



SEN

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YPO-WPO SOCIAL ENGAGEMENT NETWORK

## 2014 SEN AWARD WINNERS

LEADERSHIP • ENVIRONMENT • PHILANTHROPY • INCLUSIVE BUSINESS / COMMUNITY

# Think Local





USA  
**JIM GREENBAUM**  
PHILANTHROPY  
WPO PACIFIC US AT LARGE

## Redefining How We See Success

**Jim Greenbaum** (WPO Pacific US At Large) did the opposite of what most people do when they set out to change the world. Rather than hitting on a great idea and making millions for himself, he aimed to make as much money as quickly as possible to help make the world a better place. Greenbaum founded telecom company Access Long Distance in 1985 and seven years later, at age 32, he made the decision to leave the corporate world within eight years.

“I saw a story on a late-night show about a guy from the U.S. getting these kids out of horrible conditions in a Romanian orphanage and I realized that I had to set a timetable for change instead of just talking about it,” he recalls.

Keeping true to his plan, Greenbaum sold the company in 1999, growing his net worth to US\$133 million. He has committed himself to giving 85 percent of his assets to charitable projects that end suffering in both humans and animals during his lifetime, and the remainder of his estate soon thereafter. To date, he has already contributed more than US\$40 million to the Greenbaum Foundation for this purpose.

He never looked back and has been doing philanthropy full time ever since. “I meet people all the time who are still working to increase their fortunes and I ask them, ‘Why are you still doing this?’ Making money is easy, changing the world is more of a challenge,” says Greenbaum. “My big frustration is the number of people who decide to go into philanthropy, set up their foundations, hire others to manage the giving and continue in the business world without getting actively involved. They should use their skills and entrepreneurship to try and change the world for the better.”

Greenbaum and his wife and partner, Lucie, tackle myriad issues, including animal abuse, health issues in Africa (even Ebola), human trafficking and slavery. The foundation now supports between 30-to-40 organizations at any given time.

He also has an opinion as to why so many Americans are involved in global philanthropy. “In the U.S. we are encouraged and rewarded for thinking out the box. Think about how Silicon Valley leads the world in technology innovation,” says Greenbaum. “In the developing world, there is usually less red tape, so one can more efficiently help others. With modern communications you can make a difference anywhere in the world if you really want to.”

Greenbaum’s world view is based on the golden rule that goes back thousands of years and is the basic building block of any civilization – do unto others as you would have them do unto you.

“If we can get voices to be heard or create a society where people are able to speak up, then we will have created a better world for many who are currently helpless,” he says. “Being a bystander to suffering is not an option.”

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INDIA  
**THOMAS MUTHOOT**  
PHILANTHROPY  
YPO KERALA

## Financing the Bottom of the Pyramid

**Thomas Muthoot** (YPO Kerala) was born into a family business with retail lending at its core. With the motto ‘Empowerment through affordability and convenience,’ he has pioneered the art of lending beyond financial considerations and is now the executive director of Muthoot Fincorp, a division of the Muthoot Pappachan Group, that boasts a variety of unique financial solutions with sustainability at its core. Together, they cater for the financial needs of a massive market of underserved people in the world’s most populous country.

Muthoot drew inspiration from C.K. Prahlad’s book *The Fortune at the Bottom of the Pyramid*, that sought to demonstrate how companies worldwide could identify, build and profit from new markets among the world’s several billion poorest people, while at the same time helping to alleviate poverty. Five years after Muthoot first read the book, the ideas are no longer theory to him, he proven that they work.

Muthoot Fincorp now has a network of more than 3,800 branches nationally. “Our aim is to empower women and alleviate poverty in India,” says Muthoot. We also started this business inspired by the impact and success of the Grameen Bank, the microfinance organization in Bangladesh, founded by Nobel Laureate Muhammad Yunus.

“Within four years we have served more than 1.3 million women by providing them finance, training and welfare,” he says. “All of them come from remote, rural villages and we have tried to make them self-dependant entrepreneurs of their own micro businesses. Most importantly, we go to these remote places and serve them on their doorstep.”

