



50 innovative business models



What is a business model?

A business model is the way in which an organisation on the one hand creates and delivers value for others (from an awareness raising campaign to a fuel-efficient stove) and on the other hand sustainably finances it (from charging fees to winning government tenders). Every organisation, whether it is a business, a charity, a government department or faith-based organisation, uses at least one business model.

Over the years INGOs have used a huge range of business models to bring value to people in poverty and to finance it. These include being a consultancy provider, microfinance provider, being an investor, trader of fair-trade goods, traditional grant manager, etc. There are many imaginative ways that we can work – for example we can license our brand to others.

Some initiatives we spin off as separate entities, some we undertake as joint ventures while others we initiate ourselves. This list is designed to stretch our collective imagination of what is possible and take us beyond 'business as usual'.

We often take our own business models for granted and find it hard to consider alternatives – yet some of the biggest innovations come from transforming our business model.

Why do we care about new business models?

As INGOs we seek to maximise social impact. A new business model may be more sustainable for beneficiaries than our current approach. It could be that existing funding sources are drying up and the new model allows us to access different sources of finance. A new model may allow us to scale impact faster than we do now or deliver the same change but at a cheaper price. It may be that there is a real gap that we can work with others to fill or that new technologies may have created new opportunities to create social impact that never existed before.

For suggestions on how to use these in your team, please go to the end of this document.

1. Amazon

An online retailer which sells a range of products (books, electronics, apparel, etc) globally but also provides a marketplace for other retailers.

<http://www.amazon.com/>

2. Oxfam Shops

A physical and online retailer which deploys a conventional retail model, differentiated by the majority of its stock being composed of donated items. This cross-funds Oxfam's charitable work.

<http://www.oxfam.org.uk/shop>

3. Alibaba.com

Alibaba.com is an e-commerce platform for small businesses, connecting millions of buyers and suppliers around the world.

<http://uk.alibaba.com/>

4. South Sudan NGO Forum

An online platform which ensures there is effective and transparent sharing of information between NGOs operating in South Sudan and external stakeholders.

<http://southsudanngoforum.org/>

5. Ebay

An e-commerce company, providing consumer-to-consumer sales services via the Internet. Supports both auctioning and more traditional 'buy-it-now' purchasing options. Attracts both individual sellers and major online retailers.

www.ebay.co.uk

6. Zopa

A Peer 2 Peer loan service which matches up people wanting to lend or borrow money, removing the intermediary such as a bank, and providing better rates for lenders and borrowers due to the more efficient process.

www.zopa.com

7. Freecycle Network

A website which allows people to post possessions which they want to get rid of for others to browse and pick up, totally free. The mission of the organisation is to divert reusable goods from landfill.

<https://www.freecycle.org/>

8. Longitude Prize

Longitude Prize is a challenge with a £10 million prize fund to reward a diagnostic test that helps solve the problem of global antibiotic resistance. It is being run by Nesta and supported by Innovate UK as funding partner.

<https://longitudeprize.org/>

9. Innocentive

Crowdsources innovation solutions from across the world, which compete to provide ideas and solutions to important business, social, policy, scientific, and technical challenges. A global network of millions of problem solvers, with a cloud-based open innovation program.

<http://www.innocentive.com/>

10. Impact Hubs

Part innovation lab, part business incubator, and part community centre, each individual Impact Hub owns a vote in the Impact Hubs Association, a charitable company which manages global operations and facilitates the development of the network as a whole, now more than 200 hubs globally.

<https://www.impacthub.net/>

11. The Co-operative Group

Owned by its 8 million members, the Co-operative group operates an array of services from food and electricals to funeral care and insurance. Its structure ensures that the group's affairs are managed in the interest of its members and not about making profits for shareholders. The group integrates fair-trade principles.

<http://www.co-operative.coop/corporate/>

12. Alcoholics Anonymous (AA)

AA is concerned solely with the personal recovery and continued sobriety of individual alcoholics who turn to the Fellowship for help. An AA group can be set up anywhere in the world where 3 or more individuals are affected by alcoholism. Members follow a predetermined programme, the 12 steps, often led by a 'recovered' alcoholic and purchase reading/support material from the AA shop. The organisation is entirely funded by donations and purchases from its members.

<http://www.alcoholics-anonymous.org.uk/>

13. BasicNeeds

BasicNeeds is the only UK-based international non-profit organisation (social enterprise), and one of the few in the world, specifically working to make change on the issue of mental illness and epilepsy in developing countries. It spreads by franchising the 'basic needs' brand and methodologies to those who want to replicate it.

