GROWING INCLUSIVE MARKETS: INDONESIA CASES
Volume 2 - 2013

Creating Value For All: Strategies for Doing Business With The Poor
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INDONESIA CASES
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Creating Value For All: Strategies for Doing Business With The Poor

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Foreword

In 2010, Indonesia Global Compact Network (IGCN) successfully launched a report on “Growing Inclusive Markets: Indonesia Cases Volume 1, 2010, Creating Value for All: Strategies for Doing Business with the Poor”. The report covers the results of the case study on selected Indonesian businesses who have implemented inclusive business approach in their strategy. The report was submitted and distributed at the “UN Global Compact Leader Summit 2010” and the “UN Private Sector Forum on MDG 2011” in New York and also shared at the International Conference on “Accelerating Progress toward MDGs through Inclusive Business” in Jakarta in 2011.

In collaboration with companies and universities, with the objective to inspire and encourage Indonesian businesses to adopt the similar strategy according to their respective industry, eight case studies are completed and published in “Growing Inclusive Markets: Indonesia Cases Volume 2, 2013, Creating Value for All: Strategies for Doing Business with the Poor”.

As in previous publication, the study focuses on what companies can do to involve the poor in their business supply chain, either as business partners, producers, suppliers, employees or consumers. This study does not include company’s philanthropic activities such as donation and charity that are not commercially sustainable although they are important for community development. The companies were selected from diverse industries: resort, banking, heavy equipment dealer, farming, manufacturing, daily and consumer goods and social entrepreneur.

We hope these case studies may serve as a useful reference in implementing inclusive business strategy. We hope it will stimulate policy makers, entrepreneurs, business leaders, civil service organizations and academic institutions to initiate similar or even bigger actions to achieve MDGs.

Jakarta, 24 December 2013

Y.W. Junardy

President, Indonesia Global Compact Network.
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The United Nations Global Compact

Launched at the UN Headquarters in New York on 26 July 2000 by the former Secretary-General Kofi Anan, United Nations Global Compact (UNGC) seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalization. In this way, the private sector — in partnership with other social actors — can help realizing the aims to achieve sustainable and inclusive global economy. Today, Global Compact forms the largest corporate responsibility initiative in the world – with over 8,000 signatories comprised of companies, international labour, civil society organizations, and academics based in more than 135 countries.

A voluntary corporate citizenship initiative, the Global Compact pursues complementary objectives:
• Making the Global Compact and its principles as part of business strategy and operations;
• Facilitating cooperation among key stakeholders by promoting partnerships in support of UN goals.
The Global Compact is not a regulatory instrument — it does not “police”, enforce or measure the behavior or actions of companies. Rather, the Global Compact relies on public accountability, transparency, and the enlightened self-interest of companies, labour and civil society to initiate and share substantive action in pursuing the base principles of Global Compact.

The Global Compact is a network. Until now, more than 80 countries have established the local network. Indonesia Global Compact Network (IGCN) is one of the Global Compact Networks. In carrying out the mission, Country network is expected to involve all the relevant social actors:
• Government, who defined the principles on which the initiative is based;
• Companies, whose actions it seeks to influence;
• Labour, in whose hands the concrete process of global production takes place;
• Civil society organizations, representing the wider community of stakeholders; and
• The United Nations, the world’s only true global political forum, as an authoritative convener and facilitator

The Ten Principles
The Global Compact’s principles enjoy universal consensus being derived from:
• The Universal Declaration of Human Rights
• The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work
• The Rio Declaration on Environment and Development
• The United Nations Convention against Corruption

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:
HUMAN RIGHTS

Principle 1  Businesses should support and respect the protection of international human rights within their sphere of influence; and
Principle 2  make sure they are not complicit in human rights abuses.

LABOUR

Principle 3  Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4  the elimination of all forms of forced and compulsory labour; and
Principle 5  the effective abolition of child labour; and
Principle 6  the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7  Businesses should support a precautionary approach to environmental challenges;
Principle 8  undertake initiatives to promote greater environmental responsibility; and
Principle 9  encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

Principle 10  Businesses should work against corruption in all its forms, including extortion and bribery.
The Indonesia Global Compact Network

The Indonesia Global Compact Network (IGCN) is a vibrant not-for-profit organization advocating the 10 principles of the Global Compact among Indonesia’s business communities, government, civil society organizations and the academics. IGCN actively participates in numerous domestic and international endeavors, especially within the Asia region.