The group’s micro-finance organization, Muthoot Mahila Mitra, follows the Joint Liability Group (JLG) model of micro-finance. Customers are organized into lending groups of five to 10 women, with each person offered a loan of between Rs10,000-15,000 (US\$165-US\$250) depending on her repayment capacity, for a tenure of 52 weeks. Within a few years the microfinance business has attracted 800,000 customers and a loan portfolio of more than US\$ 140 million.

The wellness of clients is equally important and the group conducts financial literacy classes, develops links to markets, runs medical wellness camps and provides water purifiers to those without safe drinking water.

Muthoot also spotted an early opportunity within the vast shortage of low-cost housing in India and was instrumental in setting up the Muthoot Housing Finance Company, of which he is managing director. The company typically offers home loans of up to US\$25,000 for a period of 15 years, lending mainly to the low income, informal sector that cannot secure funding from the formal banking.

Muthoot has instead built up a field-based assessment model that assesses income on the basis of cash flow, without any formal income documentation. Through this approach the company has been able to fulfill the dream of home ownership for more than 5,000 customers. Power dynamics within these homes are changing too. A recent survey by independent finance agency IntelliCash has shown that financial decision-making between husbands and wives has begun to equalize, a result of focusing on women’s financial empowerment by Muthoot Fincorp.

“Many women in Indian households are not involved in any economic activities, says Muthoot. “They haven’t even realized their potential. We aim to uplift them to become part of mainstream economic society.”

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# The SEN Awards honor YPO and WPO members for their commitment to making a difference to their communities and the global society at large.

Every company and individual recognized through the SEN Awards has made significant development and contribution. Their initiatives achieved impact at scale through a “multiplier effect.” The annual award is sponsored by YPO-WPO’s Social Engagement Network. SEN bridges business leaders who strive to achieve humanitarian, environmental and social engagement endeavors.

## The True Cost of Capital: People

On a visit to rural Vietnam a few years ago **Don Lam** (YPO Vietnam) met with a mother who had just lost her 8-year-old daughter to a heart condition because she didn’t have the money for surgery. When he discovered that it would have cost US\$3,000 to save her, Lam decided to act.

As the founding partner of Vina Capital, one of Vietnam’s leading asset management groups, he adopted an attitude of giving back to the communities in which he works. He has taken mainstream financial regulatory requirements of ethics, transparency and fairness, and applied them to a social business model that promotes good.

“If we’re going to invest in the community then we should start giving back to the community,” says Lam.

Their latest venture, the Lotus Impact Fund started in 2013, is effectively an impact investment fund. Lotus Impact actively invests in private enterprises that help solve social and environmental problems. Projects that produce catering graduates, business graduates for rural economic growth and clean-water projects are funded through a process that merges local market knowledge with financial and social analysis.

“We focus on high social intent, but not necessarily a high return,” explains Lam. “The measure of social impact is more important to us.”

Vina Capital’s investor base is mainly in Europe, where investors admire the positive developments Lam has introduced. “Many of our investors visit us and say they want to become involved,” says Lam. “They tell me that if they’re looking at two funds, both being equal, they’d choose us because of our social impact.”

With a succession of global financial crises behind us, Lam has sage advice for how we should view money, “as a tool to create stability in whatever you do. The money we generate should be looked at from a wider investment perspective. Not following traditional finance trends and focusing beyond short-term profit can result in better profits down the line,” he says.

Lam believes that the key in business is to lead by example. “You can talk as much as you want but if you don’t actually do it yourself then it won’t have any effect.”

### Don’s Investment Check List:

- The first thing Vina Capital does is look at the people they’re investing in, not the industry. What they manufacture is less important than the people managing the business. “The people who manage the business might run a fantastic operation but if they’re not ethical it will go sideways very quickly.”
- Vina Capital looks at how companies treat the community around them. “It’s important in the long term that these businesses have a sense of social responsibility.”
- They don’t invest in businesses that make a lot of money by cutting corners, like in Bangladesh or Pakistan, where factories collapse and workers are killed. “You’ll make money in the short term, but the focus should be on a long-term return for your investment.”

