



# CO-CREATION

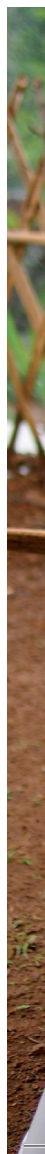
## CO - CREATION AT DANONE

➤ Opening societal project governance to maximize the creation and sharing of economic and social value



### A PRACTICAL GUIDE TOWARDS CO-CREATION

- ✓ Guidelines
- ✓ Testimonials
- ✓ Toolkits



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# EDITORIAL



**MURIEL PÉNICAUD,**  
Chair of the Board of the Danone  
Ecosystem Fund and Chair of  
AgroParis tech

“ Pooling our complementary fields of expertise - traditionally confined to their respective areas of action - to find solutions to current economic, societal and environmental challenges together - is the aim of the co-creation

approach that guides societal innovation at Danone.

From project design to collaborative project management, our work with NGOs, local institutional players and universities is always leading us to explore new forms of governance. It is an undeniable fact that our organisations are mutually enriched by this process, which makes us stronger and transforms us, increasing the impact of our projects.

Taking the time to get to know our partners, their organisation and the values that underpin their actions is a crucial factor in making our initiatives a success. With this guide to co-creation, we therefore felt it important to share a few of the guiding principles of our approach, as well as some of the things we have learned from the co-creation process implemented in the Ecosystem and danone.communities projects.

This way, we can experiment with new forms of governance that help transform our respective organisations and roles.

This is therefore an initial version which I am convinced will lead to many new testimonials praising the innovative and impactful nature of co-creation at Danone.”

A handwritten signature in black ink, appearing to read 'Muriel'.

# INTRODUCTION

As the number of co-creation initiatives around societal innovation projects is increasing within Danone, it is essential to support the construction and management of partnerships by sharing experiences.

## This will allow:

- ➔ **Greater knowledge of the different types of partners** (their motivations, their culture and their organisation), for a coherent, balanced partnership.
- ➔ **Improved risk management:**
  - Reliability of the partner (financial and material capacity, political and financial independence).
  - Credibility of the partner (reputation, transparency, references).
  - Impact on reputation in case of unsuccessful or conflictual partnerships.
- ➔ **Facilitation of co-creation thanks to a structured method:**
  - Knowledge of the key stages and language elements.
  - Development of a genuine attitude to co-creation instead of the usual service provider behaviour.

By learning from Danone's previous experiences this guide aims to provide practical tips, testimonials and decision-making tools to facilitate the implementation of co-creation initiatives, while allowing the "personality" and innovation of each partnership to express themselves freely.

## The key stages of co-creation:

UNDERSTAND co-creation	COMMUNICATE between organisations	CO-BUILD the right partnership	CO-DESIGN the project	CO-MANAGE the project	CO-END the project
An understanding of Danone vision of co-creation	Practical tips for facilitating communication between two organisations with different cultures	A frame of reference for choosing the right partner	Governance guidelines, contract key terms and project case template	Guidelines for co-managing the project, co-monitoring social and economic progress and communicating jointly	Guidelines for organising gradual exit of partners towards project self sufficiency

**N.B.:** This guide focuses on the presentation of one of the co-creation stakeholders: NGOs.

# UNDERSTAND

## CO-CREATION AT DANONE

### DEFINITION

1

#### ✓ Changing the paradigm: from a mere collaboration to the creation of shared responses

The traditional opposition between companies and NGOs has decreased with the extension of competitiveness in the non-profit sector on the one hand, and companies' awareness of the importance of social and environmental actions for the sustainability of their business on the other hand.

If combined, the means and expertise of both companies and NGOs could provide more effective responses to the complex challenges of the fight against poverty and unemployment, access to health care and education, accessibility to offers and services for "Base of the pyramid" populations, etc. This has been stated by the UNDP (United Nations Development Programme), particularly through the GIM (Growing Inclusive Markets) initiative, which supports and promotes these new collaboration processes.

New dependencies arise between companies and NGOs that co-creation manages to transform positively into a greater freedom of action and a greater efficiency for both organisations. From a time of co-existence, then collaboration, we have entered an auspicious period for innovation and the creation of shared responses.

Social action now requires of us to go beyond philanthropy by transforming donations into co-investment.



**STÉPHANIE SCHMIDT,**  
Managing Director, Ashoka's Full  
Economic Citizenship initiative

"Co-creation between a corporation and a Civil Society Organisation can generate innovation by mixing different approaches and can help maximize scale and impact, bringing the best of the two worlds. It is time to forget about the old ideological divisions and tear the walls down between forward-thinking companies and the non-profit sector to co-create this new space of for-profit business models with high social impact."

## ✓ Definition of co-creation

→ **Who?** a company with...

- NGO
- Social entrepreneur
- Foundation/Public interest foundation/Endowment Fund
- Institution
- University
- Etc.

→ **What?** Co-creation, a new form of interaction...

Innovative and active collaboration between two or more partners: Danone and one institution, representatives of civil society and/or a local development organisation. The partner has an in-depth knowledge of the area, the people and the local challenges.

→ **How?** ...which is expressed through collective governance

- **Share:** expertise (field, technical, sector-based, business, financial) and additional resources.
- **Co-design, co-manage and co-end the project:** from design to assessment via cooperative management and the exploration of new forms of governance.
- **Co-finance:** shared investment.

→ **What result?** Accountable and extended value creation

Guarantee a balance between economic profitability and social impact, to maximise the value creation for all parties and beneficiaries.



Be careful



### What co-creation is not:

- An “utilitarian” relationship (use of the positive image of the partner without a real project).
- A client/supplier or Danone/service provider relationship.
- A short-term relationship or operation.
- A way of sharing social (NGO) and economic (Danone) responsibilities.
- Sponsorship or philanthropy.
- A mere co-branding or labelling operation.
- A joint communication or public relations operation.



