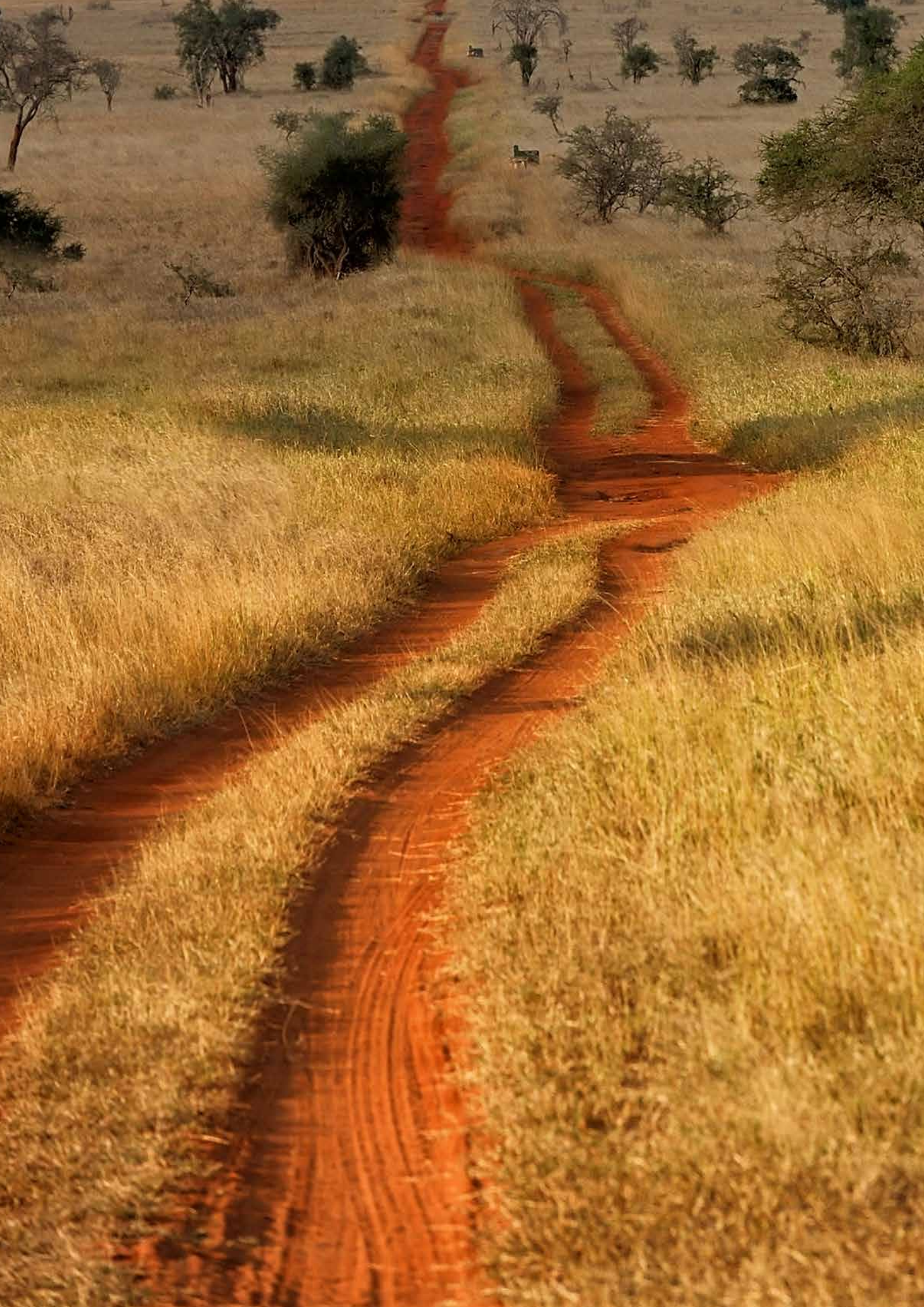




Sharing The Path Ahead:

Insights From The Barclays GSK Partnership





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1 Accenture introduction



Peter Lacy

Global Managing Director
- Growth, Strategy and
Sustainability Lead,
Accenture Strategy

Driven by rapidly changing markets and blurring industry boundaries, many leading companies are exploring new and innovative ways to drive growth, enhance profitability and ensure long term sustainability.

In this era of disruption, often stimulated by technology, it is critical for companies to continually challenge themselves to identify opportunities to reach new consumers, through new channels, with new products and services – in ways that build trust and deliver against societal expectations. However for large companies such as Barclays and GSK, developing and testing innovative new business models is often no easy task, particularly when focusing on consumers in hard to reach places such as rural Africa.

It was the recognition of the scale of the challenges, and the value at stake for stakeholders, that resulted in the brave decision for Barclays and GSK to join forces; sharing their ideas, skills and resources to enhance access to healthcare and drive economic development. The potential prize is large – the opportunity to not only impact millions of people in developing markets by providing healthcare products and opportunities to earn a living, but also to develop a sustainable route to market for products and services. However, partnerships of this nature aren't easy. The path traveled by both companies over the last three years has often been challenging and many valuable lessons have been learnt along the way.

