recommendations from a team of MBA students with diverse skills, knowledge, backgrounds and work experience. More information can be found at: <http://wdi.umich.edu/students/MAP/Info>.

WDI MAP Teams Help Partners with Operations, Strategy

In keeping with its mission to support international activities at the University of Michigan, WDI sponsored seven Multidisciplinary Action Project (MAP) teams this year. The projects, in conjunction with the Ross School of Business, allow MBA students to work with international organizations to create new business models, research new directions, and strategize for the future.

WDI identifies and develops international projects with host organizations to create impactful projects in emerging economies. The Institute also provides financial and faculty support.

One WDI research partner that hosted a student team was Abt Associates. Jeffrey Barnes, portfolio manager and principal associate, said Abt benefitted from the MAP work in Benin in two main ways.

"The team was able to take a very broad look at all of the issues we have been working on with the community insurance groups and really look at it from all angles," he said. "In addition, they brought fresh thinking and some innovative ideas. While not all of the ideas are workable, some may be workable in the future and in general, the assessment helped us to think more out of the box and to stimulate broader reflection for more creative solutions."

He said the student team worked very well together, was very adaptable and sensitive to the context they were put in, "and their work was appreciated by our partners and clients."

"This has been another very positive MAP experience for Abt and we will certainly be applying for another team next year," Barnes said.

Here is a brief synopsis of each of this year's projects.



Abt Associates

// Benin

DIRECTED BY: Ted London, WDI and Ross School of Business; James Walsh, Ross School of Business

MAP TEAM: Susan Allen, Sander Dolder, Matthew Downer, Preeti Gupta

Abt Associates is a mission-driven, global leader in research and program implementation in the fields of health, social and economic policy, and international development. Abt has worked for several years to build up a viable system of community-based health insurance schemes, but enrollment remains low. Abt asked the MAP team to prepare a business plan for a regional model that included strategies for increased enrollment, improved financial management and data collection, and required investments from all stakeholders. This is the third time WDI and Abt collaborated on a MAP. Last year, students developed positioning strategies and value propositions for priority market segments that are most likely to become advanced cook stove users. Two years ago, the students helped develop a commercially-viable BoP strategy to chlorinate water in Indonesia.





Philips Ultrasound

// India, Indonesia

DIRECTED BY: Ted London, WDI and Ross School of Business; Jeffrey Sanchez-Burks, Ross School of Business

MAP TEAM: Diogo Elias, Molly Mehaffey, Carlos Mendez, Michelle Osterman

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Royal Philips Electronics is a diversified health and well-being company, focused on improving people's lives through timely innovations. Philips Ultrasound is a business unit of the Philips Healthcare sector, and has made and is marketing a low-cost ultrasound for the base of the pyramid (BoP). Philips asked the MAP team to develop a business model for distribution of the product, and a business model for the training and education of midwives or community health workers.

VisionSpring

// India

DIRECTED BY: Ted London, WDI and Ross School of Business; Ted O'Leary, Ross School of Business

MAP TEAM: Calvina Cheng, Elvira Mah, Prithviraj Sharan, David Yang

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VisionSpring is a non-profit social enterprise that alleviates poverty in the developing world by broadening access to affordable reading glasses. It currently operates 20 mobile vans in rural India that conducts free vision screenings and provides on-site prescription eyeglasses. VisionSpring is having difficulty attracting people in the

north regions of India to attend their campaigns. They asked the MAP team to use focus groups, demand generation activity prototyping, and the monitoring of field metrics to increase demand for these campaigns in the northern villages. In 2010, the MAP team, under London's direction, developed a field market study and a sales and marketing strategy document for VisionSpring in El Salvador. In 2009, the student team developed a field market study, a sales and marketing strategy document, including pricing suggestions and sales channel strategies, and marketing materials for the sale of sunglasses for the organization in India.

RTT Trans Africa

// South Africa

DIRECTED BY: Prashant Yadav, WDI, Ross School of Business, School of Public Health; Ravi Anupindi, Ross School of Business

MAP TEAM: Andrew Chow, Duy-Khiem Le, Samir Malviya, Alonso Razetto

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RTT is Africa's largest, privately owned supply chain management organization. A South African-based organization with a Pan-African network, RTT offers end-to-end supply chain services through regional and local distribution centers in South Africa, Kenya, Ghana, Nigeria, Swaziland, and Malawi covering southern, east and west Africa. The MAP project consisted of developing a framework and methodology for benchmarking and mapping the current private sector supply chain, and investigating the viability of the regional distribution center model for vaccines in several countries.

