



**B4D**  
Business for Development  
*pathfinder*

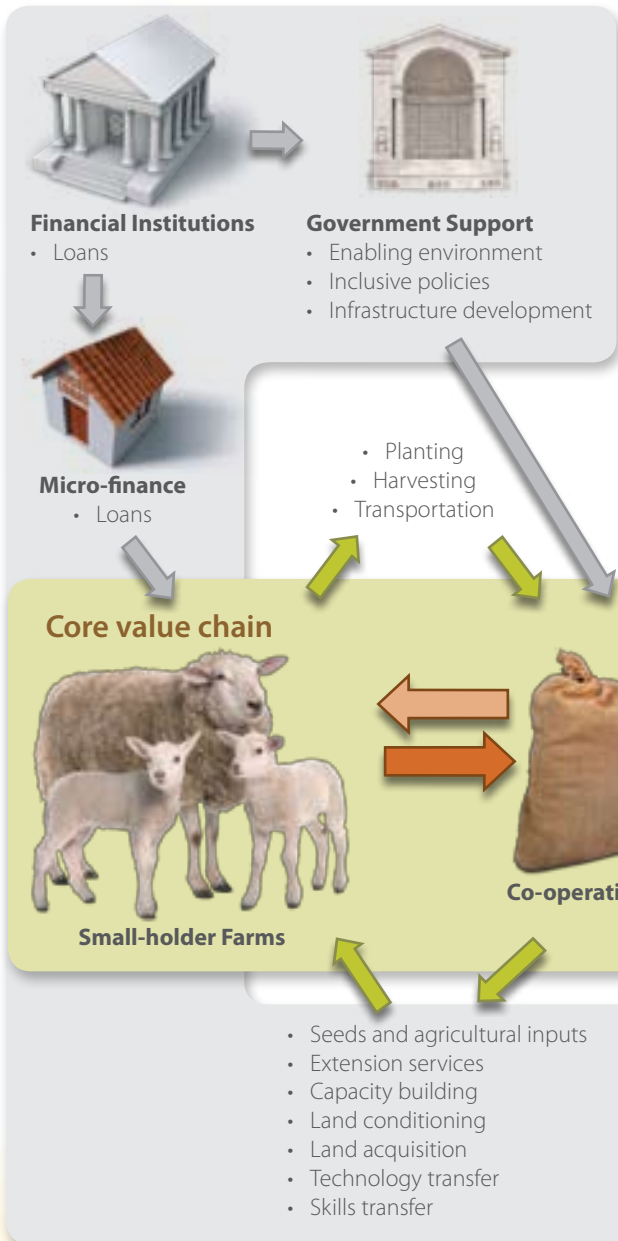


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# The B4D Pathfinder Business Model

## Facilitators



## Involvement of poor communities



*The B4D Pathfinder is designed to strengthen the corporate response to overcoming poverty by encouraging sustainable inclusive business practices.*

The essence of inclusive business practices is for business to continue delivering on its corporate social responsibility (CSR) obligations using its greatest strength and skills - business knowledge and sound commercial relationships, while at the same time leveraging financial gains and development impact.

The Southern African Trust and the SADC Employers' Group propose a set of management tools, underpinned by the concept of inclusive business. These offer an innovative approach to CSR by helping companies go beyond corporate giving, and integrate sustainable development objectives into their core business.

Addressing economic exclusion and poverty is critical to the future of Southern Africa. However, this is a shared responsibility and all sectors can contribute to the success of this initiative.

The B4D Pathfinder focuses on inclusive business as an opportunity to enhance development in the Southern African Development Community (SADC) region by harnessing the knowledge, skills, resources and strengths of the private sector.

Inclusive business can work to create wealth and overcome poverty by incorporating low income communities into a company's value chain while maintaining profitability and upholding the principles of corporate social responsibility (CSR) which include sound environmental, health and safety management, fair labour conditions, good governance and the preservation of human rights.

