

## INCAE Learning LAB (Latin-American Business): Learning from Latin-American Sustainability Champions

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*INCAE establishes a research and teaching program on creating knowledge in the field of corporate strategies at the base of the pyramid. It focuses on international strategies for exploiting bottom-up business opportunities in emerging countries.*

The immense challenges within the emerging countries already lead to innovations in sustainable business solutions. But many of the innovations take place on a low profile. In respect to supporting markets in developing countries that contribute to solve ecological and social problems, there is a need to enable and strengthen companies operating in emerging countries. They need to learn from best practices in emerging countries to build up company's local and international market position. These best practices are business solutions, which support companies at least twofold: Companies already strong in sustainable community involvement and supply chains are challenged in respect to end customers by the positioning of sustainable products and services. Companies already strongly positioned to end consumers are challenged by innovative solutions for sustainability practices in their supply chains and community involvement.

Through a collaboration of corporations, INCAE and other leading universities, cooperatives, farmers, public administrations, nonprofit organizations and international non-governmental organizations, the program seeks management and technological innovations that increase sustainability at the base of the pyramid.

The program shapes and fosters the systematic adoption of ground-breaking innovations through (a) highlighting and replicating proven best practices already benefiting actors at the base of the pyramid, (b) developing new business opportunities, innovative business solutions, and technological innovations in markets of developing countries, (c) and through overcoming organizational and contextual roadblocks that prevent those two developments.

Based on INCAE's past research over 15 years we propose three core practices where corporations are directly linked with the production and livelihood of producers and people at the base of the pyramid:

1. **Exploring changes in core business practices:** Many corporate social responsibility approaches propose that companies should invest in social services like nonprofits do. But these activities are not within the corporation's field of competencies. A significant impact can only be made if corporations make changes within their core businesses.
2. **Capitalizing on IT-innovation practices:** IT and other technologies are one of the key instruments to scale impact and to create innovative solutions at the base of the pyramid. We know the potential of IT to scale innovation and impact by experiences of projects in the field of mobile phones in emerging countries.
3. **Channeling bottom-up strategic change practices:** In many projects, well-developed ideas are not realized because the cultural perspectives of the local communities were not taken into account. The goal of higher income and greater financial security of local producers and the corporation alike cannot be generalized without taking the local cultural and historical context into consideration. Therefore, strategic change practices at the base of the pyramid are of importance.

The program develops a strategy model, that (a) proofs the importance of these three practices, (b) defines how these three elements have to be combined and (c) how they are embedded in highly complex local and international context factors like cultures, histories, different public and civil society institutions and business competitors.