CARE Bangladesh/ CARE USA

// Bangladesh

DIRECTED BY: Ted London, WDI and Ross School of Business; James Walsh, Ross School of Business

MAP TEAM: Patrick Huang, Orson Kerrigan, Rachel Smeak, Julie Young

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CARE Bangladesh looks to achieve lasting impact at broad scale on underlying causes of poverty and social injustice. For the past four years, CARE has been trying increase the incomes of small dairy farmers. One challenge has been improving access to inputs and veterinary services. With that in mind, CARE initiated a microfranchise pilot project. The organization asked the MAP team to review the current model, compare it with other models globally, conduct market feasibility on the ground in Bangladesh, and develop a preliminary business plan. Additionally, the team reviewed business training materials and operational manuals for the shops to be tested in the microfranchise. Last year, a MAP team drafted a business plan and a set of recommendations for scaling CARE Bangladesh's workforce training and empowerment model for local female garment workers. In 2009, WDI and CARE teamed up on a MAP in Uganda exploring the feasibility of applying the BoP distribution model for clean energy equipment in Uganda.

ITC Limited – Agri Business Division

// India

DIRECTED BY: Ted London, WDI and Ross School of Business; Venkat Ramaswamy, Ross School of Business

MAP TEAM: Alvaro Ore, Ashwin Vishwanathan, Kevin Wooster, Michael Yates

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ITC Limited is one of India's largest exporters of agricultural commodities and is known for its strong and enduring farmer partnerships. ITC's eChoupal initiative is an internet-based intervention that facilitates the flow of goods and services in and out of villages. To extend the reach of eChoupal, ITC wants the MAP team to study the micro irrigation financing requirements of the eChoupal farmers and develop an appropriate business model.

Procter & Gamble

// India

DIRECTED BY: Ted London, WDI and Ross School of Business; James Walsh, Ross School of Business

MAP TEAM: Rocío Cardenas, Dishank Kamath, Eduard Mikinberg, Pallavi Suresh

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P&G is a U.S.-based consumer goods company with some of the most recognized household brands. The company tasked the student team with designing a "go-to-market" model to enable Procter & Gamble brand presence in India to reach 8 million stores by 2020. Presently, P&G brands are in 5.7 million stores in India.

WDI hosted five guest speakers in winter and spring 2012 as part of its Global Impact Speaker Series. The events featuring Amy Lehman and Jessica Cohen were co-sponsored by the U-M School of Public Health. The speaker series features leading thinkers who work in emerging markets. The goal of the series is to spur discussion around development and developing country issues.



Leading Thinkers Making an Impact

AMY LEHMAN wants to build a 200-foot medical ship to sail Lake Tanganyika, the longest lake in the world that touches four countries—Tanzania, Burundi, Zambia, and the Congo.

More than 3 million people live along the lakeshore, and 12 million people live in the basin. There is no cell phone coverage, electricity is sporadic, and mountains surround the lake so access is very challenging.

“We want to provide healthcare services where they don’t exist,” Lehman said during her Jan. 10 talk.

She said the core mission of the Lake Tanganyika Floating Health Clinic, for which she is currently raising money, is service and education.

“I see the hospital ship as a much greater thing,” she said. “I see it as a platform upon which other things are able to grow and evolve.”

So far, Lehman has found funding support to build the floating clinic from small family foundations and high worth individuals. She said her organization has researched every aspect of what it will take to build the ship. Soon, she will approach major funders for money, an amount that she did not disclose.

“We’ve done a lot flirting. Now it’s time to go out on a date,” Lehman said with a laugh.

The organization’s founding coincided with

the global financial crisis so funding has been difficult. Lehman collects data for potential funders who like to see things such as the number of patients treated and medications dispensed. But since she is on the ground, she feels she knows best how any money should be spent. That could lead to problems, she admits.

She said she knows she should acquiesce to funders, but won’t if they “ask me to do the wrong thing,” Lehman said bluntly. “There are some fundamental things I’m not going to compromise on, and if that means I’m not going to get funding so be it.”

Estimates put the cost of operating the floating clinic, once it’s built, at \$1 million annually.