**The B4D Pathfinder product offerings are:**

- User-friendly, helpful, and meaningful.
- Linked with other global CSR schemes.
- Adaptable to different local circumstances and scales.

**The B4D Pathfinder product offerings will enable businesses to:**

- Use inclusive business as a tool to integrate their CSR and sustainability commitments across core functions.
- Identify and prioritise pro-poor interventions in the value chain.
- Compare performance against established and defined best practice standards, and with other companies in the same sector over time.
- Report internally and publicly to a range of stakeholders on performance trends.

The logo features the letters 'B4D' in a large, bold, teal font. The number '4' is stylized with a white outline and a teal shadow. Below 'B4D' is the text 'Business for Development' in a smaller, teal, sans-serif font. At the bottom, the word 'pathfinder' is written in a white, lowercase, sans-serif font with a teal outline. The entire logo is set against a background of light green wavy lines and a cluster of small orange dots in the upper right corner.

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## *Benefits of the B4D Pathfinder*

The B4D Pathfinder is a response to a recommendation by SADC countries at the SADC Conference on Poverty and Development held in Mauritius in April 2008.

It is anchored on the following innovative and user-friendly tools:

- A **B4D Charter** to express aspiration and commitment;
- A **B4D Barometer** with public reporting, to help a business along the journey of including the poor in its value chain and market development and to promote public accountability; and
- A **B4D Toolkit** to provide a set of knowledge-based tools that will help to guide a company towards best practice.

The corporate sector will be the main driver of the B4D Pathfinder but the benefits will extend beyond the private sector. The B4D Pathfinder will build on and work with existing CSR benchmarking and reporting schemes to help companies to improve and add value to their overall CSR effort. But without increasing their reporting burden.

The vision of the B4D Pathfinder is to drive change across the SADC region by harnessing corporate resources to help overcome poverty. The private sector will lead the effort, with government, civil society and donors working together with business leaders. The overall outcome for business would be a corporate sector trusted by society that would contribute to sustainable development and add long term value to regional well-being.



*Shared responsibility*

*Shared value*

*Shared benefits*

The B4D Pathfinder puts business centre stage in development but keeps the focus on broader social progress. It taps the best strengths of business to create long term value for business and shared benefits for society as a whole.



## *What is Inclusive Business?*

Inclusive business is an evolution in corporate social responsibility (CSR). It is emerging globally as a model with the potential to provide win-win solutions to the social challenges facing the 21st Century. It is an important component of the sustainability agenda, and offers companies a framework for integrating the principles of sustainable development into their core business activities.

There is a powerful social and economic case for inclusive business, and an imperative to encourage its adoption. It enables a company to meet the obligations to its shareholders and key stakeholders, as well as helping low income communities to break out of the poverty trap. Companies can build bridges with low income communities and contribute to overcoming poverty by including them in the company's value chain. This may be as suppliers and consumers of products and services, as well as potential distributors, retailers, employees, shareholders, owners and partners in joint ventures, or as sources of innovation.

This puts the relationship between a company and community on an equitable and mutually beneficial footing, so that they survive and grow together. The community participates productively in the local economy, and their human dignity is safeguarded through the principles and practices of CSR.

Inclusive business is a management model and a tool for the corporate sector. But the concept is relevant to all organisations that have a supply chain and could procure goods and services locally and from low-income communities.

## Doing well by doing good

The B4D Pathfinder is an evolution in corporate social responsibility. It at once maximises the social and financial benefits of a company's business strategy, as reflected in the graph below:

*The evolution of corporate social investment*





# *B4D Pathfinder Performance Tools*

The B4D Pathfinder performance tools will drive the promotion and adoption of inclusive business by inspiring and supporting the corporate sector to identify and capture opportunities for including low income communities in their value chain.

The **B4D Charter** will be supported by clear principles to promote shared values. Companies will make a commitment to work to reduce poverty by incorporating low income communities into the value chain and market development, while growing profitability and upholding the principles of corporate social responsibility.