**MUHAMMAD YUNUS,**  
Founder of Grameen Bank, Nobel Peace Prize 2006

“I am asked, ‘Do you not get the impression that Danone is using you?’ But I am the one who is using Danone! I tell them, ‘Please, I am here to be used!’”

## A COMMON INTEREST FOR DANONE AND ITS PARTNERS 2



### Why co-create: high stakes for Danone

By increasing our ability to innovate, our local presence and thus our legitimacy, this type of cooperation allows us to acquire skills to meet the new challenges the company is faced with.

#### ➔ Being a responsible company

- Respecting legal surveys, publication obligations.
- Avoiding social and green washing risks.
- Keeping our license to operate.
- Anticipating changes on the performance criteria of a company (extra-financial rating, social brand equity, qualitative and quantitative monitoring of economic, social and environmental performance, etc.).

#### ➔ Meeting the expectations of our stakeholders

- Limiting the negative impacts of our activities.
- Sharing the creation of value with the territories where we operate.
- Contributing to public interest projects.
- Supporting our suppliers in their response to new market constraints (pressure on prices, increased demand for organic food, products traceability, natural ingredients, animal well-being, etc.).

#### ➔ Meeting the expectations of our consumers

- Satisfying the expectation of new environmental and social benefits (important lever of differentiation).
- Responding to the needs of new markets (local knowledge, local challenges and local stakeholders, launch of appropriate BOP (Base Of the Pyramid) offers, creation of services with high added social value, etc.).

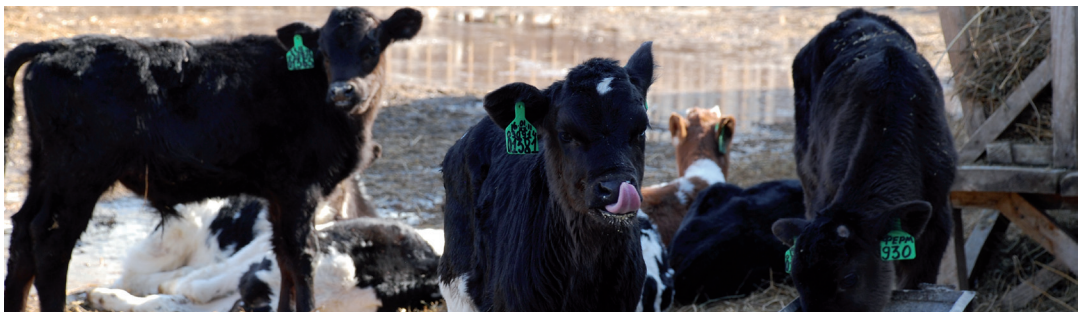
#### ➔ Meeting the expectations of Danoners

- Involving employees in societal projects.
- Understanding the employees' need for meaning (increased motivation).
- Developing new skills.