“We fully intend to ask the governments to participate” in paying the ship’s operating costs, Lehman said.

Asked by a student to list some of her fundamental beliefs, Lehman named four. They are:

- Ask the community you serve what their problems are
- Be present in the field
- If you’re a multinational, have people in the field
- Ask why we do what we do

“I happen to care about the value of human life,” Lehman said. “That’s why I’m there.”

BRENDA WANING, coordinator of Market Dynamics at UNITAID, a World Health Organization partnership based in Geneva that gets 70 percent of its funding from a tax on airline tickets, gave a talk on “Innovative Market-Based Approaches to Improve Public Health” on April 30.

UNITAID works through market interventions to improve access to medicines, diagnostics, and preventive items used in HIV/AIDS, tuberculosis, and malaria. It promotes “healthy,” dynamic market conditions whereby manufacturers have incentives to invest and innovate, while at the same time supply quality public health products at sustainable, affordable prices and in acceptable formulations that enable the maximum number of people to access them. It doesn’t have in-country offices, but rather works with partners.

“Our goal is to promote dynamic market conditions whereby manufacturers have incentives to invest and innovate,” Waning said.

UNITAID works in markets as: a market catalyst, by identifying and facilitating adoption and uptake of new and superior health commodities; a market creator, by providing incentives for manufacturers to produce otherwise unattractive products with low market demand but substantial

public health benefits; and a market “fixer,” by addressing market inefficiencies.

She said market approaches are new in global health, “but now are widely accepted as effective means of improving public health in developing countries.”

Waning said good market interventions need five things. They are: ongoing collection and use of market intelligence; development and use of new analytic methods; strategic thinkers and positioning to leverage resources; policy and political support; and partners who can implement.

An example of one UNITAID intervention is in the antiretroviral (ARV) drug market for the treatment of HIV. UNITAID discovered that few people in developing countries were getting second-line treatment because ARV prices were very high.

Waning said they undertook tough negotiations to lower prices, demanded more generic versions of ARVs and an increase in suppliers.

“This competition and awareness resulted in more people treated with less money,” she said.

Waning said UNITAID is a young organization still learning. “We’re one of many players so coordination is key,” she said. “We need to be supportive and collaborative.”

WILLIE FOOTE,

founder and CEO of the social investment fund Root Capital, said it is poised for significant growth in the next five years. The challenge, he said during his Jan. 25 talk, will be in managing that growth.

Footo said Root expects to triple its portfolio in the next five years to \$170 million and build credit up so that it can disburse \$284 million in one year. By 2016, Root expects to finance 550 agriculture businesses representing about 700,000 households and 4 million people.

Last year, Root made 240 transactions totaling more than \$110 million that represented 230,000 small-scale producers. It has nearly 100 employees – with almost half of them based in regional offices around the world.

Africa will continue to be an accelerated growth area, Footo said. In fact, he said they are ratcheting back the growth in Africa to keep it manageable. Root expects to grow in Africa about 36 percent over the next five years, making up about 40 percent of Root's portfolio – compared to the 15 percent it represents now.

Root hopes to break even in four years. "What do we want to be when we grow up?" Footo asked. "We want to achieve scale, be financially sustainable, and demonstrate an effect in our core lending."

That is one part of Root's DNA, Footo said. The second strand of Root's DNA is to "push the frontier" to expand to new geographies, industries, and financial products.

Still, he is realistic about Root's impact on poverty.

"We haven't even scratched the surface yet, and we won't ever really scratch the surface in terms of our absolute impact," Footo said.

Regardless, Root will continue to make a difference for the 2.6 billion Footo said live on less than \$2 a day. About three-quarters of those 2.6 billion work in agriculture, Footo said, and most are mired in subsistence farming.

That is why Root focuses on farming cooperatives and small and growing businesses. Both, Footo said, lack access to capital, access to qualified employees, and access to markets.

"I belong to a movement," Footo told the students. "A movement that believes small and growing businesses can propel a significant number of those 2.6 billion people to prosperity."

Root's clients are those "at the end of dirt roads, deep in the countryside doing their



best to live off the land," Footo said. "Across Africa and Latin America, agriculture can get them out of poverty only if they have reliable access to well-paying markets."

Footo said they have potential but are locked out.

"That's why we launched Root Capital," Footo said. "Our mission is to grow rural prosperity by investing in agriculture businesses that build sustainable livelihoods in Latin America and Africa."

