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# What Firms Can Learn From NGOs in Africa



By [Luk Van Wassenhove](#) and [Harwin de Vries](#), INSEAD

## **Cross-learning between the corporate world and non-profits helps both sectors to best serve their stakeholders.**

INSEAD's A Force for Good campaign has been going strong since the launch of the [Hoffmann Global Institute for Business and Society](#) last October. With the ultimate goal to "make a meaningful difference in the world", the campaign strives to "fortify our academic excellence, drive breakthrough innovation and transform society on a global scale". This is not a new stab at CSR; in fact, the INSEAD Humanitarian Research Group (HRG) has pursued this mission ever since it was created nearly 20 years ago. Working closely with humanitarian organisations like UNICEF, UNHCR, the World Food Programme (WFP) and others, we apply our academic expertise to help improve disaster relief and development programmes and to transfer knowledge between the humanitarian and corporate sectors. Our research papers and case studies detail how businesses can learn from humanitarian organisations operating in volatile, highly dynamic environments and turn this experience into informed teaching at INSEAD.

After all, there's no such thing as a risk-free business. As companies find themselves in increasingly volatile and unpredictable situations, not only in Africa but all over the world – Brexit, a possible **trade war** between the U.S. and China, uncertainty in **Europe**, the devastating tsunami in Japan, recent events in Brazil and Venezuela – they realise they are vulnerable to all sorts of shocks. With the right context and mindset, firms can channel risk into opportunity. Through a deeper understanding and involvement with the local communities, firms are granted a level of preparedness and protection when something unsettling happens. In our centre of excellence, we specialise in helping organisations that have little in the way of resources yet an enormous number of beneficiaries.

Although the academic grounding of most of the group is supply chain management, this doesn't translate into solely technological solutions. We understand that problems faced by humanitarian organisations in different countries are all unique. Connecting with people who understand local contexts will lead to the best, and most innovative, solutions.

In light of the HRG's long experience working with NGOs, governments and inter-governmental agencies in Africa, here are five current projects having an impact both in their respective countries and in the classroom.

### **Uganda: Data science for family planning**

For 225 million women worldwide, contraception is out of reach. Their inability to make choices about family planning has immense consequences for health and development. To address the problem of access, **Marie Stopes International** (MSI) deploys over 500 mobile outreach teams, mostly in Africa. They visit hard-to-reach populations, e.g. in remote villages, several times a year to provide family-planning services. Five hundred teams may sound like a lot, but unmet needs in such communities is still overwhelming. It is therefore crucial to deploy them wisely for maximum impact.

With help from INSEAD PhD students, and working in close collaboration with MSI, the HRG builds upon existing methods from the academic fields of operations and supply chain management to improve the effectiveness of the outreach teams. Through smart use of data science techniques such as machine learning and combinatorial optimisation, we support decision makers on where the teams should be deployed and how frequently they should visit a village.

After a thorough analysis of the MSI Uganda data, we estimate that our interventions enable the outreach teams to serve up to 20 percent more clients. Given [severe budget cuts](#), this result is very timely.

## **Senegal and Kenya: Medicine supply chains**

Availability of essential medicines such as antimalarial drugs and antibiotics is very low in many African countries. The crude reality is that medicines are often available at a national level but do not reach the right place at the right time. Inadequate supply chain management is often at the core of the problem.

In collaboration with the [WFP](#) in Senegal, we help map supply chains for family planning products in nine West African countries. We also assist in identifying gaps in capacity and opportunities to strengthen them. By providing visibility, the project aims to foster coordination between all health supply chain stakeholders in the region.

Supply chain management is also a factor in a separate project with PharmAccess Foundation and the University of Nairobi. In this project, we try to understand the lack of access to essential medicines, using the perspective of health facilities. What factors create this understock? Is it a lack of skills, supplier issues, regulatory problems, budget constraints, unhelpful incentives or inadequate inventory control systems? We conducted interviews in 40 low-income, private health facilities in the slums of Nairobi. We are currently analysing the interview data to design better ways to manage these health facilities and improve access to essential medicines. Because we were on-site and worked with local people, we can base our solutions on a rigorous understanding of the situation. While digging for the root of the problem, we often find that technology is not the answer.