In the spirit of challenging orthodoxies and exploring new ways of driving growth, profitability and sustainability, Accenture Strategy is proud to have collaborated with Barclays and GSK on the journey and on this report – to help analyse the opportunity for business-to-business partnerships, collate and share the insights from The Barclays GSK Partnership and also to suggest some key questions on business-to-business partnerships for business leaders to consider.

We believe the bold example of Barclays and GSK is one that deserves due credit. With the right strategic vision and execution, companies can achieve greater shared value together than they can alone. Tangibly demonstrated here.

Barclays and GSK foreword



Rogerio Ribeiro

SVP and Area Head Emerging Markets and Asia Pacific, GSK



Diane Eshleman

Managing Director,
Global Head of Citizenship
and Reputation, Barclays

Every company's success is inextricably linked to the health and prosperity of the communities in which it operates.

Both Barclays and GSK have embraced this by endeavouring to operate our businesses in ways that benefit society as well as our respective shareholders. Whilst we believe both Barclays and GSK are making significant progress to that end, we also recognise that pressing societal challenges—such as access to healthcare and finance in developing countries—require a fundamentally different approach.

As the Sustainable Development Goals demonstrate, addressing these complex and interconnected issues will require commitment from businesses, governments and civil society. To develop commercially viable and sustainable solutions, we need to develop new ideas, test alternative business models and create new partnerships, forging alliances across sectors. Some will fail, others will succeed. Ultimately, we must recognise that we can have more impact in partnerships than alone.

This mindset was the driving force behind The Barclays GSK Partnership, which was formed in 2013 to explore new ways to provide access to affordable healthcare in Africa; promote economic development; and explore new ways of getting our products and services to customers who currently cannot access them.

Although we shared several strategic objectives and had complementary capabilities, we also recognised we could not achieve our objectives on our own. So we jointly committed £6m into a three-year pilot; created a dedicated team of Barclays and GSK employees; and set an ambition to reach 1 million people in Zambia, our test market for exploring new joint business models.

After three years, we have explored a number of concepts. The most promising of these is now an independent social enterprise called Live Well, which we set up in collaboration with CARE in Zambia. Barclays and GSK are also exploring further opportunities together, including in South Africa and Kenya.

In this report, Barclays and GSK, in collaboration with Accenture Strategy, share the insights we have gained to both enhance our own future partnerships and to support the Sustainable Development Goals – particularly on partnerships (SDG 17). In doing so, we hope to encourage other companies to explore similar collaborations that will deliver meaningful commercial and societal impacts.

We believe that shared-value business-to-business partnerships will be increasingly important to achieving three key goals—meeting unmet consumer needs, enhancing economic development, and driving new sources of revenue. Ultimately, this will help create a more prosperous and sustainable future for individuals and societies across the globe.



② The opportunity for shared growth partnerships

85% of CEOs see cross-sector coalitions and partnerships as essential to accelerating transformation, and a further 78% believe these partnerships will help them deliver positive outcomes in the next five years.



Addressing socio-economic challenges is good for business: 89% of CEOs globally have said a commitment to sustainability translates into a real impact in their industry and 80% believe that taking action on societal challenges is seen as a differentiator in their industry¹. In Africa alone, businesses could unlock \$350 billion a year in value by tackling societal challenges². However, this commercial opportunity is not limited to developing countries where challenges are most visible. For example, a UK-focused study estimated that sustainable growth productivity gains are worth £100 billion³.

Within this macro picture, Barclays and GSK—and their respective industries — can make a significant impact by helping to enable greater access to medicines⁴ and enhancing economic prosperity through creating jobs, building skills and providing access to finance. Healthier people and healthier economies are good for business in the long run. Currently, 2 billion people globally lack access to medicines and by 2035, the world will face an estimated shortfall of 13 million frontline health workers⁵. The challenges are especially pervasive in Africa, where almost half of the continent's population live in extreme poverty⁶ with high levels of unemployment. Similar challenges exist with access to finance: 38% of adults globally lack access to finance, which represents a \$380 billion revenue opportunity for business by 2020⁷.

Significant commercial opportunities clearly exist, as do multiple methodologies and approaches to capitalise on them. Yet progress remains slow: Just 32% of CEOs, and 24% of African CEOs, believe the global economy is on track to meet the demands of growing population constraints⁸. Why? The main factors typically include a lack of resources, competing strategic priorities and the inability to measure the business value generated. Without a doubt, companies' traditional "corporate citizenship" and philanthropic programmes have had a positive impact. But, many acknowledge that these efforts often may not drive sustainable development at the scale needed⁹. In addition to this, the actions of businesses, governments and NGOs operating in isolation are less likely to be successful¹⁰ and require a more collaborative approach to delivering impact¹¹.