Launched in Jakarta on 8 April 2006 during the UNESCAP conference, to date, IGCN has 112 Signatories comprised of major companies in the country including multi-national corporations, SME, universities and Civil Society Organizations.

Diagram – Signatories by type

The network performs increasingly important roles in rooting the Global Compact into the Indonesian corporate culture. IGCN actively recruits membership within the nation by doing proactive recruitments through co-organized briefings, seminars, conference and one-on-one linkages. Recruitment to IGCN is pursued by conducting “pledge ceremony” collectively through member gets member and visitation to key cities or organizations where potential members are based. IGCN strongly advocates the Global Compact principles by inclusion of topics into the agenda of likeminded venues such as the Corporate Social Responsibility (CSR) Conference, Business Ethics and Marketing Seminars, United Nations events and by inviting movers and shakers in industry, government, and social sectors to IGCN activities.

IGCN promotes business networking, collaborative project opportunities, as well as sharing of lessons learned and best practices in corporate social responsibility among its members and potential indicates.
Vision
To be respectable agent of change in accelerating country transformation toward the achievement of human rights, competitive labor, sustainable environment, and ethical business practices.

Mission
Promote, facilitate and implement the UN Global Compact principles in Indonesia.

Why you need to participate
There are numerous benefits to participating in the Global Compact through Indonesia Global Compact Network. These include:
- Demonstrating corporate and organization leadership as responsible corporate citizenship;
- Producing practical solutions to contemporary problems related to globalization, corporate citizenship and sustainable development;
- Improving corporate/brand management, employee morale and productivity, and operational efficiencies;
- Developing network locally and globally;
- Sharing good practices and learning;
- Accessing the UN’s global reach and convening power with governments, business, labour, civil society and others stakeholders;
- Managing risks by taking a proactive stance on critical issues.
The Millennium Development Goals

The Millennium Development Goals (MDGs) were adopted at the UN Assembly meeting in New York on 6th September 2000 attended by 189 heads of states and governments.

The 8 Millennium Development Goals (MDGs) are:

1. **Eradicate extreme poverty and hunger**
   Reduce by half the proportion of people living on less than one U.S. dollar a day. Reduce by half the proportion of people who suffer from hunger.

2. **Achieve universal primary education**
   Ensure that all boys and girls complete a full course of primary schooling. Increased enrollment must be accompanied by efforts to ensure that all children remain in school and receive a high-quality education.

3. **Promote gender equality and empower women**
   Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

4. **Reduce child mortality**
   Reduce the mortality rate among children under five by two thirds.

5. **Improve maternal health**
   Reduce by three quarters the maternal mortality ratio.

6. **Combat HIV/AIDS, malaria, and other diseases**
   Halt and begin to reverse the spread of HIV/AIDS. Halt and begin to reverse the incidence of malaria and other major diseases.

7. **Ensure environmental sustainability**
   Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources. Reduce by half the proportion of people without sustainable access to safe drinking water. Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020.

8. **Develop a global partnership for development**
   Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. It includes a commitment to good governance, development and poverty reduction—nationally and internationally.
While the MDGs are adopted by all countries, the Goals are not the sole responsibility of the government. It can only be achieved through the collaboration and partnership of government together with business and civil society. Eliminating poverty means creating and providing job opportunity for the poor. The government provides an effective education system for skill development and a conducive business environment. The private sector recruits and empowers the people to support the growth and the same time eradicates the poverty. So, the key is to promote effective government-business-civil society partnerships to address the challenges of poverty, hunger, and disease.

**The New York Declaration by Business**

In the UN Global Compact Leader Summit 2010 held in UN headquarter New York on 21-22 June 2010, the business community reaffirmed the company’s commitment to implementing the Global Compact principles and increase support for the achievement of global objectives including Climate Change, MDGs etc.

The promise was stated in paragraph 4 of “**The New York Declaration by Business**”

> “We also will strengthen support for critical development goals, particularly the MDGs, through our core business, social investment and advocacy. We will strive to do so both individually and in partnerships with other stakeholders, notably civil society and Governments. In this realm, we welcome the Principles for Social Investment and their guidance on increasing scale and impact of philanthropic contributions”

Many companies and organizations have already been doing the MDG related activities within their specific environment and capacity, individually or in partnership with International organizations. Some addressing specific goals according to their mission, i.e children education, health, diseases or environmental issues. They respond to the issue by conducting philanthropy or charity activities, developing Corporate Social Responsibility programs or initiating business-oriented partnership by empowering the poor through inclusive business strategy.