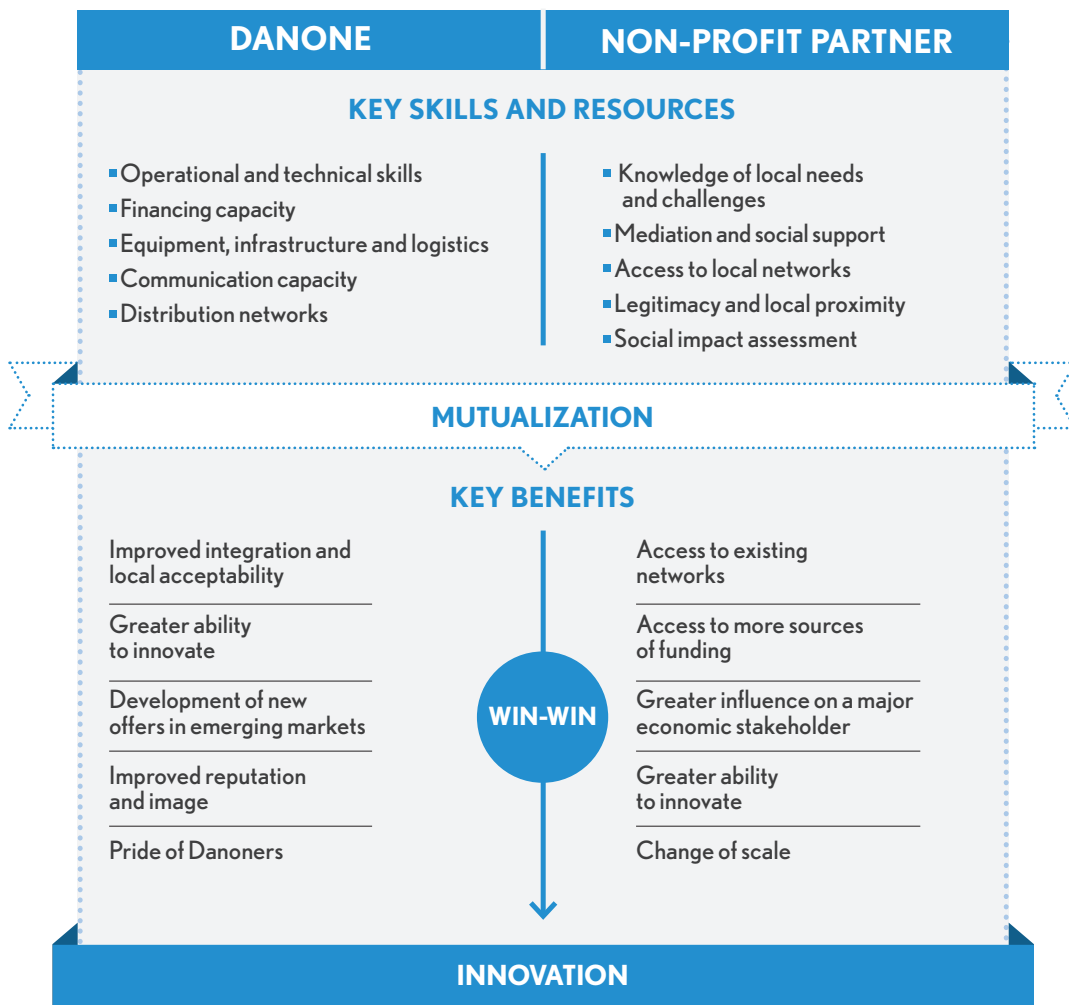


**ADRIANA MATARAZZO,**  
Research & Development  
Sustainability Director,  
Danone Brazil

“Usually, the Ecosystem projects take place in communities or environments with a huge lack of capabilities. To guarantee success, the business should take care of the infrastructures and the regular market aspects as well as human and community aspects. Co-creation is the most effective way to engage all players and key success factor.”



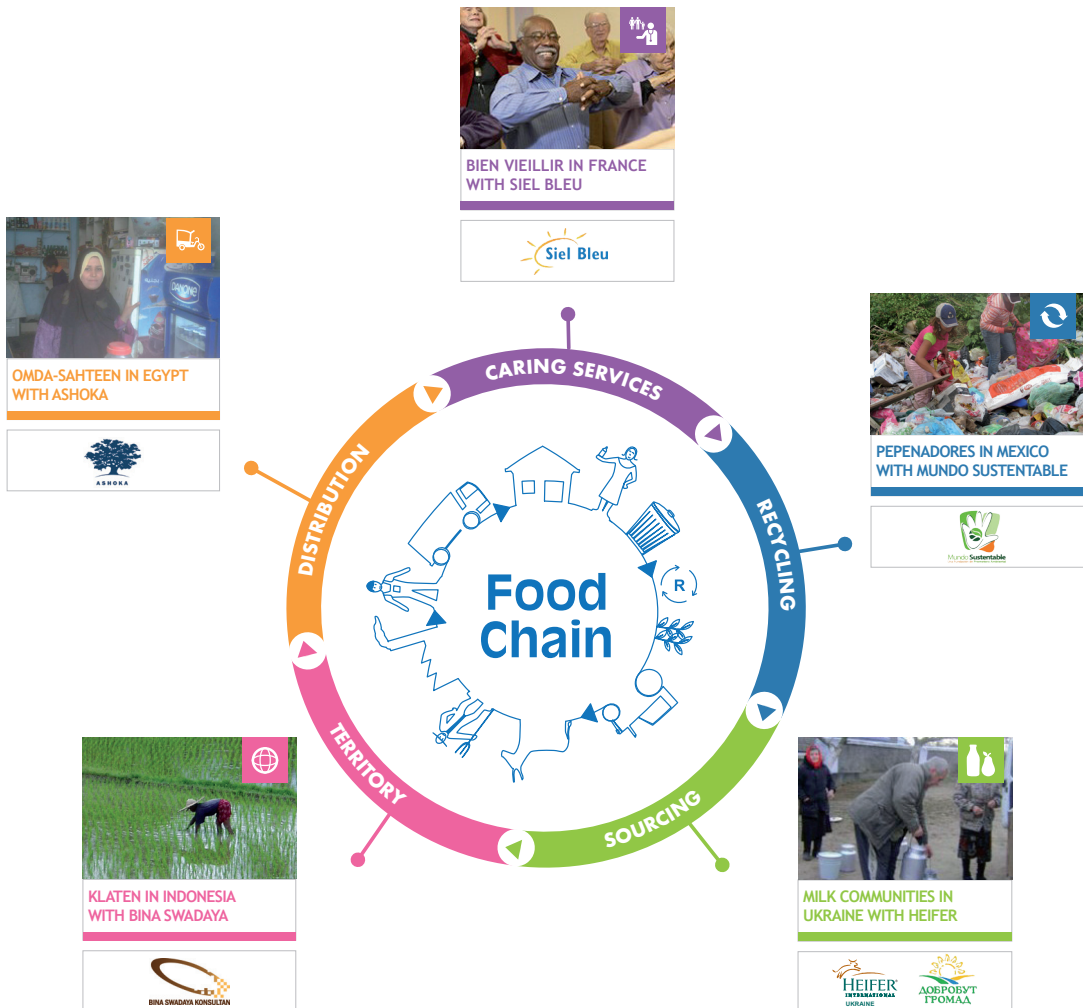
✓ A win-win partnership for Danone and its partners



## BEST PRACTICES AND TESTIMONIALS

3

✓ A successful experiment throughout the value creation chain



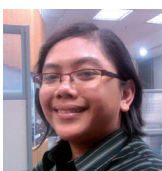
To discover Danone co-creation partners: [ecosysteme.danone.com](https://ecosysteme.danone.com)

## ✓ Cross-feedback on co-creation

Here are some testimonials illustrating several co-creation key benefits.

### → Danone

- Greater ability to innovate



**ANNIE WAHYUNI,**  
Sustainable Development  
Manager, Danone AQUA

"If we can demonstrate that a standard 'social business' model can generate social and economic value for the recycling industry, then we could see a country-wide transformation in the next decade! For that to happen, we need partners, resources and a healthy dose of positive thinking and energy."

- Improved reputation and image



**PHILIPPE BASSIN,**  
Chief Executive Officer DanTrade -  
General Manager Danone  
Ecosystem Fund

"The Ecosystem approach, which relies on proper synchronization between the company, its territories actors and consumer-citizens, is a differentiating factor for Danone and its brands, with the aim of sharing the value created with the farmers in the long term."