<http://www.basicneeds.org/>

14. The Trussell Trust

Trains churches and communities in the UK to set up foodbanks who receive donations of in-date, non-perishable food which are then sorted by volunteers into nutritionally balanced food boxes and distributed to clients in need.

<http://www.trusselltrust.org/how-it-works>

15. Airbnb

Airbnb is a community-based, two-sided online platform for listing and renting local homes. It connects hosts and travellers and facilitates the process of renting without owning any rooms itself. It cultivates a sharing economy by allowing property owners to rent out private flats.

<https://www.airbnb.co.uk>

16. Amnesty International MOOC

With EdX, Amnesty is providing massive, open, online courses that enable a far wider range of people to learn about human rights across the world.

<https://www.edx.org/school/amnesty-internationalx>

17. Fletcher Allen Telemedicine

Utilises information technologies in order to provide clinical health care at a distance. It helps eliminate distance barriers and can improve access to medical services that would often not be consistently available in distant rural communities.

www.fletcherallen.org/services/other_services/specialties/telemedicine/

18. Original Volunteers

A for-profit organisation that acts as a broker between volunteers and projects which are in need around the world. These projects include building and teaching projects.

<http://www.originalvolunteers.co.uk/>

19. Pimpmycause

A web-based platform which brings good causes in need of professional marketing support together with professional experts able to contribute this expertise free of charge.

<http://www.pimpmycause.org/>

20. Advocates for International Development

A4ID is a global charity that believes the law can, and should, be used more effectively to eradicate global poverty. It sources pro-bono legal support to meet the legal needs of international development organisations.

<http://www.a4id.org/>

21. Accenture Development Partners

Provides management consulting, technology and outsourcing services as a cost-covering rather than revenue generating segment of their business, providing the same services as they do for other companies but for charities.

<http://www.accenture.com/>

22. Self-Employed Women's Association

SEWA's aims are to organise women workers in India to attain full employment security and to make them individually and collectively self-reliant, economically independent and capable of making their own decisions. SEWA has its own bank and an innovative insurance scheme called VimoSEWA, covering the following risks: health, life, accidental death, assets and maternity.

<http://www.sewa.org/>

23. Sidai

Sidai aims to set up a network of at least 150 franchises in rural Kenya owned and managed by qualified livestock professionals. Sidai offers a comprehensive package of support to franchisees to ensure business success and quality of services delivered to farmers. Over time new products (vaccines and feeds) and new services (diagnostic tests, financial services and livestock insurance) will be introduced.

<http://www.sidai.com/>

24. AllLife

A for-profit company that designs, distributes and administers life insurance products. They provide life cover for individuals living with HIV or Type 1 or Type 2 diabetes mellitus who commit to follow an appropriate health monitoring and treatment programme.

<http://www.alllife.co.za/>

25. R4-Rural Resistance Initiative (Oxfam America, WFP and Swiss Re)

A four-part initiative which integrates insurance with risk reduction. Farmers exchange labour for insurance. They work on community projects building irrigation systems, making compost and planting trees to help improve community agriculture, reduce the future impacts of disasters and help farmers adapt to a changing climate.

http://www.swissre.com/rethinking/crm/The_R4_Rural_Resilience_Initiative.html

26. Poverty Action Lab

A research-based NGO that aims to reduce poverty by ensuring that policy is informed by scientific evidence. They accomplish this through rigorous on the ground testing of new approaches, impact evaluations, policy outreach, capacity building and modelling.

<http://www.povertyactionlab.org/>

27. RSA Research and Action Centre

In the light of new challenges and opportunities for the human race, the Centre's purpose is to develop and promote new ways of thinking about social issues. It primarily works in partnership with other organisations providing information, research, thought leadership and space for open dialogue. It connects to a network of 28,000 RSA fellows and is largely funded by fellows' membership fees.

<http://www.thersa.org/>

28. LifeSpring Maternity Hospitals

Helping lower-income women to access affordable, high quality maternal care through a chain of affordable, high quality maternal hospitals. Through LifeSpring's model of small hospitals (20-25 beds) and prices significantly below market rates, LifeSpring has achieved financial sustainability and social impact.