Global Compact can play a major role in achieving the Millennium Development Goals (MDGs) We can work together, to build on what is already started – by having all members of the Global Compact join the effort and intensifying work that is underway.

> *It is encouraging to learn the statement of UN Secretary-General’s closing remarks at High Level Plenary Meeting of the General Assembly on the Millennium Development Goals in New York on 22 September 2010: “The MDGs were never meant to be a one-way street -- something that rich countries do for poor ones. Quite the contrary: our long-standing work for development in general has always been based on global solidarity -- on a shared interest -- on a powerful sense of community and linked fates in an interconnected world.”*
The New York Declaration By Business

We, the business participants of the UN Global Compact Leaders Summit, gather in New York at a critical moment in the history of the global economy. Future advances in global integration, sustainable development, protection of our planet and, ultimately, peace critically depend on the ability to collectively address challenges. The need for responsibility and leadership has never been greater.

We believe that embedding principles and responsibility into the marketplace is an essential part of the solution. Sustainable and inclusive global markets can contribute significantly to a future world where all people live in societies that are prosperous and peaceful. To do so, we must intensify our efforts to build a new era of corporate sustainability – where the UN Global Compact principles are integrated into business everywhere based on both material and ethical rationales.

The opportunity to build a sustainable future has never been greater. The case for responsible action is clear: embedding human rights, labour, environmental, and anti-corruption principles into corporate practices benefits both society and business. We recognize that, despite good progress, there is much to be done. Now is the time to build on the advances made in the past decade and bring mass scale to the discipline of corporate responsibility, helping to chart a future where sustainable development, a healthy planet and peaceable cooperation prevail.

Understanding this unique moment in time, we, the business participants of the UN Global Compact Leaders Summit, agree to the following statements and pledges:

1. We recommit to the UN Global Compact, and the call to embed ten universal principles – in the areas of human rights, labour, environment and anti-corruption – into our strategies, operations and culture, as well as to take actions in support of broader United Nations goals and issues, especially the Millennium Development Goals (MDGs). We pledge to report on our activities through an annual Communication on Progress.

2. We welcome the Blueprint for Corporate Sustainability Leadership, which challenges and inspires us to achieve higher levels of sustainability performance within the UN Global Compact. The Blueprint sets a bar for leadership, and we will seek to achieve it.

3. We will deepen work to advance the ten principles throughout our organizations, including relevant governance bodies and subsidiaries, and into the supply chain. We welcome related tools and resources introduced or profiled at this Summit and, where appropriate, seek to give them the widest possible implementation, while taking consideration of national conditions:

   a. We welcome the „Protect, Respect, Remedy“ framework of the Special Representative of the Secretary-General on business and human rights. Additionally, we commit to advance the Women’s Empowerment Principles.
   b. We will strive to improve workplace conditions in accordance with the ILO core labour standards.
   c. We embrace the “Environmental Stewardship” framework and its guidance on developing more comprehensive strategies.
   d. We will strive to implement the “Reporting Guidance on the 10th Principle Against Corruption”.
   e. We will seek to enhance responsible practices in the supply chain and welcome the guidance on “Supply Chain Sustainability”.
   f. We welcome “Responsible Business in Conflict-Affected and High-Risk Areas: Guidance for Companies and Investors” and recognize the potential for business to contribute more substantially to peace and development.

4. We also will strengthen support for critical development goals, particularly the MDGs, through our core business, social investment and advocacy. We will strive to do so both individually and in partnerships with other stakeholders, notably civil society and Governments. In this realm, we welcome the Principles for Social Investment and their guidance on increasing scale and impact of philanthropic contributions.

5. We commit to strengthen engagement through Global Compact Local Networks, and will seek to mobilize local participation by subsidiaries and business units around the world in order to bring scale to responsible business practices globally.
6. We call on more companies to commit to the UN Global Compact – with the goal of reaching 20,000 participants by 2020. We will encourage our customers, suppliers and peers to adopt responsible corporate practices and join the initiative.