- Pride of Danoners



**VINCENT MAURICE**  
Vice-President Operations,  
Fresh Dairy Products WWBU

"Danoners' enthusiasm regarding such projects proves that the Ecosystem approach is the perfect mechanism to match both Danone vision for business and personal values."

### → Partners

- Access to existing networks



**STÉPHANIE SCHMIDT,**  
Managing Director, Ashoka's  
Full Economic Citizenship initiative

"Beyond access to funding and knowledge about management, the big question is: How can a Civil Society Organisation leverage the strengths of a corporation to scale up its social impact? Could they benefit from the product development expertise, from the distribution infrastructure, the logistics and the investment capacity of the corporation to bring new essential products and services to their beneficiaries or to reach out more people?"

- Access to more sources of funding



**JEAN-MICHEL RICARD,**  
Co-Managing Director,  
association Siel Bleu

"For us, it's important to have strong, sustainable partnerships that last for the long term. We aim to develop new economic models that reach out to more and more people, without the financial cost being a barrier."

- Change of scale



**HAZEM FAHMY,**  
Country Director,  
CARE International - Egypt

"Working on an idea integral to the business of our partner and that has greater chances to sustain and affect an entire industry is very attractive."

# COMMUNICATE BETWEEN ORGANISATIONS

## CAPITALISING ON DIFFERENCES

1



### Cultural differences

#### SHORT-TERM EFFECTIVENESS

SEARCH FOR SOCIAL BENEFITS

ALTRUISM PROFITABILITY

CLIENTS COMMON GOOD

LONG-TERM INVOLVEMENT

SPECIFIC INTEREST BENEFICIARIES



NGOs



COMPANIES



**ALFONSO "PONCHO" MARTINEZ,**  
Pepenadores Project Manager,  
Mundo Sustentable

"Co-creation between companies and non-profit organisations is a key success factor for societal innovation mainly because these organisations do have complementary expertise, interests and decision making structures."



**ANNA PIDGORNA,**  
Program Director for Ecosystem  
projects, Heifer Ukraine

"At first there was not only a communication gap between us and the CBU (Country Business Unit), there was also a gap in understanding. We meant one thing by a certain term, and they meant something else. I think it is important to have some kind of joint trainings in the beginning to build bridges."



## ✓ Going beyond preconceived ideas

### ➔ For the company

- The impression that NGOs represent an idealised “world apart” (low effectiveness, activism, slowness, etc.).
- Poor knowledge of the skills and added value of the NGOs.
- Ignorance of the way in which these skills can be combined with those of the company.

### ➔ For the NGO

- The company attempts primarily to work on its image without trying to change its own practices.
- The company is not legitimate in providing responses to societal challenges.
- The company does not understand local realities and the personal experiences of the people.
- The fear of being “used” or “manipulated”.



**HAZEM FAHMY,**  
Country Director, CARE  
International - Egypt

“During a discussion with our Danone colleagues about the dairy value chain in the target villages, a Danone staff member suddenly started arguing back from the perspective of the poor and marginalized folks of those villages. It was as if we had switched roles: he was bringing traditional NGO staff arguments and vice versa.”



## ATTITUDES PROMOTING CO-CREATION

2



### Main success factors



Be open to differences and make the most of complementarity, get fully involved on innovative projects even if there are no immediate benefits, behave with closeness and keenness, give people a sense of responsibility in a context of trust. These are the postures developed throughout co-creation.



### ➔ Committed: reciprocity, mutual commitment

#### Practical tip



In addition to the commitment of both organisations, ensure the directors and teams of both organisations are also personally committed.



**GABRIELA CAMPUZANO,**  
Country Manager Mexico, Technoserve

“A key attitude for success is the recognition of equal responsibility for programme results regardless of the activities carried out by each partner.

A moment that illustrates this attitude occurred when the non-profit made a mistake in implementation and the company team members said it was a team mistake. That enabled a good problem-solving environment.”

### ➔ Open: mutual listening, openness and humility

#### Practical tip



Understand the partner's management practices, language and projects' agenda.



**ANNE-CHARLOTTE DOCKÈS,**  
Department Director, Institut de l'Elevage

“The concept of ‘active listening’ is fundamental. First, it is an attitude that can be described as empathetic: you really seek to understand the other by immersing yourself in its logic. But it is also a way of acting whereby you show your interest in the other speaker, and he understands that you are really interested in what they have to say.”

## → Doer: proximity, respect for the cooperative nature of governance

### Practical tip



- Work closely with the partner, do not hesitate to make regular visits to the partner's premises for joint working sessions on the project.
- Respect the balance of opinions between the partners in the governance of the project and the decision-making process.



**YANN BRAULT**

"Personal relationship is key. We need to spend time with the NGOs to point out complementarities and to build sustainable bridges. Everybody has to understand that they can learn a lot from the others. This can only occur if people involved are motivated and committed."

## → Empowered: trust



**NICOLAS HAMEL,**  
Partnerships Director, Adie

"The partners' motivations are potentially antagonistic. If there is a good understanding of each person's position, the work can begin and this antagonism can become a strength."

### Practical tip



- Create open, pragmatic communication based on sharing information, recognising the skills of each partner, understanding the constraints and interests of each partner, any event or contextual information which may have an impact on its organisation, its strategy or the project internally.
- Ensure that the operating methods of the two organisations are clear, by providing information on their governance, the internal decision-making process, the means of assessing projects, etc.
- A workshop can be held with the help of the Human Resources department, to allow the two organisations to get to know each other better.
- Do not be afraid to fully share your expertise with your partner. It is from this "friction" between the two cultures and sets of expertise that innovation and creativity will arise.

## ✓ Main sticking points

- The lack of transparency and a relationship which is too complex to create.
- Not accepting the differences in working methods.
- The insufficient permeability between the two organisations (regarding information, human resources, decision-making process, etc.).
- The mutual lack of time and resources.
- The lack of compromise on the results expected by each organisation.
- The use of respective jargon.