The potential for business-to-business partnerships

As the interests of businesses, NGOs and governments increasingly converge, a number of successful multi-sector partnerships have emerged as important drivers of change. Some 85% of CEOs see such cross-sector coalitions and partnerships as essential to accelerating transformation, and a further 78% believe these partnerships will help them deliver positive outcomes in the next five years¹². These partnerships are also consistent with the Sustainable Development Goals, which encourage 'inclusive partnerships





built upon principles and values, a shared vision, and shared goals that place people and the planet at the centre' and has an explicit objective (SDG 17) to "strengthen the means of implementation and revitalise the global partnership for sustainable development."¹³

However, whilst there is sound business rationale for private-sector collaboration on societal opportunities, based on combining complementary skills and reducing duplicated effort, very few corporate partnerships focused on shared value exist today. Unlike corporate and NGO partnerships, in which the relationship is typically based on the provision of funding or support to address a specific challenge, the dynamic between corporates is often far more complex: There is a much greater need to identify and explore clear shared objectives and develop effective governance and operating models. Nevertheless, a handful of companies, and in some cases industries, are beginning to explore how they could benefit from combining their skills and resources to drive shared value:

- In 2015, Samsung, Microsoft and PLDT, the largest telecommunications and digital services company in the Philippines, announced their partnership to offer innovative business solutions that will empower 800,000 small and medium enterprises in the Philippines¹⁴.

- NASA and LEGO have entered into a three-year collaboration to jointly promote technology, mathematics and engineering among science students¹⁵.
- GSK has partnered with Vodafone, USAID and Gavi to harness innovative mobile technology to help vaccinate more children against infectious diseases in Africa¹⁶.
- Barclays has partnered with Unreasonable Group to create Unreasonable Impact, an international network of business accelerators to support scale up entrepreneurial solutions that will help employ thousands of people worldwide¹⁷.
- Eight companies have formed Blue Marble, a consortium that aims to create a market for micro-insurance, thus extending insurance protection to the underserved and advancing the role of insurance in society¹⁸.

Partnerships such as these are important first steps. Yet to date, very little has been written about the dynamic between the participating corporates. This is why The Barclays GSK Partnership set an explicit objective to be transparent and help build the knowledge and experience of partnerships so other organisations can benefit.

A handful of companies, and in some cases industries, are beginning to explore how they could benefit from combining their skills and resources to drive shared value.



3 The Barclays GSK Partnership

Barclays and GSK have long recognised they do not operate in isolation. Rather, they see themselves as being part of complex and multifaceted eco-systems involving private companies, public organisations and civil society.

A shared destination: the rationale for partnering

Both organisations believe their long-term success is inextricably linked to the wellbeing of the communities in which they operate. In key developing markets, particularly Africa and Asia, Barclays and GSK have faced the same challenge: how to reach underserved, low-income and geographically dispersed customers in a commercially viable way.

Consider Africa as an example. The lack of infrastructure and established supply chains in some countries on the continent creates very similar patterns in the availability of goods and services, which reinforces development challenges and makes those countries less commercially attractive to companies. As Figure 3.1 clearly shows, there is a strong overlap in the areas suffering from a lack of access to both finance and healthcare.

Whilst the corporate strategies of Barclays and GSK have evolved since the Partnership was launched in 2013, there were clear commonalities in their ambitions. In their respective efforts to enhance our societal impact, both Barclays and GSK had already made progress in tackling some of the key challenges faced in developing markets. Two prominent initiatives are:

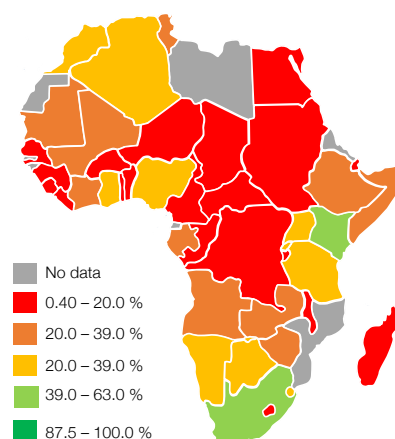
- **Banking on Change:** Between 2009 and 2015, Barclays worked with Plan International and CARE International UK on the Banking on Change partnership to break the barriers to financial inclusion for young people. Over the course of the partnership, Banking on Change gave 310,000 young people across Africa and India access to informal financial services¹⁹. The benefits realised through Banking on Change, such as the linkage of informal savings groups to formal banking facilities through new technology, helped inform Barclays current “Shared Growth Ambition”.²⁰
- **GSK and Save the Children:** Since 2013, GSK has partnered with Save the Children to increase access to basic healthcare, train and equip healthcare workers, develop child-friendly medicines and call for stronger child-health policies. Since launching the partnership, Save the Children and GSK have reached more than 1.3

million children²¹. This partnership is one of several initiatives that has helped GSK achieve the top ranking in the Access to Medicine Index for 10 years.

It was the recognition of the societal challenges in Africa and the aligned strategic visions of both companies that led to the creation of The Barclays GSK Partnership.

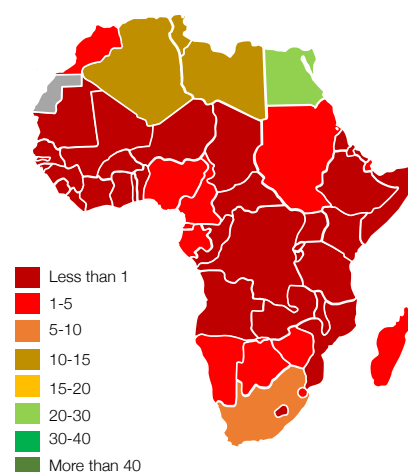
Figure 3.1: A comparison between financial inclusion and skilled health professionals in Africa

Financial inclusion in Africa as % of adult population with account at formal financial institution (age 15+)



Source: Global Findex, 2014

Skilled health professionals density (per 10,000 population)



Source: World Health Organisation (2005 - 2013)

The Barclays GSK Partnership represents one of the first business-to-business partnerships focusing on driving shared value.