Root was launched to fill the "missing middle," Footo said. That is, farming cooperatives and small businesses that are too big for microfinance loans but too small and risky for banks.

Footo said rural businesses and farmers have difficulty getting loans because they are often based in remote, unstable areas. They often have few assets to use as collateral, agriculture is considered "risky" by banks, and co-op leaders are not part of a "network" with business leaders.

But what Root sees, Footo said, is committed farmers, trustworthy leadership, and a high-valued product.

Root's financial model is triangular. A business's purchase order serves as the loan collateral. Root then makes the loan and the business ships the goods. The buyer – Root currently has about 120 buyers such as Starbucks, Whole Foods, and Marks & Spencer – then pays Root for the goods. The final step is when Root remits payment to the business.

"We really do believe it's at best a silver buckshot, not a silver bullet," Footo said. "There's a lot of other things – there's government, there's citizen sector, there's private business. There are a lot of pieces of the economic engine of small and growing businesses and agriculture. This is truly a sweet spot, and I'd invite you to get involved if you can."

ONNO SCHELLEKENS,
managing director of the Investment Fund for



Health in Africa (IFHA), spoke April 6 on "When Markets Fail: The Need for a New Development Paradigm."

IFHA is a private equity fund with private and public investors, and is the biggest investor in health care in Africa. It makes small to medium-size equity investments in private health care companies in Africa.

Schellekens said Africa has more than 10 percent of the world's population, half the burden of the world's communicable diseases, but only one percent of health expenditures are made in Africa. Private investment capital and risk capital for health care is basically non-existent in Africa.

"Africa is in a vicious cycle of low demand and low supply of health care," Schellekens said. "It's the single biggest problem in these countries, especially sub-Saharan Africa. And it all has to do with the perception of risk – that it is far too high."

Schellekens said the state is run by "elites" not interested in proprietary rights. "They act in their own interests, not the population at large," he said. "Therefore, very often the state system that regulates and enforces, is there but doesn't work."

"It results in a severe impact on willingness to invest."

Schellekens said a "better way forward" is the private side "because the public side is so dysfunctional."

Africa is positioning itself as an attractive market for alternative investments, he said, because of its GDP growth, improved political stability, and increased foreign investment. Private sector development is crucial to achieving a better health care system in Africa.

IFHA started a health insurance fund with \$150 million from the Dutch and U.S. governments, and the World Bank. The money bypasses the state and goes directly to private providers and local HMOs.

In Nigeria, they approached a local HMO that works with employees of Shell Oil. "We said,

"You can manage the money of Shell so you can manage the money of private donors too," Schellekens said.

Enrollees pre-pay and IFHA makes sure the clinic is open, the pharmacy is stocked, and the lab workers are there. Four years later, investors have put in another \$30 million.

"It shows that when you have a good, sound public/private collaboration you can increase the trust and willingness to invest," Schellekens said.

JESSICA COHEN,

assistant professor of global health at Harvard University's School of Public Health, spoke March 9 on "Price Subsidies, Diagnostic Tests, and Targeting of Malaria Treatment."

Cohen discussed whether it makes sense, in the long run, to offer the malaria treatment – Artemisinin Combination Therapies (ACTs) – in drug shops at heavily subsidized rates throughout Africa.

"Subsidies are a common feature of infectious disease programs," Cohen said. "The idea is you reduce the price of preventive and treatment technologies as a way to interrupt disease transmission."

However, one danger is that increased access can lead to potential overuse and an acceleration of resistance.

ACTs are the only effective antimalarial treatment, but less than 15 percent with malaria are treated with them due to the high cost. Cohen and her colleagues wondered if providing a subsidy would change the way people got treatment, and whether providing access to a cheap, reliable malaria test at drug shops would lead to better outcomes?

The randomized, controlled trial looked at 2,700 people in the area of four drug shops over four months. Most were more rural, poor farmers in Kenya.

What Cohen found was that subsidizing ACTs increased ACT access by 50 percent. "People seem willing to pay for effective therapy," she said.

But it comes with a cost. ACT subsidies redirects patients from the formal sector (clinics and hospitals) to the drug shops.

The trial also showed a crucial need for better access to reliable diagnostic testing. "Making RDTs (rapid diagnostic tests) available in drug shops doubles the probability of getting correct diagnosis," Cohen said.

