

Cambridge Judge Business School
and Leibniz University of Hannover

June 2019

CROSS-SECTOR COLLABORATION & PRO-SOCIAL GIVING: THE APPLE PROJECT



UNIVERSITY OF
CAMBRIDGE
Judge Business School



Leibniz
Universität
Hannover

Helen Haugh

University of Cambridge

h.haugh@jbs.cam.ac.uk

Christiana Weber

Leibniz University of Hannover

christiana.weber@ufo.uni-hannover.de

Design

Timur Alexandrov

Cambridge Judge Business School

t.alexandrov@jbs.cam.ac.uk



Abstract

Cross-sector collaborations between private companies and social enterprises are increasingly recognised as a way to combine commercial success with social and environmental impact. Our analysis of the Apple Project finds that while successful corporate-social enterprise collaborations might typically be expected to be based on alignment of partners' goals, values, practices and delivering planned outcomes, success can also come from delivering unplanned outcomes – a phenomenon we label pro-social giving.

The Cross-Sector Collaboration Puzzle

Cross-sector collaborations bring together organizations from different economic sectors and have attracted special attention because of the complexities associated with the impact that different goals, values and practices have on the capacity of partners to work together. Fundamental to successful cross-sector collaboration is an exchange relationship in which both partners are satisfied with the relationship and the outcomes produced from working together. While we know from practice that successful business relationships are based on delivering planned outcomes, why do some partners give more than they are contractually obliged to deliver? Our analysis of The Apple Project sheds light on the novel phenomenon of pro-social giving.

A cross-sector collaboration is a partnership between organizations from at least two economic sectors (public, private and non-profit) in which partners work together to create both economic and social value and they are increasingly useful for tackling social and environmental challenges, such as poverty, inequality and climate change. While corporations focus mainly, but not exclusively, on financial performance and profit, social enterprises aim to create social and environmental impacts. To work together the partners need to find common ground so that they meet the others' expectations; similarly their values and practices need to be aligned so that interactions between them run smoothly.

However, the inherent differences between the ways that private companies and social enterprises function means that alignment in goals, values and practices may not always be achievable. While lack of goals, values and practices alignment may suggest that the partners cannot work together, our analysis of the Apple Project finds that lack of alignment can be compensated for when partners give more than they planned to do. We describe the phenomenon of giving more than the partners agree to give as 'pro-social giving' because the unplanned giving has not been taken into consideration when the contracts between partners are agreed.



*Top: Start of partnership building in 2007; Understanding technology 2010; Middle: Desinging jointly; Market outreach;
Bottom: Can you help us 2012; Building partnership on strong base 2010.*

Discovering Pro-Social Giving

We discovered the phenomenon of pro-social giving in our cross-sector collaboration research project. First, we identified and interviewed both partners in a range of cross-sector collaborations. We asked each partner for their account of the origins and characteristics of the relationship between them. We were particularly interested in the extent to which their goals, values and practices were aligned. Second, after a minimum of 12 months had passed, we returned to the partners and asked them about how the relationship between them had evolved. We were particularly interested in what they gained from the collaboration and how satisfied they were with the relationship with their partners. While we had assumed that fulfilling contractual obligations would be sufficient to sustain a cross-sector collaboration, we found that if any of the goals, values and practices were not aligned, giving more than had been planned when the contracts between partners had been agreed compensated for such differences.

The Apple Project

The collaboration between Fresh Food Technology (FFT) and the social enterprise Shri Jagdamba Samiti (SJS) illustrates how giving unplanned outcomes can compensate for lack of alignment in goals, values and practices.

The Partners

The Apple Project is an initiative designed to empower small, rural farmers by improving their apple production, storage, distribution and marketing. FFT is a professional services company, based in the Netherlands, and specializes in the design and implementation of technological solutions into food value chains. FFT provides on-site inspection, supervision, project management and monitoring services. FFT has built and executed many projects on turnkey basis, e.g., in Russia, India, USA, Canada, Faroe Islands, Kenya, Malaysia, Germany, Indonesia, Iraq, Tanzania and Oman. FFT offers either complete or part projects in cold storage, freezing rooms, controlled atmosphere rooms, banana rooms, and slaughterhouses. Established in 1991, SJS is a social enterprise that supports economic, social and environmental development in the rural population in Indian Himalaya. SJS aims to promote economic development of the rural population in the states of Uttarakhand and Himanchal Pradesh. SJS started out as a voluntary group with the aim to foster sustainable development initiatives that use local resources. SJS strategy focuses on sustainable income generation projects. In addition to FFT and SJS, Apple Project stakeholders include the apple farmers as well as some social investors.