The journey together

Following discussions between Anthony Jenkins and Sir Andrew Witty, Barclays' and GSK's CEOs at the time, the two companies announced their collaboration at the Clinton Global Initiative in September 2013. The "Commitment to Action" was to work together to develop and test new business models that would increase access to healthcare and promote economic development.

The creation of The Barclays GSK Partnership represented one of the first partnerships between large corporates that focused on driving shared value.

Bringing together Barclays' deep finance and project management skills and GSK's understanding of value chains in Africa, its goal was to develop and test business models that would both generate new routes to market for products and services whilst also creating solutions to systemic social issues in Africa, starting with a three-year pilot in Zambia.

The Partnership initially focused on four interdependent interventions: to improve the availability, affordability and access to healthcare, and to raise awareness through strengthening community networks. The joint Barclays and GSK team looked at different ideas that could overcome the challenges of last-mile delivery of healthcare in rural areas. Considerable work was done on developing new concepts, but many of them did not prove commercially viable.

For example, one workstream focused on developing a nurse-led franchise model, but the local regulations on prescribing and dispensing medicines, along with the challenge of finding suitable implementing partners, resulted in this effort being stopped. Other workstreams also presented challenges to achieving the original ambition. Working with Absa Financial Services, part of Barclays Africa Group Limited, along with local government health facilities, the Partnership developed a micro health insurance concept that would improve affordability of basic medicines

for some of the most common conditions in Zambia. However, the concept could not be made financially viable for the distribution partners and was deemed unfeasible for Zambia. The lessons learnt from that are helping to inform Barclays micro insurance strategy for Africa.

Whilst some of the Partnership's hypotheses could not be brought to life, others have been. The Partnership has set up Live Well, in collaboration with CARE and supported by Living Goods, which now represents the main vehicle for delivering on three of the four original interventions – availability, access and awareness. Critically, Live Well provides a new route to market and is enabling GSK to sell some of its products in communities that previously could not be reached. Given GSK's ambition to reach more patients and consumers in Africa, this represents a potentially innovative means to deliver its market penetration objectives. Live Well is banked by Barclays Zambia and also provides a channel for Barclays to deliver its flagship citizenship initiative "Ready to Work," an entrepreneurial skills building curriculum to help secure employment or start a business.



Why Zambia?

Health:

- Life expectancy at birth – 59 years²²
- Physicians per 1000 population – 0.2²³
- Total expenditure on health per capita (2014) - \$195²²
- Total expenditure on health (% of GDP) – 5%²²
- Disease burden – percentage of total deaths by cause - Lower respiratory infections – 7.5%, Malaria – 7.3%, diarrhoeal diseases – 3.9%, Protein-energy malnutrition – 2.5%²²

Economy:

- 42% are in extreme poverty²⁴
- 13.3% unemployment²⁴

Presence:

- Barclays has operated in Zambia for close to 100 years and is one of the country's foremost financial institutions in terms of financial strength, product offering and service capability
- GSK has operated in Zambia for over 20 years, through partnerships with distributors

Language: English

Political situation: Relatively stable²⁵

Security: Low travel risk²⁶



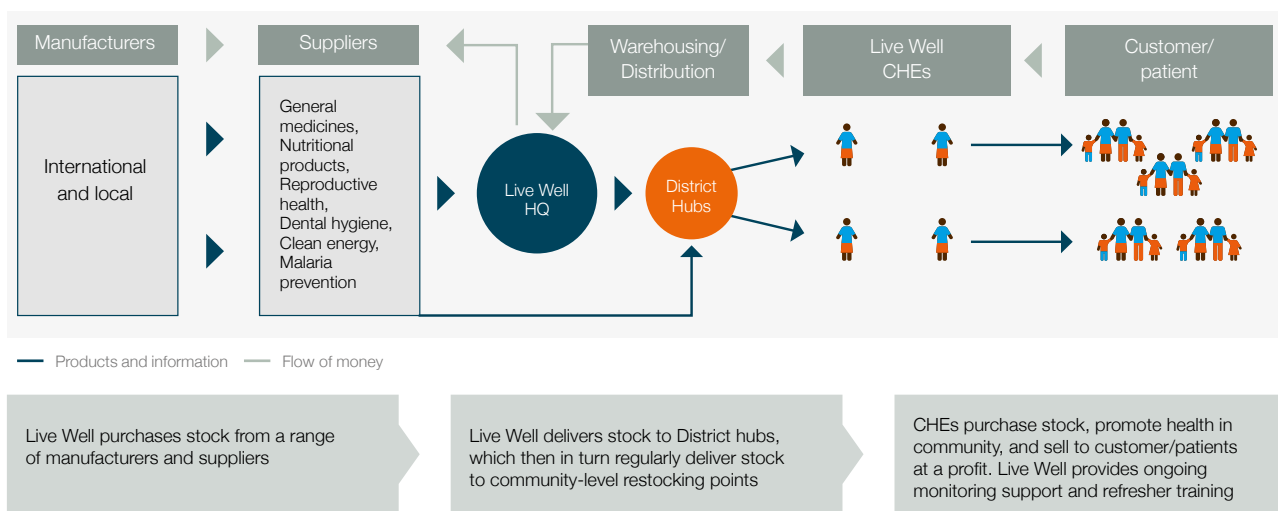
© Jason Munkia CARE

Live Well

Live Well Social Business Ltd is a new Zambian enterprise incorporated in 2016, owned by CARE, backed by GSK and Barclays, and supported by Living Goods.