<http://www.lifespring.in/>

29. Jaipur Foot

By combining cutting edge research and simple product design using cheap and effective materials, Jaipur Foot provide prosthetics and wheelchairs to amputees (mainly due to a history of Polio) to marginalised members of India's society. Economies of scale are then deployed to make the model viable and sustainable.

<http://jaipurfoot.org/>

30. Chit Funds

A savings scheme which is mainly operated in India. Schemes are hosted by a chit fund manager, who receives a percentage of the total amount invested. A person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical instalments over a definite period and that each subscriber shall, in his turn, as determined by lot or by auction, be entitled to the prize amount.

<http://www.shriramcapital.com/chit-funds.html>

31. Fairtrade Foundation

The quality assured Fairtrade brand is licensed to retailers, which generates income for the Foundation. Farmers and workers operating under the Fairtrade logo are guaranteed higher trading and employment standards.

<http://www.fairtrade.org.uk/>

32. Oxfam-branded produce

Fairtrade olive oil produced by Palestinian farmers is sold, harnessing the power of Oxfam's brand to generate a higher mark-up than a traditional retailer would provide. The income generated is reinjected into helping the farmers and their community.

<http://www.oxfamfairtrade.be/about-us>

33. I Got Garbage

Launched by IT company Mindtree, it empowers ragpickers to better monetise their skills, while making it easier for Bangalore's population to recycle their waste. Ragpickers become recycling managers, receiving training, a uniform and a tablet so they can be hired by families and businesses in Bangalore to collect and recycle their waste which can be resold and recycled.

www.igotgarbage.com/

34. TOMS

A for-profit clothing company that provides shoes and glasses to beneficiaries in developing countries, by employing a model in which TOMS "would match every pair of shoes purchased with a pair of new shoes for a child in need."

<http://www.toms.co.uk/>

35. Oxfam Unwrapped

Oxfam Unwrapped charity gifts allow members of the public to 'buy a goat' or other item. These purchased items are then allocated against the money that Oxfam spends on these items as part of its programming.

<http://www.oxfam.org.uk/shop/oxfam-unwrapped>

36. Global Link

A global international payments operator which offers a secure, fast and inexpensive way to send and receive money anywhere in the world. It has developed a digital platform that enables customers to make onsite, online and mobile payments to any country, and in any currency. These payments can be delivered to bank accounts, picked up in cash, delivered in person, credited to a mobile wallet, credited to a card, or credited to a mobile phone account.

<http://www.smallworldfs.com/global-link/generic/en-gb>

37. Kickstarter

A global crowdfunding platform based in the United States which allows members of the public to pledge money towards a suggested idea. People who back Kickstarter projects are offered tangible rewards and special experiences in exchange for their pledges.

<https://www.kickstarter.com/>

38. CrowdRise

CrowdRise is a for-profit e-commerce company website that uses crowdsourcing to raise charitable donations. Users can create a page using a pre-existing template to raise funds for any cause they wish and CrowdRise takes a percentage.

<https://www.crowdrise.com/>

39. UnLtd

UnLtd is the leading provider of support to social entrepreneurs in the UK and offers the largest such network in the world. It operates a unique model by investing directly in individuals and offering a complete package of resources; from awards of funding, to ongoing advice, networking and practical support.

<https://unltd.org.uk/>

40. Impetus-PEF

A private equity foundation that finds high-potential charities and social enterprises that help economically disadvantaged young people to succeed in education and employment. After meeting certain criteria, Impetus-PEF invests in these organisations, working to improve the lives and prospects of children and young people living in the UK.

<http://www.impetus-pef.org.uk/>

41. Kiva

A non-profit organisation that allows people to lend money via the internet in the form of micro-loans to low-income/underserved entrepreneurs in over 70 countries. It creates a closer link between the lender and the loan recipient.

<http://www.kiva.org/>

42. Global Health Investment Fund

The Global Health Investment Fund uses public and philanthropic guarantees to attract private investors (including high net worth individuals, institutional investors, and strategic investors) to fund medical research and development that will lead to the eradication of preventable diseases in low-income countries.

<http://www.ghif.com/>

43. LeapFrog

A specialist investment company in emerging markets financial services, with more than \$500m under management. The manager invests in financial services firms that focus primarily on emerging consumers in Africa and Asia. LeapFrog's portfolio companies currently provide insurance, savings and pensions products to over 22 million people in countries such as India, Indonesia, Sri Lanka, the Philippines, Ghana, Nigeria and Kenya.

