

Can Government Leaders Drive Innovation for your Social Enterprise?

Michael Wong 01 November 2013

With social enterprise organizations striving to accelerate the adoption of innovative ideas across their organizations, the thought of investing time with government leaders is likely often last on anyone's to-do list. Still, David Simms, chairman of Opportunity International (a global organization that provides microfinance loans, savings, insurance, and training to over five million people working their way out of poverty in the developing world), has uncovered two compelling arguments for engaging with government leaders.

Q. With the perception that governments are bureaucracies, why would anyone seeking social innovation want to engage with government leaders?

A. Despite the fact that some government leaders might be characterized as bureaucrats, there are other government individuals who offer two invaluable competencies which can help social enterprises succeed—that of local insight and relationship credibility. By local insight, I'm referring to the ability to provide holistic context for the ecosystems where Opportunity

International operates. Relationship credibility is the earned respect government leaders can bring to the table when we propose ideas that might at first seem impossible to bring to market.

Q. Given your experiences at Bain and as an SEVP at a major bank, why not just engage with business people; aren't they more entrepreneurial by nature and therefore more innovative?

A. Well, some of the business people I have met are more bureaucratic than government leaders! All kidding aside, Opportunity International has engaged with both types of leaders. But with our global operations, we engage in countries where governments often play a much greater role, compared to the US. These government leaders often have great insight on the national, regional, and local drivers that can help maximize our limited resources as we seek to help people living in deep poverty—less than \$2.00 per day—to transform their lives.

For example, in many African countries, we are pursuing our mission to empower people to transform their lives, their children's futures, and their communities by providing microfinance services and training that enable small-scale entrepreneurs to overcome poverty. We have been fortunate that a number of government leaders have explained both governmental considerations as well as cultural insights that could have hindered our mission. One of the government leaders who has been extremely

active across Africa for us is the former head of the Central Bank of Malawi. If we had not reached out to him, our progress to date (e.g., over 130 microfinance branches and points of service in Africa) might have taken much longer to accrue. Unlike basic infrastructure which we might take for granted in developed countries, many of our clients in Africa are based in rural communities where they are unable to travel to town to secure a loan. And when they do, it might take a half-day's journey to reach that branch office. So these government leaders have helped to shape the pragmatic deployment of solutions such as inexpensive cell phone banking and cloud computing which allow us to serve even remote rural communities.

Q. Can you elaborate more by the term "relationship credibility?"

A. For me, relationship credibility refers to the intangible trait that a number of these government leaders bring to the table. Back in 2010, I participated in a Harvard Business School alumni event where some for-profit executives were interested in exploring alternate career opportunities such as government or nonprofit. I explained that they need to recognize that for these types of entities, it is often "mission over money." What I have observed is that many government leaders who likely could have become quite financially successful in the for-profit sector chose instead to work to serve their country/community. Clearly their self-sacrifice and

passion to serve has helped connect them relationally with Opportunity International and our work serving some of the most economically disadvantaged people in the world. Many have been open to collaborating when we propose bold ideas, which then helps us secure funding from individuals, companies, and foundations which provide the financial support to Opportunity International to allow us to fulfill our mission.

Q. What is next for Opportunity International?

A. Today, 2.7 billion people lack access to banking services and we want to do our part to change that. To reach the most marginalized people, we will continue to collaborate with government leaders, individuals, and corporations who have a passion to help empower people to overcome poverty through self-sufficiency. Today we serve five million clients and we are dreaming of serving twenty million families by 2020. Leveraging the Cloud and apps like Mobile Money in Africa, India, and the Philippines are just some of the exciting innovations we are working on and which your readers can learn more about at www.opportunity.org.

Michael Wong has over 20 years of business experience with IBM, Apple, and Merck. His insights have been shared in the MIT Sloan Management Review and Harvard Business School Blog networks.