7. We commit to increase transparency and dialogue, as well as engagement, with civil society and labour organizations in our work to advance the ten principles and support development goals. More collaboration will be required to find practical solutions to shared objectives.

8. We are committed to making the global economy more sustainable and inclusive through implementation of responsible practices. However, market success and political leadership go hand in hand. We are willing to do our part and we call on Governments to do theirs, specifically:

   a. We call on Governments to cultivate enabling environments for entrepreneurship and innovation, with effective economic institutions and supportive policies to provide long-term stability and promote transparency.

   b. We call on Governments to support an open international trading system and discourage discrimination in trade, without which businesses cannot reach their full potential to create and deliver value.

   c. We recognize that markets require effective regulation to thrive. Governments are called upon to set clear signals, especially in critical areas such as climate change. Governments are urged to set goals and incentives to reduce greenhouse gas emissions, strengthen climate resilience, and support a clean energy pathway globally, and especially in developing countries, that enables development.

   d. We urge Governments, as a complement to regulation, to encourage private sector engagement in voluntary initiatives that promote universal values, such as the UN Global Compact, and ask Governments to provide support through actions such as raising awareness, developing tools and incentives, and providing funding.

   e. We believe that achievement of the MDGs is a global priority and are committed to supporting these goals through our business operations, as well as in partnership with Governments. We call on Governments to bring new intensity and scale to partnering with business.

9. We will instil the tenets of corporate responsibility into tomorrow's business leaders, and encourage the work of the UN-backed Principles for Responsible Management Education to advance curricula and research in this regard.

10. We recognize the rapid growth of the responsible investment movement – led by the UN-backed Principles for Responsible Investment (PRI) and its 700 investor signatories – and encourage even greater linkages between PRI and the UN Global Compact in the future to help drive implementation of the ten principles in business.

11. We recognize that the UN Global Compact is an innovative public-private partnership with a governance, support and funding structure specifically tailored to the diversity of its stakeholders and its mission to advance UN values among the global business community. We recognize the leadership of Secretary-General Ban Ki-moon in advancing the UN Global Compact, and encourage the Member States of the United Nations to continue to support the initiative and strengthen its position within the Organization.
The Growing Inclusive Market Initiative was conceived by UNDP in 2006 in response to a need for better understanding of how private sector can contribute to human development and Millennium Development Goals (MDGs). The initiative's broad aims are:

- Raising awareness by demonstrating how doing business with the poor can be good for poor people and good for business.
- Clarifying the ways that business, governments and civil society organizations can create value for all.
- Inspiring the private sector to action

Turning the ideas into action, research and dialogue with private sector, government and civil society were conducted. The report: “Creating Value for All: Strategies for Doing Business with the Poor” was published in July 2008 and was launched in Indonesia jointly by UNDP Indonesia and Indonesia Global Compact Network (IGCN) in August 2008. The report comprises of 50 business-level case studies selected from various countries and industrial sector that involve the poor in various strategic methodology.

Inspired by the ideas, Indonesia Global Compact Network undertakes the initiative to conduct similar study for Indonesia cases. While the world report can be used as reference, the Indonesia cases may reflect a more real situation.

**What are “Inclusive Business Models”?**

“Inclusive business models” are ways of doing business that build bridges between business and the poor for mutual benefit. They include the poor on the demand side as clients and customers and on the supply side as employees, producers and business partners at various stages in the value chain.

Businesses are engines of growth, and have the potential to help improving the lives of people through their investments and activities. Inclusive Business is beyond philanthropy and traditional corporate social responsibility. They create and grow inclusive markets.
**Value for business**
- Generating profits
- Developing new markets
- Creating innovation
- Expanding the labour pool
- Strengthening supply chains

In summary, it ensures business sustainability

**Value for the poor**
- Meeting basic needs not by charity donation
- Enabling them to be more productive
- Increasing their incomes
- Empowering communities

This is not only improving their quality of life, but also reducing the potential of having social conflict and unrest

Hence, inclusive business is a pro-poor business approach, not only exploring new opportunities by growing inclusive market, but also making ending poverty part of their daily business. It shows how including the poor in their strategies is not just good for businesses; it is good for the world’s poor too.
Poverty