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## Creating Room To Read

Room to Read envisions a world in which all children can pursue a quality education by learning how to read. Now in its 14th year, and having helped nearly nine million children in 10 countries, the 1,000 staff and more than 14,000 volunteers of this remarkable organization are now on track to lift 10 million children out of poverty by 2015.

Room to Read has a leadership team comprised of corporate veterans from Goldman Sachs, Gap, Microsoft and Unilever. The team has a shared commitment to hiring and retaining a talented and passionate global team, and they are now lending their expertise to kids around the world. A staggering 14.5 million books have already been distributed and 16,549 libraries have been established.

**Erin Ganju** (YPO San Francisco bay), CEO and cofounder of Room to Read, was influenced by her university professor father and social worker mother. You could say that she is the perfect result of their combined talents.

"I grew up with a deep understanding of the value of education," says Ganju. "My father was the first person in his family to go to college and even in my own country, the United States, it has only been a few generations since we've seen the impact that education can have."

The importance of giving back was instilled in Ganju from an early age and she is fond of quoting, "To whom much is given, much is expected," a philosophy she subscribes to when looking around the world wondering how she can make a difference.

Her early career as an investment banker at Goldman Sachs turned into a job at Unilever, which came with a posting to Vietnam.

"This was a pivotal point for me," recalls Ganju. "I was in my late 20s and working in a developing country where foreign direct investment had just been allowed, and I could see how the work we were doing had already made a difference within one generation. I saw how education has the power to break the cycle of poverty."

Ganju witnessed firsthand how building a strong education system can pull a country, community and every family out of the grips of poverty.

"I was also profoundly affected by how hard women were working – around the house, on child care and in the fields – and how much of the livelihood of a family depends on the work of women."

Ganju realized that women are educated in communities such as these, it creates a ripple effect. One of the most powerful ways to improve family nutrition and health, and for a child to become literate, is if there's already a literate mother in the home.

"We began Room to Read to focus on child literacy and girls' education in particular," says Ganju. "We try to keep girls in school for longer to ensure that they become empowered and take control of their own lives."

One of the greatest challenges of any global organization is to ensure that you are locally relevant. "The worst thing you can do is arrive with a cookie-cutter approach and develop solutions that aren't relevant to the context of a country," explains Ganju. Partnerships with communities and governments alike ensure proper support for Room to Read, and employing local staff helps with language and cultural barriers.

"The desire to create change speaks volumes about what committed leadership really means. I have developed cross-cultural skills and an ability to understand the global nature of the world around me," she says. "It's no longer enough just to understand your own country's perspective if you want to become a dynamic leader. So much of the world today is interdependent and connected. It's critical to develop skills that understand and bridge cultural divides."

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## Shaping Buildings That Shape Us

**Jerry Fink's** (YPO California Coast) light bulb moment came 20 years ago when his company swapped out some old toilets in an aging building and saw a 60 percent water savings. Today, with partners **David Kim** (YPO Golden West) and Derek Chen, The Bascom Group has completed more than US\$8.5 billion in real estate transactions and has built recycling into how they do business.

"I think we were doing green activities before green even became popular," says Fink. "Back then it was all about reducing expenses, but we didn't realize that we were actually acting green."

Fink and Kim looked for ways to reduce utility costs with energy-efficient lights, low-flow toilets and showerheads, gas monitoring and efficiency devices.

"Most importantly we realized that the best way to incentivize the environment is to make it financially attractive," he says. This has included the creation of attractive, desert-type landscaping to reduce water use and clever insulating techniques that cut utility costs.

The firm is focused on sustainability and the environment, and rather than create new products they look for ways to use existing materials to revitalize and renovate older buildings. "Bascom has always strived to find a balance of people, planet and profits," says Kim. "Rather than throw away materials we look to reuse them within other communities."

Bascom acquires and renovates buildings that are suffering from lack of maintenance, typically 10 to 40 years old, and the team puts together a business plan to reposition the property. Tenants in the buildings are happy with the improved living conditions and the surrounding community is thrilled to see the revitalization of their neighborhood. They also see people putting money into the improvement of their community.

Fink says he has always felt that revitalizing older buildings help preserve the character and culture of an area.

