

CASE STUDY

Danone.communities: *Creating a socially involved community around Danone*

by Estelle Eonnet

Executive Summary.

Danone.communities was created by Danone to promote and invest in social business.

At the core of danone.communities is a mutual fund with its 2500 shareholders. The mutual fund invests in social businesses that develop solutions to fight against malnutrition and poverty around the world.

A larger community has developed around the activities of the mutual fund, with fans of Professor Muhammad Yunus, students interested in alternative economic solutions, organizations and companies wishing to build more meaningful projects.

The danone.communities team successfully animates the community, reaching over 100 000 people online and through their events. Their current goal is to create an environment where members of the community meet and take action. Danone.communities is positioning itself to promote the building of social business projects by members of its community, quickly becoming the leading social business incubator.

Danone now has a passionate and engaged community growing around its innovative projects in the developing world.

Introduction.

It was impossible to guess what was bringing together the large and eclectic group of people in front of the Grand Rex the night of February 4th 2010, unless you were in the know. In suits, or T-shirts, bourgeois or bohemian, all were upbeat and smiling as though they were in line for a concert. But it was not for a concert, nor for a blockbuster film. It was to participate in the event "*United generation: let's reinvent and be entrepreneurial!*" organized by Danone's danone.communities.

The event brought together over 2,500 people. VIP guests participated on stage, from Nobel Peace Prize Winner Professor Muhammad Yunus to the President of the Civic Service Agency, Martin Hirsch. The CEO of Danone, Franck Riboud, and the head of the Social Business department of HEC, Frédéric Dalsace were there, as well as director Wilhelm Ernst Wenders who presented his short film on microcredit. The participants of the event of the Grand Rex were star struck.

Over the course of the evening, social business was glammed up, with two presenters moving between interviews of the VIPs and an amazing array of images and videos. It was an impressive show. The only criticism heard was that it was maybe too much of a show; that there remained overall little debate and few concrete or hands on explanations. Individuals from the public who already knew about social business left without having been able to take a step further, and those who knew nothing left without really understanding what it was all about. Yet the main message passed for all; that of empowerment and a wish to change the world. The public was inspired (with 70% younger than 30 years old).

The evening at the Rex is a very good example of what danone.communities aims to accomplish: bringing together a community of interested and militant people around Danone's activities in social business. Danone.communities is born from grassroots activities and experimentation, and it adapts in just that way. We will look at danone.communities from its inception, and see how it has evolved since the event at the Rex to reach its goals even more efficiently.

In order to understand how danone.communities was able to create its community we will look at:
- The structure of danone.communities' mutual fund with danone.communities' essential partnership with the Credit Agricole,

- Danone.communities' communication strategy and tools,
- Danone.communities' future goals.

Danone.Communities' Inception. The mutual fund.

- Inception.

When CEO of Danone, Franck Riboud and Professor Muhammad Yunus met for the first time in 2005, they shook hands on a social business project. Danone was to finance and create a yogurt factory in Bogra, to sell low cost and highly nutritious yogurt for the poor children of the area, with Grameen's help. Grameen Danone was born.

Yet Franck Riboud quickly objected to investing Danone's resources directly into social businesses, for the engendered return would never go to Danone and he claimed that he could not justify these expenses to his shareholders. In order to have Danone continue to develop social businesses, the mutual fund of danone.communities was created.

In many ways, this is the most visionary aspect of danone.communities, for the structure of the mutual fund ensures its own sustainability and allows Danone to branch out and support projects that are not directly their own. It is thanks to this structure that a strong sense of community was able to be built.

One fourth of the capital of the mutual fund belongs to Danone. The rest of the capital was raised thanks to collaborators, partner institutions and private French investors.

- Credit Agricole: an essential partnership.

At the core of danone.communities is the danone.communities mutual fund. Anyone can invest in the fund and the employees of Danone are particularly encouraged to do so.

The mutual fund is managed by the Credit Agricole, with 10% of the funds that can be invested in social business projects. With a total value of 74 million euros, danone.communities is able to invest up to 7.4 million euros in social business projects.

