



Education

Engage the BOP as both suppliers and consumers of educational products or services for children or training for adults

The Opportunity

The **BOP is willing to invest in a quality education**.ⁱ For example, in one of India's poorest states, parents are willing to spend more than 10% of their monthly income to send at least one child to private school.ⁱⁱ Serving BOP customers enables businesses to access new consumer segments that are eager to invest in education.

The global **market for educational products and services is growing rapidly** (by nearly 50% from 2012 to 2017), primarily driven by an expanding international middle class in emerging economies.ⁱⁱⁱ Growing global education market indicates greater opportunity for business.

"Impact sourcing" – training and employing individuals at the BOP – results in a **more engaged and motivated workforce while also increasing global competitiveness** and decreasing costs. This model is growing at 11% year-over-year, compared to 9% for traditional sourcing.^{iv} Training and employing individuals at the BOP offers a clear value proposition for businesses.

Primary Business Models Employed

(note that businesses may employ components from multiple models or entirely different models)

Demand-led training: The business acts as a third party vendor to identify, train, and place employees for job openings.^v

Distribution through dedicated direct sales force: The business recruits and trains local agents as a direct sales force to reach into communities to sell and distribute goods or services.^{vi}

Impact sourcing: The business intentionally connects low-income individuals to available jobs, providing skills training or engaging a third party (demand-led training) to train future employees.^{vii}

Value-for-money degrees: The business offers a more financially-accessible form of education, reducing costs by delivering programming in standardized modules and increasing value by providing both course content and career services that are closely tailored to the job market.^{viii}

Company Examples

Pearson: Invests in social enterprises including Sudiksha Knowledge Solutions in India, which trains local women as teachers and empowers them to run branches of a low-cost preschool network.

Starbucks: Hires unemployed low-income youth in the U.S. as apprentices, interns, part-time and full-time employees.

Key Considerations / Risks

For programs focused on improving education, government support (through financial investment, market development or a favorable policy framework) can play a significant role in the program's success and ability to scale.

Programs have been successful bundling education with other services (such as internet access via mobile network) to create more value at a low price point.^{ix}

Potential SDG Alignment



ⁱ Monitor Group (2009). *Emerging Markets, Emerging Models: Market-Based solutions to the Challenges of Global Poverty*. Available from www.beyondthepioneer.org/wp-content/uploads/2014/04/emergingmarkets_full.pdf

ⁱⁱ Ibid.

ⁱⁱⁱ Shared Value Initiative (2013). *The New Role of Business in Global Education: How companies can create shared value by improving education while driving shareholder returns*. Available from <http://sharedvalue.org/sites/default/files/resource-files/FSG-PrintReport-Final.pdf>

^{iv} Rockefeller Foundation (2016). Impact Sourcing: Innovative employment models with positive business and social impact. Available from <https://www.rockefellerfoundation.org/our-work/initiatives/impact-sourcing/>

^v Monitor Group (2011). *Promise and Progress: Market-Based Solutions to Poverty in Africa*, May 2011. Available from <http://web.mit.edu/idi/idi/Africa-%20PromiseAndProgress-MIM.pdf>

^{vi} Ibid.

^{vii} Rockefeller Foundation (2016). Impact Sourcing: Innovative employment models with positive business and social impact. Available from <https://www.rockefellerfoundation.org/our-work/initiatives/impact-sourcing/>

^{viii} International Finance Corporation (2011). *Accelerating Inclusive Business Opportunities: Business Models that Make a Difference*. Available from <http://www.ifc.org/wps/wcm/connect/12216300487cbe85bbddf51e3a7223f/InclusiveBusinessReport2011.pdf?MOD=AJPERES>

^{ix} Business Call to Action (2014). *Breaking Through: Inclusive Business and the Business Call to Action Today: Mapping Challenges, Progress and the Way Ahead*, September 2014. Available from http://www.businesscalltoaction.org/wp-content/uploads/2014/09/BCtAImpactReport_BreakingThrough.pdf