Live Well recruits and trains local “Community Health Entrepreneurs” (CHEs) who sell healthcare products as part of a basket of goods in rural and peri-urban regions. Live Well addresses a real need at a household level, by:

- Raising awareness of health issues
- Increasing access to health impact products
- Providing CHEs with opportunities to generate income in communities of high unemployment



“The model we have set up with Barclays and GSK is a much more sustainable way of working between corporates and NGOs. We are creating a business, which will ultimately have a greater long-term impact than if it were just a donor model.”

Laurie Lee, CEO CARE International UK

“As a result of Live Well, we hear there are fewer people being treated in public health facilities for things like diarrhoea, coughs and headaches. It is providing healthcare products that people in communities simply could not get before.”

Charles Kalonga, Managing Director, Live Well

The Barclays GSK Partnership Journey



September 2013

The Partnership launched and a small joint Barclays and GSK team was mobilised in Lusaka, Zambia



Our Vision

Healthier futures for the people of Africa



Our Mission

To work together to improve access to affordable healthcare and stimulate economic development



Our Ambition

To reach 1 million Zambians



Our Approach

To develop and test four interdependent interventions to develop solutions to 'last mile' delivery challenges

Availability

Develop a **private sector supply chain** to deliver affordable medicine to rural areas

Access

Establish small **enterprise health outlets** to provide affordable healthcare and medicines

Awareness

Strengthen **health education** through community networks

Affordability

Test an affordable **micro-health insurance** product

The loss of the original implementing partner and challenges of finding suitable alternatives meant it was not possible to proceed with the original plans to establish SME health outlets



Original plans to strengthen health awareness through community networks were stopped, as they were not sustainable to run independently



Our Guiding Principles

1

Defined Commitment: 3 year commitment (to end in 2016) with goal to scale successes pan Africa

2

Market Based Solutions: Partnership focuses on commercially profitable activities that have social impact

3

Systems Change: Partnership addresses systems level change – not one off, isolated 'initiatives'

4

Equity: Partners will make equal financial and non financial contributions

November 2016

The future

Once in country, the team identified restrictions on prescribing and dispensing medicines that meant the original design for a nurse led franchise model could not be supported

The team identified that access to working capital was not the main barrier to pharmaceutical distributors reaching more remote areas – plans needed to ensure more demand generation in rural areas for healthcare products

Live Well is created in collaboration with CARE with plans put in place to test and scale

Live Well Community Health Entrepreneurs are given training, so they can raise health awareness issues in their communities, and help alleviate pressure on under resourced government health facilities

A micro health insurance concept was developed, but the model could not be made financially viable for the distribution partner and was not therefore tested in a pilot. Insights are informing Barclays Africa strategy on micro insurance

Simplified and refocused interventions

Live Well

Live Well is planning to further develop its business model and scale up across Zambia to enhance its impact. As of November 2016, Live Well has:

- Trained over 400 community health entrepreneurs
- Sold over 55,000 health impact products (~50% are GSK Products)
- Reached an average of 75,000 people per month*

Knowledge and lessons learnt are being shared between Live Well and Barclays and GSK teams

Other Opportunities

Barclays and GSK are exploring collaborations in other geographies, including in South Africa and Kenya, where they are focussing on the development and financing of SMEs along the pharmaceutical value chain

5 Leverage: Partnership will actively source third party funding to scale programme (e.g. NGOs, Governments, Corporates)

6 Engagement: Partnership will engage with external stakeholders to inform and implement the programme

7 Transparency: Partnership successes and challenges will be shared externally to inform best practice

8 Evaluation: Partnership will be independently evaluated to help determine successes and challenges

* over last 3 months, based on average number of people per household visited by each CHE

The creation of Live Well represents a new way of working with an NGO, moving away from traditional philanthropy to working in real partnership to create long term sustainable business models that are mutually beneficial for all stakeholders.

Looking in the rear-view mirror: reflecting on success

As the three-year pilot comes to an end, it is essential to look back and reflect on the Partnership's outcomes to date. The Partnership's perceived success ultimately hinges on the criteria for measuring outcomes. Whilst it is clear the Partnership has not delivered on all its originally stated ambitions, Barclays and GSK stakeholders do see the Partnership as successful and a worthwhile investment – both on the ground in Zambia through Live Well, but also more broadly in terms of the lessons learnt at a strategic level.

The creation of Live Well represents a new way of working with an NGO, moving away from traditional philanthropy to working in real partnership to create long-term sustainable business models that are mutually beneficial for all stakeholders. Blending social impact with financial sustainability, and tackling the challenges of improving availability, access and awareness of health care in underserved communities, Live Well has the potential to be a sustainable commercial model and is, according to Laurie Lee, CEO of CARE International UK, “something that we absolutely must look to replicate in the future.”