Different branches of the Credit Agricole have invested in the danone.communities' mutual fund, buying a total of 23 million euros of shares. Furthermore, the LCL bank, part of the Credit Agricole conglomerate, commercialized the product to its rich clients, raising 8 million euros through that specific client bracket. The Credit Agricole therefore financed more than a third of the danone.communities mutual fund.

-Investment in other Social Businesses.

Thanks to the creation of the mutual fund, it has been possible for danone.communities to expand its activity and invest in other social businesses in the sphere of nutrition. In 2008, danone.communities invested in two other social businesses. The Laiterie du Berger produces fresh milk in Senegal, at low cost, and works to develop the situation of the herders. The second social business, 1001 Fountains, develops a system of clean drinking water in rural Cambodia, thereby bettering the health of the general population.

By 2010, danone.communities began financing several other projects. Naandi brings drinking water to rural populations in India. El Alberto strives to give access to drinking water to an indigenous community in Mexico and ISOMIR, spearheaded by Maria Nowak, is working to provide micro industrial kitchens to small French farms so that they can more easily sell their produce.

All the projects are not only financially supported but benefit from the marketing know-how and expertise of Danone.

Danone.Communities as Communication Tool.

-Evolution of the community.

In 2008, the mutual fund had around 1000 investors. It became evident quite quickly that communicating on the social businesses was of interest to a community of people that was much larger than the sole circle of investors.

Danone.communities was able to quickly gain followers by capitalizing on Danone's vast array of connections. Danone.communities, optimizing its attractiveness for various niche audiences, grew to be closely followed by Professor Mohammad Yunus fans, students eager to find constructive answers, players in non-governmental organizations as well as managers interested in bringing more solidarity to their companies.

Touching over 100 000 people, the danone.communities team organizes its community into three different groups:

- Local actors in the field; for example, the *shokti+* ladies in Bangladesh, who sell the nutritious yogurts to their communities,
- Individuals involved in social business projects, from executives to partners,
- The public at large and investors.

These groups bring different assets to the table and are interested in different facets of the social business projects. Danone.communities works with each group differently in order to best develop the social business projects and create a strong social brand around Danone.

Danone.communities creates a sense of community by getting organizations and individuals involved in their events. The Grand Rex event was organized thanks to the initiative of the HEC Social Business chair, danone.communities, Reporters d'Espoirs and Isiqom, a live communications agency. For that event alone, danone.communities thanked over fifty organizations and associations for their support. 80 volunteers managed the crowds during the event and LMD Production screened their film *8*. Such contributions by organizations, companies and individuals builds a movement, of which danone.communities is at the center.

- **Online Tools.**

Since the inception of danone.communities, communication has played an essential role in bringing together individuals from very diverse horizons.

In 2007, the blog was started, with weekly news updates on the social business in Bogra. Since then, the main source of information on danone.communities is its Internet site. Each project has a blog where it is possible to follow the progression of each project and look at its history.

Danone.communities uses online social networks to connect with members of its community, sending them updates on projects and invitations to events. 30% of those who attend events follow danone.communities on Facebook.

During events, the danone.communities team uses cutting edge technologies, in the spirit of perpetual innovation. Tech savvy members tweet. The Grand Rex event was tweeted about by the following people and organizations, using the keyword #gensolidaire :

@arnaudlasausse, @arnaudriegert, @artate, @benmartin, @ccesetti, @CelineLap, @cgiorgi, @charlesruelle, @ClaireInParis, @Clement_L, @cxapec, @ddbloc, @diverteo, @ecoloinfo, @edelsol, @Globalmag, @IsabelleGermain, @isabelmonville, @JessC0, @Johanisma, @JonSMaloy, @julbraun, @jvjerry, @kenzame, @Laurath, @lespiedsurterre, @Logiconfor, @LonCreativeLabs, @lucienrigor, @merrybubbles, @NOUVELLESnews, @Oliv20, @oliviepaul, @olivierrafal, @Pierre85, @Pierrelab, @Ptitbooba, @RomPerrier, @SoAnn, @socialbiznews, @TonioHoguel, @typtlou, @WiserEarth, @xtof_fr, @yranchere.