Poverty can be defined as lacking of opportunity to lead a life one values

- Lack of access to financial facility
- Lack of access to market
- Lack of access to skill
- Lack of access to products
- Lack of access to essential goods and services:
  - No clean water
  - No adequate sanitation
  - No electricity
  - No internet

In his famous book “The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits” (2004) CK Prahalad, a Professor of the Corporate Strategy and International Business, introduced the need to have a new paradigm, by viewing “the bottom of the pyramid” or “the poor” as a potential resource in enhancing business profitability. They are not incompetent people to whom we give charity and donation. They are the “underserved consumers and markets” which in fact need to be empowered. There should be new creative approach and strategy to transform the poor to be an “active market”. As a result, business is developing and at the same time poverty is reduced.
How to Support the Development of Inclusive Business Models

The report suggests that business can build foundation to create new market and help the achievement of MDGs through the implementation of Inclusive Business. But no different from MDGs, it requires broad support and collaboration amongst business, government, civil society and the community to make it work effectively. Each has their role to perform.

**Business**
- Create capacity and space for innovation (technology, process, financing, skills, etc)
- Develop specialized investment tools
- Deepen community engagement
- Build capacity for collaboration
- Engage in policy dialogue with government

**Government**
- Review the policy and regulation to remove constraints in the market environment
- Provide support and finance inclusive business models
- Provide infrastructure, basic utilities and human capital development (health, education, skills)
- Strengthen institutional capacity for collaboration
- Establish dialogue platforms to engage business and community

**Community Service Organization and Others**
- Communities can organize to make it easier for businesses to engage
- NGOs can facilitate private sector engagement with communities, governments and other organizations
- Donors can raise awareness and provide funding
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- Nestlé Indonesia
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- Unilever Indonesia, Tbk
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The magnitude power of tsunami that hit Nangro Aceh Darussalam at the end of 2004 has destructed the ecosystems and environment of Serambi Mekah (Veranda of Mecca) to the point of extreme. To restore the quality of the environment, necessary steps should be taken in coordination with all elements of government, society, and the business community. As a form of awareness and response to these concerns, Bank Negara Indonesia (BNI) took the initiative to build the ‘BNI Urban Forest’ - located at Gampong Tibang (Tibang Village), Banda Aceh. The Urban Forest as the symbol of bank’s identity as the Green Bank is expected to boost the creation of Aceh Green program, announced by the local government. Furthermore, this paper elaborates the role of BNI in the development process, optimizing the quality and conservation efforts of the Aceh Urban Forest. This paper also presents the testimony of efforts to empower local communities to become an integral part in the management and preservation of the Urban Forest so by the time the exit strategy is carried out, the Urban Forest will be sustained. This paper is also expected to inspire others, especially those who are in business community, to re-raise the awareness on the importance of environmental conservation campaign that we will leave as an artifact of civilization for the future generations in the future.
In Indonesia, the role of women in the society has always been a delicate topic, especially in rural areas in Indonesia. Women are usually subjected to the traditional stereotype of being a housewife; cooking and cleaning the house and tend to their husbands’ and children’s needs. Although they are very much affected by the financial problems in their life as their husbands can barely support their families’ needs, it is difficult for them to get a job that allows them to still do all the function as a housewife and earn money at the same time. Their low education level is also not helping in terms of securing a job that can contribute to their family income.

Their plight caught the attention of PT Indah Kiat Pulp and Paper (IKP) Perawang, Riau. Since 2002, IKP has developed its CSR programs to address this issue. One of its community development plans was to empower these women by creating job opportunity by turning strapping plastics formerly used to strap pulp together into marketable goods. It is also one of IKP’s efforts to reduce its plastic waste.
This case study highlights Nestlé Indonesia’s initiative as an example of how a company helps fight poverty and promotes a healthy environment by forging a mutually beneficial business partnership between the core business activity (producing and marketing its brand) and dairy farmers as its suppliers, with the help of an NGO that contributed its expertise.