## MAINTAINING DIALOGUE

3

**There must be dialogue between partners throughout the partnership:**

➔ **Before choosing a partner:**

- To start to get to know each other.
- To establish a climate of trust.
- To check that the respective expectations of the partners are expressed, understood, compatible and agreed.

**Practical tip**



Organise a joint “learning expedition” so that the NGO can present one of its key projects and the Danone CBU can present its business, its products, a factory, etc.

**Be careful**



This period of dialogue, when both partners start to get to know each other, is essential for the success of the partnership and must not be dependent on time constraints.

➔ **During the co-design of the project:**

- To define the terms of the partnership: objectives, level of commitment of the partners, resources required (skills, time, money), duration, communication, management and monitoring.



**IRINA KUKHTINA,**

Senior Regional Fruit Sourcing Buyer CIS&CE, Danone Ukraine

“It is important to understand and respect all stakeholders interests. We must segregate duties but with full alignment on direction and strategy and a joint coordination. But the key is to communicate. Communication, communication, communication... nothing should be lost.”

### ➔ During the co-management of the project:

- To recall and clarify the initial commitments, if required.
- To ensure joint monitoring of the project.
- To jointly analyse the results, the economic and social progress and the key success factors.
- To jointly assess the partnership dynamics.
- To reassess the objectives to be achieved, the means to be implemented and the actions to be carried out if necessary.

#### Practical tip



Once the partnership has begun, it is important for both partners to ensure that there are times for informal communication in addition to formal meetings, in order to share feedback on field, inputs from the teams regarding the partnership, etc.

#### Be careful



During these moments of dialogue, it is important for the organisations to learn to recognise that they don't always agree on the means of achieving the results, without questioning their relationship as a whole or the common objective being pursued.



# CO-BUILD

## THE RIGHT PARTNERSHIP

### INTRODUCTION

# 1

#### ✓ The possible types of organisation

TYPES OF NON-PROFITS	GEOGRAPHICAL SCOPES	ACTION MODES
<ul style="list-style-type: none"><li>• Foundations</li><li>• Public entities</li><li>• NGOs</li><li>• Social Entrepreneurs</li><li>• Academic/Universities</li><li>• Cooperatives</li><li>• Multistakeholder / Intergovernmental bodies (UNDP, IUCN...)</li><li>• Religious</li></ul>	<ul style="list-style-type: none"><li>• International: worldwide action scope</li><li>• Intermediate: national or sub-continent level</li><li>• Grass-root: local, city or community based</li></ul>	<ul style="list-style-type: none"><li>• Fields projects</li><li>• Activism / Campaigning / Advocacy / Awareness raising / Lobbying</li><li>• Scientific research</li><li>• Capacity building</li><li>• Funding other NGOs / Civil Society Organisations</li></ul>

#### Be careful



For organisations operating in more than two countries, check with the group that you can interact with these organisations.

**Your contacts:**  
**J.-C. Laugée, or V. Crasnier**  
**for environmental projects.**

#### TOOLKIT



**To find out** which partners are already involved in Ecosystem projects,  
**go to:** Ecosystem website  
<http://ecosysteme.danone.com>



**To find out** and qualify your main stakeholders,  
**go to:** Stakeholder mapping in Sustainability Roadmap  
<http://sustainabilityroadmap.danweb.danet/home.htm>

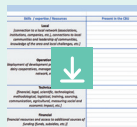
## RELEVANCE TO THE PROJECT

## 2

### ✓ Identification of the skills required for the project

- Make a list of the operational/local/technical skills needed to design and manage the project.
- Highlight the skills present in the CBU vs. missing from the CBU in order to find out the skills to be brought together by partners.

#### TOOLKIT



**To identify** the skills required for the project,  
**download:** Existing skills vs. missing skills  
<http://ecosysteme.danone.com/private/build-a-project/impact-measurement/social-innovation-projects-management-training/>

#### Practical tip



Depending on the requirements identified, co-creation can be organised with several additional partners for the project. For a complete view of the skills brought together for the project, it is often useful to add a “beneficiaries” column.

### ✓ Assessment of the relevance of the partner to the project

An auto-assessment checklist has been designed for this purpose (cf. toolkit).

#### TOOLKIT



**To assess** relevance of partner to the project,  
**download:** Partnership risk management  
<http://ecosysteme.danone.com/private/build-a-project/impact-measurement/co-creation/>



**To make** a qualified presentation of project partner,  
**download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>



## CREDIBILITY AND RELIABILITY

3

### TOOLKIT



To **assess** the credibility and reliability of the partner,

**download:** Partnership risk management  
<http://ecosysteme.danone.com/private/build-a-project/impact-measurement/co-creation/>



### Credibility

- Reputation
- Transparency
- References

#### Practical tip



#### Knowing the non-profit partner

The fact that an organisation does not provide an answer to all the questions mentioned does not necessarily mean that it is impossible to co-create with it. It could, for example, be newly created or have few communication tools.

- Check whether there is any coverage of the organisation in the local or international trade press.
- Call the partners for feedback/opinions.
- Visit the premises of the organisation.

These are good ways of forming an initial opinion of the partner.



### Reliability

- The partner's financial and material capacity.
- Political and financial independence:
  - at global level for international organisations with regard to international institutions,
  - at local level for national organisations with regard to governments, etc.
- Influence of institutional financial backers in its financing structure vs. donations from individuals.

#### Be careful



For a partner receiving funds from Danone, it is recommended to obtain and study the partner's accounts in advance for an accurate assessment of its financial viability and Danone's stake in its financing structure. Tax validation is mandatory for Danone Ecosystem projects.