<http://www.leapfroginvest.com/>

44. MicroVest

MicroVest Capital Management, LLC is a private, for-profit investment adviser dedicated to reducing global poverty by applying a commercial framework to investing. By investing in 'underbanked' markets they aim to relieve poverty by providing capital and expertise.

<http://www.microvestfund.com/>

45. WWF-X

WWF-X seeks to achieve exponential impact within 10 industries in the next 10 years, by firstly identifying tested and viable sustainable innovation in those industries and secondly by working together with the main market actors to reduce risks and increase take up of significantly more sustainable methods.

<http://assets.wwf.org.uk/custom/stories/wwfx/>

46. 1 Million by 1 Million

One Million by One Million (1M/1M) offers access to Silicon Valley's knowledge, methodology and network to entrepreneurs all over the world. 1M/1M is a global virtual incubator/accelerator that aims to nurture a million entrepreneurs to reach a million dollars each in annual revenue.

<http://1m1m.sramanamitra.com/>

47. Twaweza

Twaweza is developing what it calls the “positive deviants” lab: the aim will be to find, understand and – when possible – replicate examples of highly effective citizen action and engagement across East Africa.

<http://www.twaweza.org/>

48. The Sustainable Food Lab

Brings together leaders from global food companies, governments, conservation and development NGOs, farmers and academics to envision inclusive, sustainable supply chains.

<http://www.sustainablefoodlab.org/>

49. Jita

In Bangladesh, Jita, established by Care, focuses on women who are destitute. The women are called aparajitas (a Sanskrit term meaning “she who cannot be defeated”) and they are offered jobs selling household goods, such as soap, household goods, even saris. Begun in 2005, Jita now employs more than 2,400 women across Bangladesh and has partnerships with companies such as Unilever, Danone and Bic.

<http://www.jitabangladesh.com/>

50. Change.org

A website operated by Change.org, Inc., an American certified B Corporation incorporated in Delaware that provides a ‘freemium’ petition tool for 65 million users and hosts sponsored campaigns for organisations.

<https://www.change.org/>

How to use these 50 examples to start a conversation on business model innovation in your organisation (Approximate duration: 3 hours)

Aim: To stretch the team's thinking about possible business models they could use and build a sense of possibility and permission in the team to think outside the box.

- Preparation: Print the examples on the previous pages onto card and cut out each example
- Write the Organisational Challenge you want to address on a flipchart (e.g. improve access to market information for farmers)
- Tip: This can work better if the participants have different backgrounds as this helps people step beyond 'business as usual' thinking
- Ask: 'What do people understand by business models?' 'Can you give an example of an interesting business model?' 'What is our main business model?' In pairs then feedback to plenary (15 mins)
- Share the definition on page 1 (15 mins)
- Get into groups of 4. Tell each group that it is an organisation which is going to pitch a business model to the others at the end of the session (5 mins)
- Deal the cards out to each person. Each person then works alone with their cards for 10 minutes to complete 5 'what if...' statements prompted by the examples on their cards, e.g. 'what if the programme itself operated as a cooperative?', 'what if we crowdsourced price information from farmers?'. The aim is to come up with as wide a range of ideas as possible (10 mins)
- Then people join the others in their group, share their initial ideas and choose the 3 'what ifs' which are most exciting using a dot voting system. They may seek to combine some of the ideas at this point (20 mins)
- Each group then needs to review their top 3 and decide on a business model that they are going to pitch to the rest of the group using the headings below (45 mins)

The Challenge – as agreed at the start

The Idea – in one clear sentence

Who are the key stakeholders in this?

How will it create social value?

What are the financial flows?

What is different/exciting about it?

- Each organisation will then give a 3-minute pitch to the rest of the group explaining their proposed business model (15 mins)
- Everyone votes using dots on which group pitched the most exciting idea. A simple prize could be given to the winning organisation (10 mins)
- Reflection: 'What have I learnt about business models?' Everyone shares one insight (5 mins)
- You may want to share the business model canvas at this point, which is a simple tool that can be used to map out a business model in more detail <http://diytoolkit.org/tools/business-model-canvas/> (5 mins)
- Plenary discussion: Is there any area around business models that we want to explore further as a result of this exercise? Who will lead? (20 mins)

Compiled by James Whitehead, Global Innovation Adviser for Oxfam. With thanks to Louis Cadiou-Horsley and Charles Anslow-Wilson who worked on this in a voluntary capacity.

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