"We try and find building materials within a short radius of the property we're working on," he says. "And use local vendors and construction workers that live nearby to help minimize CO2 emissions from commuting to the workplace. It also gives local people a sense of pride to be helping improve their neighborhood."

Despite these victories, Fink knows that even his talented team does not have all the answers. "I consider a good leader to be someone who hires people that are better and smarter than they are," says Fink. "You should also empower employees with responsibilities and the authority to make decisions and take action."

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## Finding Yourself Through the Service of Others

In the early 1900s **Shishir Bajaj's** (WPO Mumbai) grandfather, Jamnalal, was involved in the Freedom Movement in India alongside Mahatma Gandhi, even spending time in jail as a freedom fighter in his battle against the British. Driven by strong ethics and a will for Indians to govern themselves, he added philanthropy to his arsenal of weapons, along with his strong political ideologies.

As a philanthropist he opened the first temple to the downtrodden, now 100 years old. While Jamnalal never saw his cherished dream of an independent India, dying five years before independence day celebrations in 1947, his principles and convictions have been passed down through generations.

His legacy is presently in the care of Bajaj, chairman and managing director of Bajaj Hindusthan Sugar Company, the largest in Asia and fifth largest in the world. The principles that his grandfather learned under Gandhi have been applied to this large industrial business, one that almost qualifies as a regional government in scale and impact.

Jamnalal saw at an early stage that there was a need for new companies to feed the economic challenges of building a new nation, and formed the sugar company in 1931.

"Because my grandfather was too busy with the freedom movement, he set up the business and let my father run it," says Bajaj. And in a move that predates Bill Gates and Warren Buffett's Giving Pledge campaign by 80 years, Jamnalal formed a trust for the wealth because he didn't want to own more than he needed. Two foundations, the Kamalnayan Jamnalal Bajaj Foundation and Jamnalal Kaniram Bajaj Trust now support more than 100,000 families in 701 villages, positively affecting the lives of more than 615,000 individuals within the Wardha and Sikar districts.

In keeping with the family tradition of social change, Bajaj's son Kushagra suggested the formation of an action plan five years ago that scaled the company's social good onto a much larger platform.

"The number of villages we'd like to cover in the next five years is 1,000," says Bajaj. "There are about 700 districts in India and if we can capture just two I think it will be a seriously good achievement."

As the most populous country on earth with slightly more than 1.2 billion people, two districts is not the small number some would imagine. Some of the projects Bajaj is involved in include sustainable agricultural practices and women's self-help groups. A water resource project has seen 82 rivers deepened, 74 miles of riverbed rejuvenated and schools built at seven of the 10 sugar factories.

As Gandhi has said, "You must be the change you wish to see in the world."

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## A Family Link to the Past is a Bridge to the Future

**Pandia Rajan** (WPO Chennai) knows about child labor – he experienced it firsthand growing up in a village near the town of Tamil Nadu, famous for producing fire crackers. He lost his father at a young age and his community raised him, helping him to complete his education. “I certainly feel the need to give back to society, because of what I experienced growing up,” he says.

Rajan also found the perfect business partner in his quest to give back – his wife Hemalatha – and together they spend much of their time studying different models and methods on how to create a sustainable philanthropic organization.

“This analysis gave us a framework over which we started to draw a human dimension,” explains Rajan. “It also made us realize the importance of examining policy at a grassroots level and how political parties can also assist.”

The couple have never believed in checkbook philanthropy and wanted to build proper relationships with communities, much like a family would. They established the Ma Foi Foundation in 1992 to promote community service and registered the Sornammal Educational Trust in 1996 to help eradicate child labor in the fire cracker industry. In the beginning the trust adopted one child every month, with Rajan and his wife personally selecting and mentoring them.

“Our philosophy has always been to improve human development in the areas in which we operate,” says Rajan.

This has resulted in the permanent change for the better for thousands of people, mostly children, youth and women. Three different organizations fall under the Ma Foi umbrellas, each with a unique focus: Disha nurtures disadvantaged children to finish school and become employable, Ekam provides holistic healthcare for children between birth and 17 years old and Sornam provides micro loans to women.