## COMPLEMENTARITY OF THE ORGANISATIONS

# 4

### TOOLKIT



**To co-assess** complementarity between partners,  
**download:** Partners' discussion  
<http://ecosysteme.danone.com/private/build-a-project/impact-measurement/co-creation/>



**To present** partnership complementarity,  
**download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>



### Assessment of the level of complementarity between the partners

#### → Alignment of the organisations

##### Be careful



From the outset, creating a partnership requires assurance that the resources necessary for its effectiveness are correctly assessed and available from Danone and the partner organisation. It is important to take time to clearly identify these resources together, particularly during the preparation of a project and its launch.

#### → Operational complementarity

It is advisable to analyse in advance the technical requirements (agronomic for instance) of the project to check that all the skills required for the project are available within the two partners. If this is not the case, the partners can extend the partnership to other stakeholders (technical institutes, universities, etc.).

#### → Mutual trust

Before bringing out the complementarities between the two organisations, several months of discussion and formal and informal exchanges are often necessary to allow the partners to get to know and understand each other.

It is during these meetings that the role each partner can play and the means and skills to be mobilised will be defined.

##### Be careful



Although the trust relationship is an essential factor in the success of co-creation, the process must not be based only on it. It will also be important to draft the contract accurately and to plan the actions to be carried out and the resources committed by each partner.



### Common interest around the project

The awareness among each partner that the project is win-win will guarantee their commitment and the durability of the partnership.

To achieve this, it is essential that during the discussions, each partner shows proof of transparency in expressing the benefits expected from the project and agrees to take into account the interests of each party in the project. Each partner must find measurable benefits in the relationship and understand its partner's expected benefits.

# CO-DESIGN

## THE PROJECT

### GOVERNANCE

1

#### ✓ Definition

➔ **Governance determines the way the project will be co-managed:**

- Management bodies.
- Objectives, means, monitoring indicators.
- Leaving the partnership.

Governance is key in the co-creation process, as it must reflect the contributions of each party and a real balance.

Sharing experiences between different types of governance allows capitalisation and saves time.

#### ✓ Management bodies

Setting two management bodies is recommended: one strategic and one operational body. It can sometimes be appropriate to add a political body. It is important to have each partner represented at each level. (See diagram on the next page.)

#### Be careful



In order to mobilise the various internal skills required for the project and to foresee any problems, it is important to be in regular contact with the Executive Committee and to bring together the different sensitivities and departments involved within the management bodies.



#### Practical tip



Representatives of beneficiaries/local communities can be included in the governance bodies. Additional committees can also be set up if necessary (e.g. educational committee if the project is carried out in collaboration with the academic sphere). It is important that meetings are held regularly, in order to maintain the cohesion and the mobilisation of members.

If needed	What	ADVISORY COMMITTEE	When
	<ul style="list-style-type: none"> <li>- Review overall project progress</li> <li>- Tackle political issues</li> </ul>	<ul style="list-style-type: none"> <li>- Danone GM &amp; Partner's President</li> <li>- Danone's &amp; Partner's Directors</li> <li>- Important stakeholders</li> <li>- Project Managers</li> <li>- Ecosystem Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>- 2 times/year</li> <li>- Formal or informal meetings (diner, speakers...)</li> </ul>
EXCO & Partner's Directors Project review 2 times/year	What	STEERING COMMITTEE	When
	<ul style="list-style-type: none"> <li>- Take decision on project direction based on recommendation of Project Managers</li> <li>- Manage partnerships</li> </ul>	<ul style="list-style-type: none"> <li>- 1-3 CBU EXCO &amp; 1-3 Partner's Directors</li> <li>- Project Managers</li> <li>- Ecosystem Coordinator</li> <li>- GM &amp; Partner's President (if needed)</li> </ul>	<ul style="list-style-type: none"> <li>- Every 2 months during the launch</li> <li>- 3 to 4 times/year afterward</li> </ul>
	What	OPERATIONAL COMMITTEE	When
	<ul style="list-style-type: none"> <li>- Follow project implementation</li> <li>- Handle day-to-day actions and issues</li> </ul>	<ul style="list-style-type: none"> <li>- Project Managers &amp; team</li> <li>- Experts from Danone or partner (if needed)</li> </ul>	<ul style="list-style-type: none"> <li>- Once a week during the launch</li> <li>- Once or twice a month afterward</li> </ul>

## TOOLKIT



To present management bodies and governance process, **download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>

## Practical tip



### Guests at meetings

Some presentations can be made by guests invited to the committee meetings (other team members, stakeholders, etc.).

## → Co-organisation of committees

- Co-preparing the meetings

Presentations should be prepared jointly by both partners.

It is important to avoid Danone presenting its own KPIs (Key Performance Indicators) and the NGO presenting its own KPIs in two separate presentations.

- Co-leading the meetings

Begin the meeting with a review of the latest achievements (with planning, KPIs and budget) and the deliverables expected at the end of the committee meeting.

## ✓ Co-leadership of the project

### ➔ Financial flows and reporting process

- Identify the financial flows which exist between the partners.
- Define KPIs authorising the transfer of any funds.
- Plan a reporting process which demonstrates the correct use of any funds.

### ➔ Objectives, means and monitoring indicators

- Defining objectives, means committed (human, organisational and financial) and monitoring indicators is key to ensure the project runs smoothly and each partner is committed.
- Setting the project objectives together and expressing expectations prevent from any misunderstanding and reduce the risks for both partners.
- Joint planning of the project throughout its duration.

#### Be careful

It is important not to underestimate the costs and particularly the time required for the joint monitoring of the project.



**LUCAS URBANO,**  
Project Manager,  
Danone Brazil

“It’s important to have intermediate meetings with a flexible agenda which guarantee the synergy, proximity and good articulation, including strategies beyond the project (top management involvement) and operational aspects. Besides that, we have a very open way to manage the project and a direct way to approach the questions, always trying to find solution in partnership.”



