

Increasing the wealth of the poorest section of the world's population in a sustainable manner and simultaneously making a profit. Impossible? Not according to economist C.K. Prahalad. In his international bestseller "The fortune at the Base of the Pyramid" (BOP), he explains how this might work. The core of the BOP approach is the realization that the four billion people that form the 'base' of the global economic pyramid have, together, an enormous economic potential that is currently largely unused. This poses attractive opportunities for companies – new markets with an impressive growth potential.

## More effective than charity

# Base of the Pyramid strategy stimulates innovation



Oscar Goddijn next to an extruder that is being used for the recycling of plastics

### Profit

Just like other leading businesses, BOP is of huge interest to DSM. "The BOP model is perfectly linked with DSM's Triple P strategy," says Oscar Goddijn, Director of the Business Incubator at the DSM Innovation Center and the person responsible for the elaboration of a DSM strategy that focuses on the BOP approach. "Profit is the crucial component. It is becoming increasingly clear that charitable causes and donations are inadequate for improving the position of the poorest section of the world's population. For that reason, large aid organizations are increasingly approaching multinational businesses to develop sustainable business in the BOP that will be of benefit to all parties. That's what it's all about."

### Culture

With a view to the ambitious innovation objectives, working on this within DSM is a logical choice, in Oscar's opinion. "You step into a whole new world. You have to leave behind everything that is taken for granted in the Western world. You have to deal



Final discussion with the community center management team

with another culture, another way of living, different resources and another view of the world. That creates problems that cannot be solved easily, which means that you desperately need innovations in order to be successful in these new markets. And that does not mean solely the development of new products, but also innovation in business models, distribution and logistics. How do you reach all of these people?"

### Train

He emphasizes that, from a business point of view, it is foolish for Western companies to disregard these potential markets. "The BOP is more than just a challenge, it could also become a threat. There are already examples of companies that initially focused on the BOP and that have enjoyed so much success that they have spread their wings into the Western world. The tremendous speed with which a country such as India develops makes it essential that you jump on the bandwagon in good time. The train may take a while to get going, but it soon becomes unstoppable."



Urban traffic in India



Community center in Rajasthan



Community center in Rajasthan



A street in Delhi



A street in Delhi

Truly make a difference

## A journey to India provides many eye-openers



Toine van den Berk



Jilco Schuurmans

Having just returned from India, Jilco Schuurmans and Toine van den Berk hardly know where to begin telling their story. “You don’t know what you are seeing,” says Toine, Senior Sourcing Analyst at DSM Sourcing. “In Delhi, I visited an educational project in a slum area. They are taught amongst garbage, literally, but their enthusiasm is tremendous.” Jilco and Toine won the opportunity to partake in this journey during the DSM Next conference earlier this year. The objective of the trip was to work in non-governmental organizations (NGOs) on the basis of the basic principles of the Bottom of the Pyramid theory (BOP). After three days in Delhi, the group – thirteen Dutch citizens and four Indians – split into small groups and worked in local NGOs for six days.

### Inspiring

Jilco, Account & Program Manager from the Corporate e-Business division, was in a group that was placed in a community center in Rajasthan that had a workforce of approximately 300 women who make various products using traditional methods – block printing, quilting and pottery-making. The task was to see how this NGO could be transformed into an independent, socially responsible business. Jilco: “The women in the community center have a good idea of the challenges and threats of their business. The SWOT analysis was therefore also entirely composed of interviews with all of the parties involved.” He noticed that you are quickly able to make some form of contribution. “Small suggestions are snatched up immediately, which is really inspiring.” Toine’s group visited small farms in the Gujarat province in order to investigate why sales of a trickle irrigation system had decreased. It quickly emerged from conversations with the farmers that subsidies and masked donations were the main cause of the reduction and that this affected the market processes of the whole chain.

### Sustainable

They both feel that BOP offers great opportunities, both to improve the wealth of the population and for DSM to continue its work in a sustainable manner. “You can truly make a difference,” says Jilco. However, you have to keep an open outlook. Toine: “You have to think outside of the box and examine all possibilities with an open mind. The most important thing is that you truly know what the population needs and what it has to offer.” A great deal of persistence is required, warns Jilco. “People must not think that this is an easy way to make a quick buck.”