The **B4D Barometer** will enable a company to measure progress towards inclusive business practices across its whole value chain. Through self-assessment and reporting, the company will be able to demonstrate continuous improvement across a range of indicators. The B4D Barometer is effectively a road map that can be a powerful tool to demonstrate changes in practices and trends for any indicator of management activity. Companies can progress at rates suited to their individual political, financial, technical and cultural circumstances. Each indicator is attributed a performance level. Aggregation of scores can be reported through the B4D Barometer which enables comparison between companies and sectors.

A test model of the barometer has been developed, supported by commercial supply chain software that is capable of large-scale data capture. This version, when fully tested and piloted, will be used by large companies with complex value chains.

The **B4D Toolkit** provides real and virtual guidance and support to help companies use the Barometer and implement inclusive business strategies. It will be a suite of products and services.

These performance tools will be tested, refined to the needs of participating businesses, and piloted – all through a formal consultation process with leading corporate in the region. The aim is to develop a regional, self-financing, multi-stakeholder body for the promotion, governance and accreditation of inclusive business in Southern Africa through the B4D Pathfinder.



*Business is good  
for development  
and development is  
good for business*

# *Inclusive Business is the gold standard in corporate social responsibility*

The B4D Barometer measures performance against inclusive business principles while maintaining current CSR commitments.

Level 1 is a state of low CSR and inclusive business. Level 4, the gold standard, means that companies have adopted best practice in inclusive business while upholding the principles of CSR. The levels reflect a changing balance between conventional CSR activities and inclusive business.



The B4D Barometer is a road map that can be a powerful tool to demonstrate changes in practice



## *Sharing Risks and Opportunities*

There is a compelling case for a multi-stakeholder approach to addressing poverty and social exclusion in Southern Africa. By working on these challenges together, all sectors can create wealth and overcome poverty.

The B4D Pathfinder is an opportunity for business and its stakeholders to manage the risks, share responsibilities and create opportunities together. The B4D Pathfinder product offerings are designed to help companies contribute to the economic development and sustainability of their locality. They provide a focus for their CSR activity and a framework for governing their relationships with various constituencies, including low income communities and governments. Using inclusive business, companies can define the scope of their social development responsibility.

The public and social sectors can all play an intermediary role in linking inclusive business practitioners and beneficiaries such as poor entrepreneurs and communities. Inclusive business is enabled by many factors, including the macro-economic landscape that defines the operating environment and micro-economic aspects that determine how companies interact with their suppliers, contractors and customers.

Governments therefore have a responsibility to ensure conducive and stable fiscal, monetary and regulatory environments, as well as good infrastructure, for business to flourish. Equally, to become good entrepreneurs and informed consumers, the poor need access to, amongst other things, skills, finance, legal rights and education.



## *B4D Pathfinder*

The SADC Employers' Group is the Southern African regional association of businesses that represents business interests in the SADC region. It is recognized by SADC as the voice of business in the region.

The Southern Africa Trust is an independent, regional, non-profit agency. It supports deeper and wider regional engagement to overcome poverty in southern Africa.

The B4D Pathfinder presents a mechanism for business people to work together and with other stakeholders, irrespective of the scale of their enterprise.

This is an opportunity to mobilise the skills, knowledge, experience and technology that exists within the corporate sector – to give business a real chance to make a big difference at the appropriate scale required to drive poverty down. It requires the cutting-edge thinking, drive, and creativity of the many people working within companies, as well as their genuine desire to see change.

The SADC Employers' Group and the Southern Africa Trust invite companies, organisations and individuals to work with other change-makers in our region to make the B4D Pathfinder a success.

*If you can contribute to the development of this exciting initiative, please contact:*

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We welcome your valuable feedback on the B4D Pathfinder.