Our data design and analyses inform corporations on the supply chain realities they can expect when doing business and give them a sense of the solutions and systems that really work.

## **Djibouti: Strategic agility - learning from humanitarian organisations**

In Djibouti, we found how creative, local solutions to supply chain issues could save lives. The Saudi-Arabian-led coalition's bombing abruptly disrupted UNICEF's vital supply lines into war-torn Yemen. Notwithstanding

challenges like safety concerns, depleted fuel resources, utterly damaged infrastructure, failing communications and a limited staff, UNICEF orchestrated a successful response to the blockade. They set up a forwarding hub in Djibouti and used *dhow* vessels (small traditional ships) to reach strategically located Yemeni ports that were not generally used by international organisations, quickly redesigning their supply chain. The HRG analysed the secrets behind UNICEF's response and described in the case study, "[Humanitarian Agility in Action](#)", what other organisations can learn from this successful intervention. We found that much depends upon having the right organisational and strategic capabilities in place. As detailed in a previous [INSEAD Knowledge](#) article, the key capabilities are strongly related to the concept of strategic agility and its three pillars: strategic sensitivity, collective commitment and resource fluidity. The corporate world, as well as humanitarian organisations, can use these insights in practical ways.

### **Ghana: Large-scale procurement and supply management capacity building**

You have heard about distance learning, MOOCs and other forms of online learning, but you can surely imagine how difficult it is to train a million people at a time. Harnessing a blend of digital and physical methods for capacity building, we are working with partners such as the "**Big Learning Centre**" to train a very large number of health practitioners.

We collaborate with Empower School of Health, the United Nations Development Programme and the Access and Delivery Partnership (ADP) to build procurement and supply management (PSM) capacity in Ghana. Lack of expertise in this area is seen as a major barrier to scaling access to medicines and introducing new medicines or health products. As PSM capacity building is important throughout Africa, we try to understand what works when reaching large communities of practitioners, using project management and performance scorecard techniques to evaluate efforts rigorously.

### **UNHCR: Fleet management in humanitarian organisations**

Transportation is one of the largest budget items of any humanitarian mission. Despite the immense costs associated with procuring, using, maintaining and disposing of vehicles, large inefficiencies persist. Every dollar saved on vehicles is a dollar that can be spent on funding

humanitarian programmes directly. Reducing these inefficiencies can potentially save lives and reduce suffering.

In the coming months, we will perform in-depth analyses of in-country fleet management practices for UNHCR in Chad, Ethiopia and Uganda. Our objectives are to develop a suitable method for right-sizing country fleets, ensure proper vehicle use and decrease asset and resource immobilisation.

Reducing sources of inefficiency has long been at the centre of the HRG's research projects. We apply insights and methods from operations and supply chain management to help humanitarian organisations. In turn, we have used our research in INSEAD classrooms, through case studies like "[Fleet Forum: Rethinking Humanitarian Vehicle Management](#)".

## **Cross-learning**

Each of these projects exemplifies the value of cross-learning. Business can be a force for good, *and* analysing humanitarian operations can be a force for good business. Academic knowledge can make a real and concrete impact in the humanitarian relief and development sector.

The corporate sector, in turn, has much to learn from how humanitarian organisations operate in the face of huge uncertainties, incredible complexities, extremely limited resources and a multitude of stakeholders with sometimes misaligned incentives.

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## About the series

### Diversity, Equity and Inclusion

As society increasingly demands more inclusive leadership and culture, INSEAD is actively studying and engaging business leaders and practitioners on anti-racism, gender balance and other key topics related to creating fairer, more representative organisations. In this series, INSEAD faculty and their close collaborators with rich experience in practice give their insights and suggestions on how to develop diversity, equity and inclusion (DEI) in businesses and organisations.

### Healthcare Management

The **Healthcare Management Initiative** at INSEAD was founded on the belief that many of the systemic challenges of the healthcare industry globally can benefit from the application of principles that stem from rigorous, evidence-based thought leadership.