Social Franchise Innovations Roundtable

Optimizing the full potential of the franchise model to achieve social good

Tuesday September 22 – Wednesday September 23, 2015
University of New Hampshire Campus, Durham, NH USA
The **Social Franchising Innovations Roundtable** brings together representatives from both the social and commercial franchising sector to discuss how social franchises can improve both their social and financial bottom-lines by learning from and possibly partnering with commercial franchises. This is a “think-do” session which will deeply ask what the full potential of Social Franchises is to:

1. Meet critical human needs
2. Create good paying jobs and livelihoods
3. Operate as socially and financially sustainable businesses

SFIR Sessions - Designed to pinpoint challenges, brainstorm solutions and strategize for execution of solutions.

Invitees – A cross section of Social and Commercial Franchise professionals, impact donors and investors

Outcomes – New partnerships, openings for better practices, a foundation for a new level of Commercial/Social prototyping for the common good

COSPONSORS
PURPOSE
Social franchises have emerged as promising double-bottom-line enterprises that can provide access to empowering and lifesaving services and products for the Base-of-the-Pyramid [BoP] market, promote a viable microenterprise sector and create value along the supply chain for all stakeholders. At this stage of development those working in the field of social franchising could benefit from understanding more about the critical factors that have influenced the extent to which franchises have succeeded (or not) in both the social and commercial sector. In this way, we can work toward advancing more quickly so that we can collectively do more good for more people sooner. To that end, the Roundtable is bringing together representatives from the social and commercial franchising sector, academia, consultants, donors and impact investors to share ideas and brainstorm solutions to commonly experienced challenges to achieving desired social and financial results.

On day One we will explore what various social franchise organizations are doing to increase their scale, sustainability and impact. On day Two all participants will work in teams with SMALLIFY, an innovation capacity-building firm, to generate practical solutions that can be tested immediately by participating social franchises, and take steps towards a cohesive and broad-based community of practice to advance learning and collaboration long after this meeting.
AGENDA
Challenges and Opportunities of Social Franchising
Tuesday, September 22nd

09:30 AM   Registration
10:00 AM   Welcome
10:15 – 10:45 AM   Keynote – At the cross section of government, non-profit, and commercial sectors there is fertile ground for social franchising
10:45 – 11:00 AM   Coffee Break
11:00 – 12:00 AM   Panel Discussion – The State of Social Franchising as a Field of Practice: Progress, Challenges, and Opportunities
12:00 – 1:00 PM   Lunch
1:00 – 3:00 PM   Case studies on Advancements in Social Franchise Models: New directions, new strategies, and new challenges
3:00 – 3:15 PM   Break
3:15 – 4:45 PM   Panel Discussion – Adapting Commercial Franchise Strategies to Solve Social Franchise Challenges
4:45 – 6:00 PM   Panel Discussion: Scale and Results: Expectations from Donors and Impact Investors
6:15 – 7.30 PM   Cocktails and Dinner with Keynote speaker
7:30 PM   Adjourn

Brainstorming Ideas and Generating Prototype Solutions
Wednesday, September 23rd

8:30 AM   Breakfast
9:00 – 9:30 AM   Synthesis Day One
9.30 – 12.00 PM   Insight Sharing, Idea Generation and Rapid Prototyping
12:00 – 1:00 PM   Lunch
1:00 – 2:30 PM   Designing Experiments and Taking Action
2:30 – 3:00 PM   Final Commitments and Next Steps
3:00 PM   Adjourn
OVERVIEW of SESSIONS

Day 1 Challenges and Opportunities of Social Franchising

10:15 – 10:45 AM  Keynote – At the cross section of government, non-profit, and commercial sectors there is fertile ground for social franchising

Heerad Sabeti, Convening Trustee, Fourth Sector Network

Over the past few decades, the boundaries between the public (government), private (business), and social (non-profit) sectors have been blurring as many pioneering organizations have been blending social and environmental aims with business approaches. There are many expressions of this trend, including corporate social responsibility, microfinance, venture philanthropy, sustainable businesses, social enterprise, privatization, community development and others. As this activity matures, it is becoming formalized as 'Fourth Sector' of the economy. There is tremendous potential for social franchising to thrive in the fourth sector.

11:00 – 12:00 PM  Panel Discussion – The State of Social Franchising as a Field of Practice: Progress, Challenges, and Opportunities

Julie McBride, Senior Social Franchise Consultant, MSA Worldwide (moderator); Greg Coussa, Country Director, International Center for Social Franchising (USA); Deborah Burand, Assistant Professor, NYU School of Law; Moderator: Marla Rosner, MSA Worldwide.

