

THE BoP CONCEPT: TAKING CSR ONE STEP FURTHER

A perspective on corporate social responsibility by Miruka Martin, Kenya

The African and Asian continents have huge numbers of people living off less than \$2 a day. On these two continents, and by extension in the lower regions of the economic pyramid, lies the next frontier for multinational companies –because business is all about numbers.

If it's that obvious, then why is it that only a handful of multinational companies (MNCs) are angling for a piece of the action? The key to the Bottom of the Pyramid market lies in commitment.

The BoP concept requires not only a shift in thinking, but also different methods and at times a new and improved product or service. Where CSR expeditions often drain the annual profit, investing in BoP activities leads on the one hand to business innovation and on the other to a lasting impact on the targeted communities.

Below you will find a quick scan to help you tell the difference between CSR and BoP.

Is there a direct profit?

CSR benefits the company indirectly through goodwill and visibility value. BoP as a concept is directly profitable. If there is no direct profit, it's not sustainable. BoP is about sustainability.

Is innovation required?

CSR strategy generally adapts to the core competences to not disturb business as usual. BoP initiatives require innovation across the board. BoP's innovative power impacts upon product development, manufacturing processes, distribution models, and communication strategy. BoP will either change the way a company does business or it will call for the set up of a new company to carry it through.

Is the corporate strategy affected?

The thin line between CSR and BoP is drawn at the heart of corporate strategy. An initiative with positive social impact is CSR. An initiative with positive social impact that significantly alters the corporate strategy is BoP.

There is no longer any debate whether there is fortune at the bottom of the pyramid. Which MNC will make a fortune at the BoP frontier? I bet my money (and fortune) on the company with the highest commitment to innovation!

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