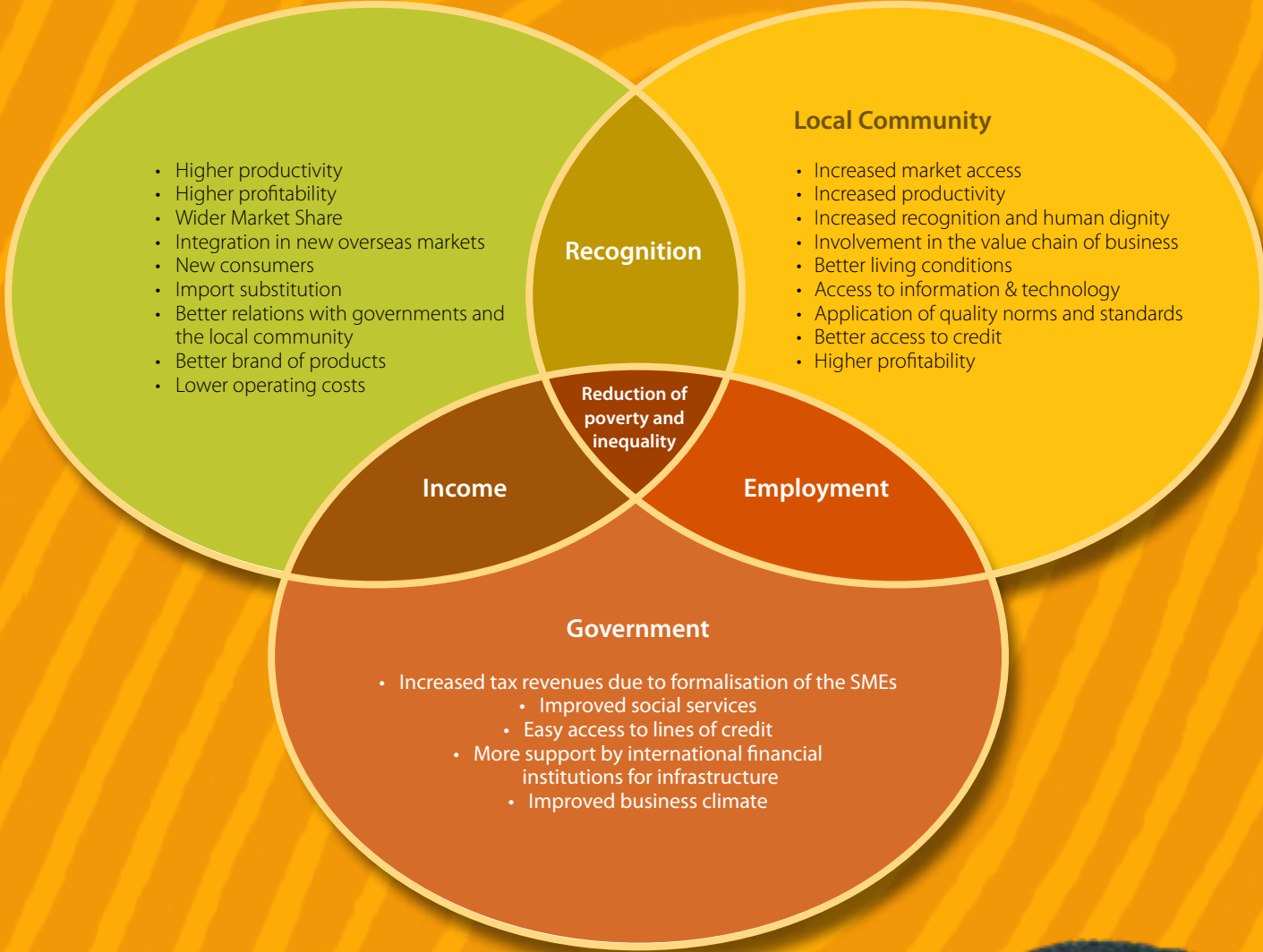


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**Southern  
Africa Trust**  
Influencing Policies To End Poverty

SADC Employers' Group  
hosted by

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