The Apple Project aims to empower small, rural farmers through ownership and business model development by increasing their income by eliminating payments to middlemen and business ownership. The Apple Project addressed disadvantages of traditional growing methods which were hampered by:

- Isolated apple orchards in the foothills of the Himalayas
- Poor yield management
- Harvesting not at optimum times
- Product deterioration due to lack of effective apple storage facilities
- Product deterioration resulting from lack of good transportation infrastructure.

Apple Project Planned Outcomes

The planned outcomes comprised three principal types impacts:

- Increase farmer income
- Eliminate exploitative middlemen in value chain
- Farmer empowerment

Collaboration Between FFT and SJS

While FFT is embedded in the world of international commerce, the apple farmers are located in the Indian Himalaya and rarely interact with such global institutions. Hence, SJS aimed to bridge the different worlds of FFT and the apple farmers in two ways. First, helping FFT to respond to the distinctive challenges of working with farmers in the Indian Himalayas; and second, helping the apple farmers to organize their farming methods so that they could do business with FFT:

“As a first step, those who initiated the Apple Project needed to understand what potential interest the farmers had to move up in the value chain [...] And, most of all, what is the willingness of individual farmers and farmer groups to participate in collective action by organizing themselves – and how can they be supported and guided in this?”

SJS

The initial “*lack of understanding of each other*” (FFT), was played out in “*struggles amongst some of these groups and there was distrust to be overcome and a lot of things*,” (FFT).

As the cross-sector collaboration matured however, the partners goals began to converge until a “*shared vision on social, political and economic objectives as prime driver to participate in this approach*,” (SJS). While the partners each retained aspects of their own values and practices ultimately the intention is that the apple farmers will “*become equal business partners [...] to set up a viable business*” (FFT).



Apple Project Unplanned Outcomes

In addition to the outcomes that were planned when the Apple Project was established, analysis of the interviews uncovered that there were several other outcomes from the collaboration between FFT and SJS:

- An apple juice business set up by women
- Apple tourism. Using the slogan "Apple is the food of the Gods" the apple orchards have become part of the pilgrim visitor experience
- Greater awareness of ICT from installing ICT kiosks in different village centres for the farmers to communicate with each other
- Raised awareness of resource management issues, e.g., climate change, renewable energy, environment and land and water management
- Attracting additional social investors and influx of capital



The Women's Apple Juice Project

Traditionally Apple farming in the Indian Himalayas is a male occupation from which women are excluded. Any apples that do not meet the required quality standard, such as bruised fruit, are taken out of the value chain and discarded. However, all substandard and windfall apples can be claimed by the women. Having seen the positive economic and social impacts of the Apple Project on the men in the community, the women were interested in finding out if the unwanted apples could be used in some way to create a business.

“When we had a meeting with farmer groups of men, the women were looking from a distance ... and one day, during our meeting, a few came over and asked, ‘can you have any solutions for these bruised and left-over fruits?’ And then we started to think. No one will restrict them to get these fruits, and then we started a juice factory”

SJS

By 2019 the apple juice factory was owned and managed by women from the region and the drinks products are successfully sold in retail and hospitality outlets across India. Interestingly, the women's new juice business model is much more profitable than FFT's traditional business model. *“The strange thing is that the whole business case of the juice making is much more attractive commercially than the long-term storage facility”* (FFT).



Top: Agro-processing enterprise; Middle: Aerial view of the apple storage; Meetings in 2008; Bottom: Farmer receiving certificate of recognition.



Insights into Successful Cross-Sector Collaboration

While it has been traditionally assumed that successful cross-sector collaboration is based on alignment of goals, values and practices and delivering the planned outcomes specified in the contracts between partners, the Apple Project illustrates how delivering unplanned outcomes can compensate for any alignment gaps. Successful cross-sector collaboration is therefore not just a matter of finding common ground in goals, values and practices – what is exchanged is also a determinant of partner satisfaction and relationship endurance. The Apple Project demonstrates the importance of distinguishing between planned and unplanned outcomes because successful cross-sector collaboration can be achieved when partners receive either, or both, planned and unplanned outcomes.

Implications for Practice

- In cross-sector collaborations, aim to find opportunities to align partners' goals, values and practices
- Endeavour to understand partners' expectations and encode them in planned collaboration outcomes
- Look for opportunities to give more than originally planned as exceeding planned outcomes may compensate for when partners goals, values and practices cannot be aligned

**Cross Sector Collaboration and
Pro-Social Giving: The Apple Project**

Cambridge Judge Business School
University of Cambridge
Trumpington Street
Cambridge CB2 1AG

Tel +44 (0)1223 339700

www.jbs.cam.ac.uk