Furthermore, during their shareholder meeting in 2010, in front of a room filled with Danone and Danone.communities shareholders, students and heads of organizations, the Danone.communities team skyped with the CEOs of the social businesses they are funding. The stories of the social businesses from Mexico to India came to life, as those closest to the projects spoke about the

developments of their social businesses to the assembly. It was one of danone.communities most successful and inspiring moments.

Connecting Contingencies. Danone.communities as Action platform.

The Danone.communities team quickly realized that thanks to their large community they were in a unique position to connect people from different professional backgrounds who not only wanted to learn about but contribute to developing social businesses.

- Giving agency to the network. “Mettre en action.”

Danone.communities' goal has evolved from raising awareness of social business through events to having people engage and take action by using the strength of the network.

Their evolution can be categorized in three phases:

- The first phase was to promote. Danone.communities' goal was to explain the benefits of social business and to gauge interest. They have touched 100 000 people to this day.
- The second phase was to debate, allowing people to appropriate the projects and express their hopes and wishes. They have touched 15 000 people in this way.
- The third phase is to engage members of the community by contributing knowhow or by investing in the mutual fund. Danone.communities currently has 2 500 shareholders.

Danone.communities evolved from community management to community empowerment. Their next goal is to facilitate action for emerging social business activists.

- DC Connect.

The danone.communities team organizes DC Connect meetings two or three times a year. Anyone is welcome to contribute. The goal is to let people connect and share new ideas. From these meetings, the danone.communities team believes new projects will form. It is now no longer about the social businesses that danone.communities funds, but about creating an environment where ideas for new social businesses can be born.

Thanks to one DC Connect meeting, volunteers and students are now working to answer the question: “What should be done so that Danone.communities can best facilitate action?” By developing its strategy in an opensource way, danone.communities allows all those who wish to contribute to do so. Through effective community management, danone.communities is able to harness the energy and ideas of its members, in order to push for greater innovation in social business and stimulate new contributions in the field.

- Focusing on Youth.

Danone.communities believes that youth will contribute most of the energy and ideas. The danone.communities team considers that it is essential for future leaders to be exposed to social business, whether they later work for Danone or not.

The first interns at Bogra, Bangladesh, were students from the French business school HEC, concentrating in the department of sustainable development. Due to this longstanding relationship with HEC, Danone decided to sponsor a department of Social business for the school, with Professor Yunus and, former French minister, Martin Hirsch on the board. The creation of the social business department was announced to the public in December 2008.

The goal of the HEC social business department is to have every student studying at HEC be exposed to social business and take at least one course in the department. They want their students to understand the strength of the social business mindset.

By Fall 2008, Danone.communities wished to share their opensource strategy with the community of students gathering around them. The goal of the evening at the Grand Rex was to open the community to students from other schools, while keeping close ties with those from HEC.

Several events came out of the Grand Rex event, with a special focus on members from the Y generation; those aged between 15 and 25 who are tech savvy, socially aware and future leaders of our world. Now danone.communities is able to work directly with engaged students without having to pass by the administration of their schools.

Just like Professor Muhammad Yunus, Danone.communities hopes to mobilize the next generation of leaders in order for social business practices to enter mainstream management.

Conclusion.

Danone.communities has the conviction that the knowhow of future companies will be inspired by social business. The very structure of a social business requires that teams create alternative ways of thinking and working. It is a mindset where one must always adapt to the demands of the field and not be scared of changing strategies.

Danone.communities uses the same practices in order to manage its community. The danone.communities team is not afraid of openly questioning its strategy and readjusting based on evolving goals.

Danone.communities has effectively federated the first and largest movement around social business in the world. The benefits of this movement for Danone are undeniable. Social business has also benefitted from danone.communities' work, making it better known to the public at large.

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Explore further: www.danonecommunities.com