### → Plan the process for leaving the partnership

- At the beginning of the project, it is important to plan the means for each partner to leave the partnership in order to minimise any negative impact. These would apply at the anticipated end of the project or in the event of a conflict. In the project case and in the contract, it is therefore advisable to:
  - Plan the arbitration procedures to be implemented in the event of a conflict.
  - Define procedures for alerting and resolving conflicts before they become the subject of external communication.
  - Specify the duration of the project, the main objectives and the means towards project self-sufficiency.

#### TOOLKIT



**To present** exit strategy,  
**download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>



**To plan** the process for leaving the partnership in contract,  
**download:** Ecosystem key terms  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>



## JOINT PROJECT CASE

2

### TOOLKIT



To **present** joint project case,  
**download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>



### Define and plan the project together

Shared vision of the project.

- Joint planning.
- Structured project monitoring procedures.
- Agreement on the expected results/impacts and the means involved.



### Be careful



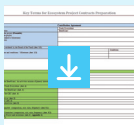
Studies on relationships between NGOs and companies agree on one point: there can be two years between the start of discussions and the launch of a project.



## NEGOTIATION OF CONTRACT

### 3

#### TOOLKIT



**To get** the main points to be specified in the contract,  
**download:** Ecosystem key terms  
<http://ecosysteme.danone.com/private/build-a-project/toolkit>

The contract is a firm commitment by the organisation towards its partner.

The contractualization of the relationship allows the relationship to go on, independently of any changes which may occur within the organisations. It also enables the climate of trust necessary for the construction of strong bonds.



#### Points to be specified in the contract

- The actions to be carried out and the resources committed by each partner.
- The conditions for transferring funds (KPIs).
- The duration of the project, the key objectives and the arbitration procedures in the event of conflict.



# CO-MANAGE THE PROJECT

## CO-MANAGEMENT

1

The management and monitoring tools must be established collectively to allow the project to be jointly managed.

- ✓ **Regular sharing of information on the progress and difficulties of the project**



**ANNA PIDGORNA,**  
Program Director for Ecosystem  
projects, Heifer Ukraine

“In co-management, mutual respect and constant effective communication are key!

It is very important that both parties share responsibilities. There has to be room for mistakes, because innovative projects always have a learning curve. Successful project implementation can only be achieved by the feeling of ‘owning the project’. If you own it, you designed it, you are responsible for making it right, no one else.”



- ✓ **Regular joint assessment (at least annually)**

### ➔ Of the project

- Alignment of the project with the objectives and the planning as defined jointly by the partners.
- The positive and negative economic and social impacts according to the criteria set together at the start of the project.
- Draw lessons for the next stages and refocus the common strategy if necessary.

### ➔ Of the co-creation process

- Quality of the relationship for both partners.
- Governance process.
- Co-management of the project.

This assessment should first be done individually by each partner and then together. This will allow to ensure on a regular basis that the project and the co-creation are delivering the results expected by both partners. It can be done on the field following a joint review of the project with the different stakeholders.

## CO-MONITORING OF SOCIAL AND ECONOMIC PROGRESS

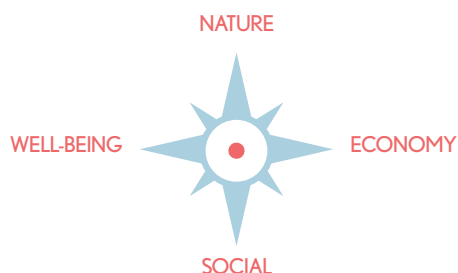
2

### ✓ Co-creation: a guarantee of balance between economic profitability and social and environmental impact

- In the definition of the project (creation of the economic and social value).
- In the deployment of the project (social support).
- In the management and assessment of the project (economic and social KPIs).

### ✓ Co-defining the project monitoring indicators

- The economic and social monitoring of the project is the joint responsibility of the partners.
- Social progress and economic performance are assessed according to indicators defined jointly by Danone and its partner.
- For Ecosystem projects, a Social Progress Monitoring Grid has been set up, with four assessment fields aligned with the “Danone Compass”.



On each of these assessment fields, a selection of themes adapted to the Ecosystem intervention clusters has been defined.

### ✓ Co-monitoring the project

These jointly defined indicators are used by both partners throughout the project to manage it and assess progress.

#### Be careful



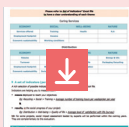
It is essential to go beyond preconceived ideas which entrust the monitoring of the economic indicators to Danone and the social indicators to the NGO. Both partners must monitor all aspects of the project together.



**ANNE-CHARLOTTE DOCKÈS,**  
Department Director,  
Institut de l'Elevage

“The monitoring indicators must be constructed jointly with the project’s partners and beneficiaries. This will ensure they measure the expected benefit correctly, and make it easy to measure them without taking too long over the monitoring process.”

#### TOOLKIT



**To co-define** the project monitoring indicators,  
**download:** Social Progress monitoring grid guidelines

<http://ecosysteme.danone.com/private/build-a-project/impact-measurement/social-impact-measurement/>

## JOINT COMMUNICATION ON THE PROJECT

3

For both partners to be ambassadors of the co-creation project, it is important to bring together the four following key conditions:



### Involvement of the partners

#### ➔ In the definition of the project communication strategy

- Sharing of the two communication cultures to update the way in which project communication is considered, in terms of diffusion networks, tone and content.
- Inclusion of the interests of both organisations in the communication strategy.

#### ➔ In the production of the communication content

- Use of the expertise (local, technical, operational, etc.) of each partner in collecting information and producing legitimate content on all aspects of the project.
- The co-production of the content allows each partner to appropriate the communication content in its own communication strategy.