The partnership has grown to a three-pronged synergy between Nestlé Indonesia, the Humanist Institute for Development Cooperation (HIVOS)--a Dutch non-governmental organization (NGO)--and farmers’ cooperatives. Each party contributes its special resources. The NGO provides technical know-how and expertise, the farmers have the cows and Nestlé Indonesia provides zero interest loan and guaranteed market for the fresh milk. The case examines the challenges and opportunities of such partnership in the context of income generation for the poor, which also addresses environmental issues and the improvement of family health in the process.
PT Trakindo Utama (Trakindo) has a great concern about education in particular about the development of morality and character of the nation’s next generation. Through its support in education both inside and outside the company, Trakindo has been contributing to making a success of Millenium Development Goals (MDGs) programs. The efforts of education development began in 1996. The other MDGs programs have also been conducted by Trakindo which include poverty and famine elimination, promotion of gender equality and women empowerment, decrease of child mortality rate and improvement of pregnant women’s health, reduction of HIV/AIDS risks, assurance of environmental sustainability, and improvement of global partnership for development. Trakindo’s concern about education, particularly education with good character, has been materialized in development and establishment of Elementary Schools, Vocational High Schools, and Polytechnic and Community College. The success of Trakindo’s MDGs programs has been supported by the entire stakeholders to a great extent.
This paper focuses on the issues of corporations collaborating with society to address Millennium Development Goals, namely: poverty alleviation and environment sustainability. The results of the concerted efforts are improved access to employment to local people through training and empowerment and involvement of various stakeholders to preserve natural resources surrounding Umang island.

The methods used to compile this paper started with interviews, both preliminary and on site interviews, backed with findings from previous researches and literature relevant to poverty alleviation and environment sustainability efforts in the vicinity of Umang island. The researchers also went snorkeling at various parts of the island to document the natural wealth surrounding the island that can be further explored and expanded to bring economic benefits to the local people and businesses. This paper proposes actions to be considered based on the findings and conditions related to the island for further research and exploration. The sustainable economic development of the villages surrounding Umang island will be directly related to their ability to sustainably preserve the environment.
Unilever Indonesia, Tbk

Household waste is an increasingly serious problem in Indonesia, including plastic waste from packaging of consumer goods. Unilever Indonesia, Tbk has demonstrated its commitment and concern for the environment by building partnerships with community groups to collect plastic packaging waste from consumer products through waste banks and the reuse of the plastic waste for household goods under the trade name “Trashion”. This partnership helps to enhance the welfare of the community groups involved, and can change attitudes and behaviors toward waste (Especially inorganic waste).
F.X. Boedi Krisnawan Suhargo’s concern about the destruction of land in Indonesia and the poverty experienced by the majority of farmers has spawned Villa Hutan Jati (Teak Forest Villa). It is a natural laboratory with its vision and mission is to: ‘Heal The Earth together’, anticipating the effect of global warming, anticipating food and energy crisis, and combating poverty.

In materializing its vision and mission, Villa Hutan Jati organizes various trainings to increase farmer’s knowledge in agriculture, organization and business area. Trainings are also conducted to build motivation and change the mindset of the farmers so that they have pride in their profession as farmers. Besides conducting trainings, Villa Hutan Jati also facilitates some efforts for environmental preservation, strengthens local economy and social cohesion, and encourages the emergence of new time-tested entrepreneurs. Some of the area selected by Villa Hutan Jati to implement its programs are Southwest Sumba Regency and Noelbaki village. Both areas are located in the province of East Nusa Tenggara.

With its program, Villa Hutan Jati has given new hope to those who are not afraid of hard work to achieve a better life, not only in economic term, but also in other dimensions such as nature, society and wellbeing. Therefore, the impact of this program is not only give benefits to farmers as individuals, but also it gives benefits to the whole community where they live.
Innovation is the essence of business survival. Without innovation, there is likely no business that can survive to compete for the future. Innovation is not only for large business or in high-tech sectors, but also for small business such as bullfrog farming in agri-business sector.

Wayan is a good example of a very tough and persevering frog farmer who always treats obstacle as a challenge for innovation. This is what makes him different than other farmers. As a result, Wayan has existed as a frog farmer for more than half of his age and become the most successful frog farmer in Bali, Indonesia. Innovations have been done through battery pond, frog foods, treating frog diseases, methods for frog’s optimal growth, and know-how to build marketing network to sell the product. He found ideas for innovation out of passion and perseverance in frog business. He got many ideas for developing good bullfrog farm. Hence, this business innovation is a key to Wayan's success in frog farming.
## GIM Volume 1 Case Study Summary

<table>
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<tr>
<th>No.</th>
<th>Company</th>
<th>Industries</th>
<th>Case (Title)</th>
<th>MDGs</th>
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