Although Live Well needs time to scale, it is clear that it is building momentum. It has created jobs, improved livelihoods, and increased access and availability of healthcare products. Initial results suggest it is working well in some rural communities, but less well in more urban areas. Ongoing efforts are in place to enhance the CHE's profitability, tackle limited working capital and increase this new distribution channel's impact. The results on the ground are starting to be realised. KeaObaka Mahuma, Head of Enterprise and Supply Chain Development, Barclays Africa observes “We are having a real impact on health, as well as providing jobs for people in the Community. So yes, it is a success.” Given GSK's Africa strategy, it is no surprise that the Live Well model is of great interest. “If we can improve the business model further and make this truly sustainable and scalable, this could be hugely valuable in helping us reach more patients and consumers,” said David Low, Head of GSK Supply and Demand, Africa.

Whilst Live Well has developed and matured, other workstreams have not delivered the outcomes originally envisioned. More detailed analysis on Zambia and potential partners at the outset may have revealed more detail about regulatory challenges that later impacted both the pharmaceutical distribution model and the micro insurance product. Shifting corporate priorities, the churn of senior leadership, and the challenges of finding the right local implementing partners also hampered quicker progress. Despite these challenges, Barclays and GSK cite several organisational benefits above and beyond the immediate impact of Live Well. “The fact is that we now have an even stronger relationship with one of our key clients (GSK),” said Mark Thain, Director of Social Innovation, Barclays, “We are helping them achieve their objectives, whilst also supporting our shared goals on enhancing employability and incomes, so this ultimately has to be a success for Barclays.”

The benefits for GSK are also well understood. “We invest significantly in researching medicines and healthcare products, yet still have the fundamental challenge of being able to get these medicines to the huge number of people around the world who need them,” observed Andy Wright, Head of GSK Global Health Programmes. “Committing £3 million of funding to this Partnership has given us a great insight into what works and what doesn't, so ultimately we have to see this Partnership as a great return on investment.”



Preparing for future journeys: lessons from the Partnership

In the three years since the Zambia pilot launched, many things have changed across Barclays and GSK. Barclays appointed a new CEO and implemented a strategy to divest its assets in Africa, whilst GSK launched a new Africa strategy – both influencing the role of the Partnership and resulting in some significant challenges on the ground.

In addition, the Zambian economy's growth rate has slowed dramatically as commodity prices dropped and major mining operations suspended production. These changes—and the experience in conceiving, setting up, and executing the Partnership—have taught Barclays and GSK many valuable lessons about what it takes for such a partnership to be successful. To help shape future business models, we present the lessons learnt by those involved in their own words and some recommendations for the future.

Lesson 1

Identify the right partners

Companies should actively identify potential partners with which they can collaborate; private businesses, governments, NGOs and other civil society organisations. Target partners should have a shared vision, complementary skills, compatible cultures and a willingness to partner on something that will require time, energy and resources to become successful. With a structured and pragmatic approach to partner identification and opportunity exploration, companies can build confidence in their partners, test the working dynamic and increase the chances of a successful collaboration.



"We know we can't solve these problems as companies, or charities, or governments on our own - we need to bring complementary skills and capabilities together to enhance our impact. It was great that we found the right partner in GSK in regards to skill and capability fit, and we were brave to try and give this a go."

Mark Thain, Director of Social Innovation, Barclays



"You need to find a partner with the same purpose and a similar strategy – if you can do this and you think you can work well together and add to each other's capabilities, then you have the makings of a great partnership."

Allan Pamba, VP and General Manager, Pharmaceuticals, East Africa

Lesson 3

Understand the opportunity and environment in depth

Partner companies should research the opportunity they are focusing on and the operating environment in detail to understand what is possible and the potential risks. Without this deep understanding, significant costs and challenges can emerge during the partnership that could affect the collaboration's feasibility.



"The opportunity, the market and regulatory environment need to be assessed in detail up front, as far as you can. It can be extremely challenging working in Africa – every market is different and brings its own complications. We need to go in to these sorts of opportunities with our eyes wide open and be ready to experiment and change course as necessary."

David Low, Head of GSK Supply and Demand, Africa, Middle East & CIS and Live Well Board member



"It's easy to look back in hindsight, but maybe Zambia wouldn't be our first choice now. There were a lot of things we learned as we spent more time on the ground which would have helped us develop our thinking from the outset."

Jonathan Girling, VP & GSK GM Consumer Healthcare, Africa

Lesson 2

Create a compelling vision

Senior leaders of the companies should communicate a clear and compelling vision to help galvanize the effort that new partnerships typically require. Whilst a bold and inspiring vision is key to help drive the right actions and build confidence, leaders should exercise caution in committing to specific, time-bound outcomes, especially in untested new areas. Companies should develop stretch targets once they have a good understanding of what is achievable.



"I applaud our respective CEOs at the time in creating the bold vision and commitment behind the original Partnership—it was unprecedented. This pledge to make a genuine impact was critical in making it all happen."

Diane Eshleman, Managing Director, Global Head of Citizenship and Reputation



"The vision from our CEOs was very powerful and really helped get this partnership moving. In the future, we may not want to commit to such a major goal right at the start, but rather just prove the concept and go from there."