A diverse group of social franchising stakeholders will discuss their take on how the field has progressed, where the key challenges to progress lie, and where they see opportunities for growth. Some key challenges that will be discussed include:

- Insufficient attention to defining and building brand promise for consumers to drive the franchise (versus meeting donor targets to distribute products and services to beneficiaries)
- Low financial sustainability of franchisees and franchisors incapable of recovering substantial part of their costs or able to afford appropriate franchisee fees and royalties without other subsidies.
- Lack of access to third-party payer mechanisms (health social franchises) or other consumer financing mechanisms.
- Relatively low business and management capacity of franchisees and franchisors
- Insufficient economic added value to franchisees, through branding and other key components of franchising (operations manuals, agreements, etc.)
- Limited access to finance for franchisor start-up, franchisor operations, franchisee operations, capacity building, and consumer financing.
1:00 – 3:00 PM     Case studies on Advancements in Social Franchise Models: 
New directions, new strategies, and new challenges

Julius Adrian R. Alip, President and CEO, CARD MRI/Hapinoy (Philippines); Judi Heichelheim, Regional Director, Latin America, Population Services International; Scott Hillstrom, Founder and Chairman of the Board, HealthStore Foundation; Carter Garber, Executive Director, IDEAS/ TecAp (Nicaragua)
Moderator: Fiona Wilson, Paul College, UNH

Social- and micro- franchise practitioners will explain their current business models and rationale behind any changes they have made or are making to their model. The panelists will be upfront about challenges they are facing as they strive to improve sustainability of their franchises and how they are planning to address those challenges. This session lays the groundwork for subsequent sessions and the problem-solving lab on day two.

3:15 – 4:45 PM     Panel Discussion – Adapting Commercial Franchise Strategies to Solve Social Franchise Challenges

Michael Seid, Managing Director, MSA Worldwide; Peter Holdt, CEO, Tasti D-Lite; E. Hachemi Aliouche, Rosenberg International Franchise Center, UNH; Commercial Franchisor TBD
Moderator: Kim Wilson, Lecturer, The Fletcher School, Tufts University

Panelists will share insights and respond directly to challenges presented by social franchisors in the preceding panel. The panel will provoke discussion around the application of commercial franchise principles to the social sector and ways in which commercial franchisors can engage productively with the social sector. Some of the questions that will be discussed include:

- How and why systems and key performance indicators (KPIs) are established in a franchise system and how they are used and adjusted to create successful franchises.
- How profit and investment risk incentives inherent in commercial franchising can be adapted successfully to social franchising.
- How qualification standards for recruiting commercial franchisees are adapted to work at the BoP.
- The extent to which resources generated through royalties and other revenue streams can replace or reduce subsidies required from donors.

4:45 – 6:00 PM     Panel Discussion: Scale and Results: Expectations from Donors and Impact Investors

Priya Agarwal, Executive Director, Merck for Mothers; John Simon, Managing Partner, Total Impact Capital; Elaine Menotti, Technical Advisor, USAID Office of Population and Reproductive Health. Moderator: Michael Swack, Carsey School of Public Policy, UNH

Representatives of different sources of funding for social franchising will share their thoughts about the potential benefits and risks of investing in social franchises,
where they would like to see advances, and how they would be able to support the community of practice in making these advances.

6:00 – 8:00 PM  Cocktails and Dinner with Keynote speaker
Kim Wilson, Lecturer, The Fletcher School, Tufts University

Day 2 – Brainstorming Ideas and Generating Prototype Solutions

9:00 – 9:30 AM  Synthesis Day One
With the help of yesterday's discussion moderators, we will summarize the key challenges keeping social franchising from realizing its full potential, which emerged the day before, and the emerging solutions that have been proposed so far. What remains unresolved? Are there any ideas that the roundtable has not heard so far?

9.30 – 12.00 PM  Insight Sharing, Idea Generation and Rapid Prototyping
SMALLIFY, an innovation capacity-building firm, will use its Rapid Innovation Lab™ to guide participants through a set of experimental innovation practices (to arrive at creative solutions to the key challenges to social franchising identified by participants the day before. In addition to generating practical solutions for social franchising challenges, participants will take steps towards a cohesive and broad-based community of practice to advance learning and collaboration long after this meeting.
Judy Issokson, Partner, SMALLIFY

1:00 – 2:30 PM  Designing Experiments and Taking Action
Participants will design prototypes and experiments that can generate “small wins” to build and sustain momentum. Participants reflect on the experience, how to move the ideas forward, and lessons learned (how to apply innovation skills, tools and mindsets in the everyday work).
Judy Issokson, Partner, SMALLIFY

2:30 – 3:00 PM  Final Commitments and Next Steps