But she cautioned that RDTs are not a panacea. "People are willing to sample RDTs, but adherence is modest," Cohen said.

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[past 6 months]

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3 Note on a Taxonomy of Process Types

By William Lovejoy, University of Michigan Ross School of Business

4 B&O Railroad Museum (A)

By Kathleen Sutcliffe, University of Michigan Ross School of Business

5 Toll Brothers

By Scott Moore, University of Michigan Ross School of Business

6 Zipcar, Inc.

By Robert J. Dolan, University of Michigan Ross School of Business

7 VisionSpring

By Ted London, WDI and University of Michigan Ross School of Business

8 Pepsi & Coke: Vertical Integration

By Aneel Karnani, University of Michigan Ross School of Business

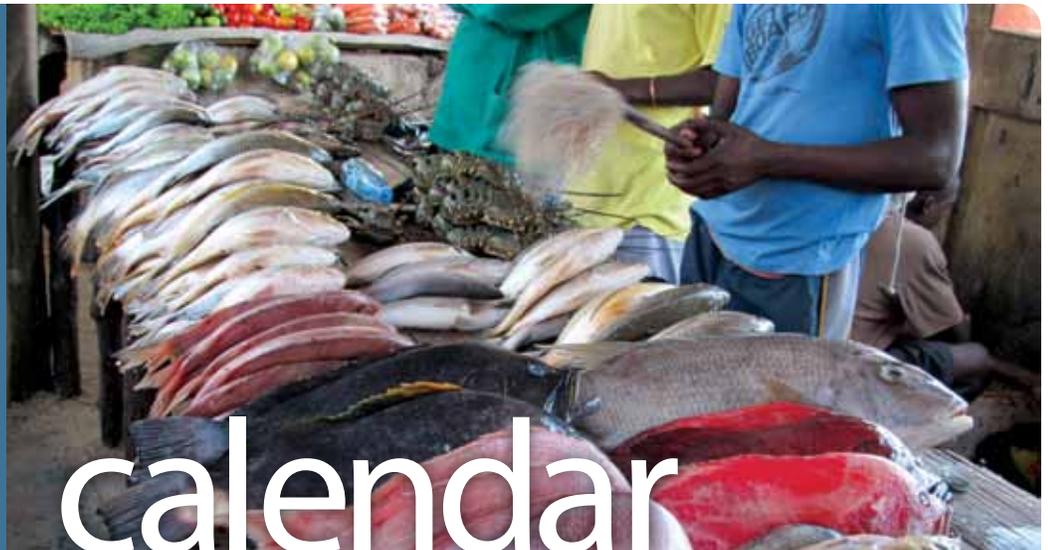
9 Cisco - Supply Chain Risk Management (H1N1)

By Ravi Anupindi, University of Michigan Ross School of Business

10 Boeing: The Fight for Fasteners

By Ravi Anupindi, University of Michigan Ross School of Business

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GS 10,000 Women: Cohort 9, Session 2. Marketing/Negotiations/Customer Care Management

Aug 13-16 | Kigali, Rwanda

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Aug 21-22 | Panama City, Panama

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Aug 27-29 | Kigali, Rwanda

Strategic Implications and Applications of IT

Sept 4-5 | Bogota, Colombia

Branding

Sept 4-5 | San Jose, Costa Rica

Strategic Sales Leadership

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GS 10,000 Women: Cohort 9, Session 4. Budgeting & Management Accounting

Sept 10-13 | Kigali, Rwanda

GS 10,000 Women: Cohort 9, Session 5. Financial Accounting & Loans

Sept 24-27 | Kigali, Rwanda

Goldman Sachs 10,000 Women: Group 7, Session 5. Financial Accounting & Loans

Oct 3-6 | Kigali, Rwanda

Strategic Operations Management

Oct 11-12 | Santiago, Chile

HR Program

Oct 16-19 | Miami, Florida

Strategic IT Management

Oct 23-24 | San Jose, Costa Rica

Strategic Services Marketing

Oct 23-24 | Bogota, Colombia

Negotiations

Nov 12-13 | Riga, Latvia

Goldman Sachs 10,000 Women: Group 7, Session 6. HR and Organizational Management

Nov 23-25 | Kigali, Rwanda

Goldman Sachs 10,000 Women: Group 7, Session 7. Developing a successful business plan

Dec 14-15 | Kigali, Rwanda

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