Andy Wright, Head of GSK Global Health Programmes

Lesson 4

Focus on innovation, impact and commercial sustainability

Companies should use partnerships as an opportunity to innovate and build things they could not easily create independently. In addition to focusing on innovation, companies need to design solutions that truly deliver shared value – with measurable societal impacts and meaningful commercial benefits for all companies involved. If stakeholders benefit disproportionately, the feasibility of solutions and the longevity of partnership may come into question.



"We need to continually challenge ourselves to make sure that we are creating businesses and Partnerships that truly deliver shared growth for all. I think this Partnership is a good illustration of how we can concurrently deliver both societal and commercial benefits to multiple of our stakeholders."

Diane Eshleman, Managing Director, Global Head of Citizenship and Reputation



"You need to really think outside the box and explore business models that have not been looked at before. The Partnership was a hugely valuable means for us to do this."

Sarah Pasternak, Director, Market Access Programmes, GSK



Lesson 5

Build dynamic teams that have local ownership

Partner companies need to find the right people and skills to deliver against the vision - skills that are likely to be different from those needed in a more familiar corporate setting. If working in new or less mature markets, local ownership and engagement will also be critical to build the right relationships and sustain desired results. Governance structures should be as simple as possible and companies should assume there will be significant resource changes over time. Teams need to have the right oversight and support, but also have the space and flexibility to focus on delivery.



"You need to get the right mix of skills. It can take a long time to find the right people to deliver on such a programme, but they really are the key to success in difficult operating environments such as Africa."

Mark Thain, Director of Social Innovation, Barclays



"You need to make sure there is local ownership and local integration from the start. Without this, it is very hard to really build the relationships and momentum you need at later stages."

Allan Pamba, VP East Africa and Government Affairs, GSK



"Both Barclays and GSK are big, complex and highly regulated companies, which was difficult for the Partnership to navigate. We need to follow our processes, but in the future, I would focus on keeping the governance as light as we can so as much time as possible is spent focusing on our customers and testing ideas."

Ramil Burden, Managing Director, GSK Malaysia



"We had a lot of de-stabilisation resulting from changes in leadership. This might be inevitable over time, but we need to plan for it."

Namukale Kaliwanda, Barclays GSK Partnership Team

Lesson 7

Ensure resilience and patience

Partnership teams need to be resilient to the challenges they face, be comfortable with ambiguity and be patient for success. New teams, new business models and challenging markets can cumulatively create an environment where results can take a long time to realise. Senior leaders and operational teams should be prepared for the challenges and for progress to be slow at times. They should have the confidence to stay on course if the opportunity remains worth it and celebrate the successes as they come.



"You have to be prepared to commit for the long term, and recognise it will take time to get it right."

Kovilin Govender, Barclays GSK Partnership Team

Lesson 6

Start small, move fast and fail quickly

Whilst the opportunities at stake will typically define the collaboration approach, companies developing and testing new ideas should focus initially on smaller-scale goals. In doing so, they should concentrate on rapidly testing what does work and what does not, and quickly move beyond ideas that are not making progress. A "start up" approach to fast-paced iteration typically yields faster results when the final solution is not yet known.



"We set ourselves big goals in a very complex market. I think the key lesson is that we need to start small, build some momentum, learn and then have the confidence that we can scale."

Aisling Quirke, Head of Global Development Organisations, Barclays Africa and Board member of Live Well



"We probably tried too many 'new' things at once—developing new products, through a new distribution channel, with new and changing teams. In the future, I think we should focus on doing one new thing at a time, either a new product or a new channel—but not both at once."

Regina Mulenga, Director of Business Banking, Barclays Zambia



"We took a little longer to get going than we initially hoped. We did a lot of planning, thinking and re-planning which was helpful, but in the future, we need to focus on just getting out there with customers and trying different things to see what works."

Davies Gichuhi, General Manager, GSK



"We need to be happy with 'failing' – this is just testing something and proving it doesn't work. When you fail, it's better to fail fast, so you learn and adapt quickly."

KeaObaka Mahuma, Head of Enterprise and Supply Chain Development, Barclays Africa



"You need to celebrate the successes, however small. Sometimes we forget how challenging the market is and how difficult it is to undertake this type of endeavor."

Nyika Brain, Barclays GSK Partnership Team



"We have learned so much from working together – one of the obvious benefits is the personal development opportunity this has given us."

Anna Musielak, Barclays GSK Partnership

Eyeing the horizon: the future of The Barclays GSK Partnership

The original three-year pilot is now coming to an end and the Partnership team is transitioning their support to GSK and Barclays business ownership. Live Well needs time to refine its model – to get more products to underserved customers and more income into the hands of the people selling them. GSK will continue investing in and supporting Live Well to give the start-up time to build the strong foundation needed to become self-sustaining before being brought to scale.

With the lessons learnt from Zambia, Barclays and GSK are now collaborating in South Africa and Kenya with an enhanced focus on financing along the supply chain. They are also exploring possibilities of partnering in geographies outside of Africa. Whilst more work is needed, progress is being made. The destination Barclays and GSK have shared from the beginning is now a little closer.



Susan Payne – The Barclays GSK Partnership Director

"Working for two multinationals on this pioneering partnership has been hugely exciting if somewhat challenging! I was brought in to lead a small team to implement interventions already designed. But once in Zambia, and with a deeper understanding of the local environment, we realised that some of the original thinking was too ambitious and plans overly complex. So we had to adapt, simplify and refocus, managing leadership churn and staying relevant to both companies' evolving business strategies.