#### ➔ In spreading through their own media and their own networks

- Use of each partner's media and networks for increased communication capacity.



### Promotion of the partners

- Speaking during project communication.
- Highlighting the partnership in the respective communication media of both partners.

## ✓ Providing the partners with suitable content regarding their own communication strategy

- Project communication content.
- Methodological tools (co-creation guide, methodology for assessing the social impact, etc.).
- Testimonials gathered in the field.
- Press review.
- Etc.

## ✓ Freedom of expression of the partners

The partners must be able to speak freely about the project and also about co-creation.

Be careful



It is important to define the conditions for using the partner's "brand" together prior to any communication.



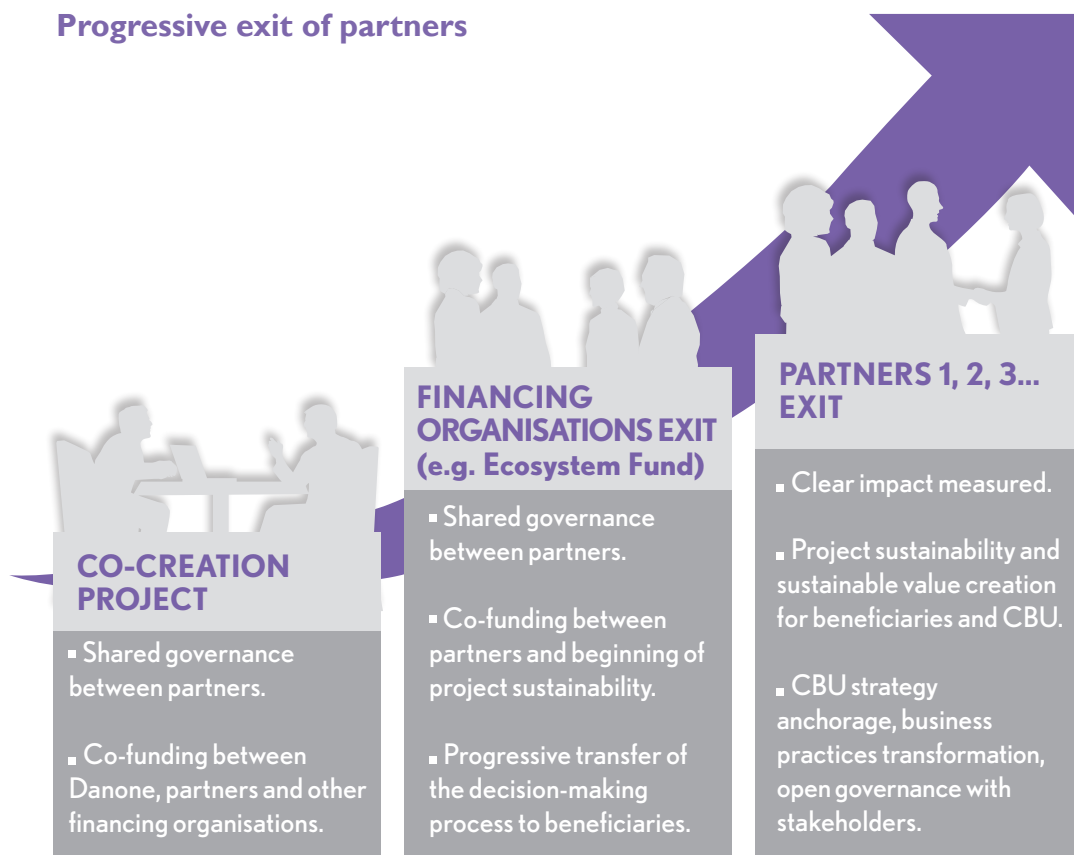
# CO-END THE PROJECT

## TOOLKIT



**To present** project exit strategy,  
**download:** Ecosystem project case template  
<http://ecosysteme.danone.com/private/build-a-project/toolkit/>

## Progressive exit of partners





**GABRIELA CAMPUZANO,**  
Country Manager Mexico, Technoserve

“To ensure a successful project exit, it is key that the CBU/NGO is not carrying out the day-to-day operational activities of the programme. These activities should be carried out by the beneficiaries, the government and the regular business of the CBU. In addition, it is important to give beneficiaries access to sustainable financial plans so they can keep growing after the programme’s completion.”



**VERIDYANA DE OLIVEIRA CESAR,**  
Analista de Sustentabilidade, Danone Brazil

“In our projects we focus in three main points to transfer the autonomy to community. The first two points are the development of people skills and infrastructure that would provide the continuity of the project after partners’ exit. The third point is to make them engaged with the project as their own project, instead of a project from Danone or from a NGO. This aspect has to be in mind from the beginning of the project.”



**ANNA PIDGORNA,**  
Program Director for Ecosystem projects, Heifer Ukraine

“Although we want to remain involved with the community indefinitely, we cannot. We are limited by our project agreement and budget. If we want to reach certain objectives in the project, we need to outline them in project design from the beginning. To me, a successful project exit means the completion of the project objectives and achieving the indicators for project completion.”



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# CONCLUSION



**JEAN-CHRISTOPHE  
LAUGÉE,**  
Social Innovation & Ecosystem  
Director

“We hope this guide has given you some answers and inspiring practices on how and why co-create social innovation projects. There is no doubt that the rich encounters and exchanges

attached to this approach make our projects more solid and impactful. Therefore it is our mission – through our openness, our authenticity and our commitment – to activate the transformation potential of this new form of partnership and governance of social innovation at Danone.

Let's develop our approaches, our complementarities and sometimes our differences of opinion to deliver business and societal outcomes that will be more and more ambitious. A big thank you to all the contributors to this first version of the Co-creation guide.

The Ecosystem team and I would like to dedicate it to our colleague and friend Yann Brault who contributed so much to this co-creation within Danone.”



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