The numbers illustrate the effectiveness of what they have done to date. The Disha scholarship has given educational opportunities to 4,000 children from 120 schools across the state of Tamil Nadu. More than 700 of them are now in college with 280 having moved on into formal employment. The Disha Sports Academy has maintained the participants as state champions in boxing and district champions in football.

Ekam has created a network of more than 172 doctors and 51 hospitals across five districts, saving a staggering 7,000 infants from death. Another 6,000 children have received their first pair of reading glasses and 3,000 nurses have been recruited to staff local government hospitals.

Sornam has created 4,315 self-help groups for 60,900 women that facilitate lines of credit to help support women in starting their own businesses.

“It gives us immense satisfaction to personally see the growth of people we work with,” says Rajan. “The time we spend with staff and beneficiaries of each project are critical to the success of these ventures, and for us too. We understand that ideas don’t just appear at the top of the management chain. In many instances, it’s the people we work with, or our beneficiaries, that give us ideas.”

To ensure sustainability and long-term vision, the couple believes in giving freedom to participants who design projects in which they believe. They recruit people who have a vision of their own and Rajan and his wife are always at hand to incubate these ideas and support them. Ekam came to life in a similar fashion. It began as the idea of a doctor, the couple supported it, and today it’s one of the largest NGO’s in the region.

“Focusing on impact, rather than project-mode, is another reason we are able to innovate constantly,” says Rajan. “We discuss relevance and impact with beneficiaries constantly. This approach keeps the benefits optimized and also helps us formulate new projects and initiatives.”

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CHINA  
**JEFF BI**  
ENVIRONMENT  
WPO CHINA



## 2015 Award Nominations

To complete a nomination or application for the 2015 awards please email [sen\\_network@ypowpo.org](mailto:sen_network@ypowpo.org). You may self-nominate your own company or that of any YPO-WPO peer.

## Made for China

In 1997 **Jeff Bi** (WPO China) was an executive at Swedish-owned packaging company Tetra Pak. His 6-year-old son Hansen came home from school one day and asked him, "Dad, why are you still using trees to make products at work? It's bad for the environment."

Bi was not a decision-maker in the company and had no say in what packaging materials were being used, but he wanted to set a good example for his son. He lobbied hard, asking why the company didn't certify its fiber source, but the conversations didn't go very far. Most people in the company wanted to know whether it would help the bottom line or not, and Bi found many of his ideas went into the wastebasket.

"When I started my own business, Greatview, I needed to put my money where my mouth was," says Bi. "Although we lost money in the beginning, we started to certify our fiber source. It was the right thing to do," he says.

The aseptic packaging business is primarily used for packaging dairy, juice and tea products and is a hotly contested industry in China. Many competitors saw no reason to change their supply chain to ensure that the fiber pulp they received for manufacturing was from a sustainable source. It was a risk for Bi that has paid off. In 2013 Greatview reached a landmark 10 billion carton sales, despite milk shortages in China that resulted in less demand.

China's economic growth during the last decade is well documented, and its exports so prevalent, it's hard to believe that a company the size of Greatview actually imports most of its raw liquid paperboard from Houston, Texas. In an ironic twist to current globalization trends, Greatview is importing raw materials into China from some of the world's most expensive countries for local consumption. Many will argue that the phrase "Made in China" has already turned into "Made for China."

Elsewhere, Bi has established a factory in Germany and has already started exporting. He's also managed to get the attention of former co-workers and major industry decision-makers.

"Before we introduced certified fiber people would say 'why should I – it is other people's responsibility.' In many cases multinational companies used Chinese companies as co-packers, resulting in local companies being very cost conscious. They never voluntarily incurred extra cost for sustainable paper," says Bi.

"We're in a society where we always see the bad performers punished; we don't often see the good performers being rewarded. This is because the media are mostly geared toward publicizing the bad. But I think I have more listeners nowadays."

Bi believes that this does not happen without some form of personal loss. "You must be willing to sacrifice," he says. "I have never seen a successful leader leading from behind, usually they are leading from the front. You need to become good at motivating other people to do good so that more people, in turn, will follow them."

Bi has been trying to communicate with as many people as possible to get them to pay a higher price for their fiber source. "Although it's more expensive, it's good for the environment," he says. "It's an investment that will be paid back in the future."

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