I am particularly proud that we have fostered a 'one team' ethos, combining quite different but complementary skills, and creating a stimulating environment where we share rich learnings.

I am also excited that we led a new way of working with CARE. Challenging more traditional philanthropic partnerships, we have created a new business model which blends business and social impact. It's early days but Live Well is starting to have a real impact.

There is still work to do to make Live Well commercially sustainable, but we have developed something special that can work.

It's been a privilege to be part of this unique collaboration and I salute Barclays and GSK for their vision and commitment to trying something new.

"I hope sharing our experiences will give other companies the confidence to explore such business-to-business partnership opportunities."



4 Creating successful partnerships

A bright outlook for business-to-business partnerships

The experience of The Barclays GSK Partnership has demonstrated that exploring shared-value business-to-business partnerships can generate significant positive outcomes: faster learning, greater impact and enhanced relationships. However, it has also demonstrated that such partnerships are not without their challenges. Ultimately, both Barclays and GSK were successful in developing and testing new ways of doing business and synthesising the lessons to enhance their respective strategies.

They are also beginning to see real results on the ground in Zambia and have been able to reach previously hard to reach customers and communities. These results, small but significant, suggest that with further testing and

enhancement, Barclays and GSK can establish new routes to market at scale, helping drive growth and also supporting the communities in which they operate. Moreover, through The Barclays GSK Partnership, a number of lessons have emerged—learnings they are already applying elsewhere in their businesses and in other partnerships.

Accenture believes companies need to continually challenge themselves to explore new means of driving sustainable growth. Well-crafted and well-executed business-to-business partnerships, that successfully combine skills and share resources, can significantly reduce the costs and risks associated with innovation at scale and can lead to benefits that could never be realised alone. We strongly encourage all companies to challenge the prevailing “go it alone” approach and move toward more collaborative models for generating shared value at scale.

Key questions to guide partnership conception, setup and execution

Barclays and GSK believe the lessons they have learnt will not only benefit their ongoing collaboration plans Africa, but also help inform their core business strategies and future partnership plans with other organisations.

These lessons can also serve as important guides to all organisations considering setting up their own business-to-business shared value partnership. Based on Barclays and GSK’s experience, we have developed a list of the key questions executives should ask themselves across all phases of a business-to-business partnership.





Partnership conception

- 1. What is your company's purpose?**
 - a. What is your role in society and what value do you want to add?
 - b. How are you ensuring relevance and impact in your markets?
 - c. How is your company addressing social, economic and environmental challenges?
- 2. How could a corporate partnership help you achieve your strategic objectives?**
 - a. What are your unique skills and capabilities?
 - b. Where could other companies complement your efforts?
- 3. Which companies could you partner with?**
 - a. Can you use a partnership to strengthen strategic relationships with clients or suppliers?
 - b. What skills, capabilities and resources do you need?
 - c. Who shares your strategic vision and purpose?
 - d. Who shares your appetite for innovation and risk?
 - e. Are the desired outcomes both mutually beneficial and non-competitive?



Partnership set up

- 1. What do you want to achieve together?**
 - a. What are your explicit shared goals and objectives?
 - b. What does success (and failure) look like?
- 2. How can you create an inspiring vision, whilst also not overcommitting yourselves?**
 - a. What should you announce internally and externally? When?
 - b. What are realistic timeframes for achieving your objectives?
- 3. How can you build an agile and entrepreneurial organisation, whilst also benefiting from corporate support and structures?**
 - a. Should your partnership be a separate legal entity?
 - b. How will you allocate resources to the partnership to ensure your goals are met?
 - c. What governance arrangements are best for the partnership, especially a parity 50/50 one?
 - d. How would you ensure compatibility with business as usual priorities?
 - e. How will decisions be made and any disputes managed?
- 4. What do you need to be certain of before committing significant resources?**
 - a. What research needs to be done to inform the thinking?
 - b. Who will be accountable for the partnership and its objectives?
 - c. What are your immediate deployment plans – location, resourcing, financing?
 - d. What is your high-level delivery plan?
 - e. How will you insulate any long term partnership against changing business strategies and corporate churn?



Partnership execution

- 1. What skills, capabilities and resources do you need to be successful?**
 - a. What are the explicit skills you need in the partnership team?
 - b. Does your organisation have those skills or should you recruit external experts?
 - c. How can you provide the incentives to ensure the team operates effectively in an uncertain environment?
 - d. How could you attract your top talent to work on initiatives that may fail?
- 2. How can you work effectively together as a team?**
 - a. What do you need to know about your respective businesses?
 - b. How can you build an effective working culture based on trust and mutual respect?
 - c. How can you ensure ownership both on the ground and at head-office level?
- 3. How can you help to enable the partnership to be laser focused on delivering value and outcomes?**
 - a. How will you make sure the team really understands stakeholder requirements?
 - b. How can you rapidly design, build and test solutions?
 - c. How will you ensure you “fail fast” and iterate rapidly?
 - d. How can you minimize non-value-adding activities?
- 4. How will you rapidly build momentum?**
 - a. How can you move to piloting in the market as fast as possible?
 - b. How will you minimize risk and stakeholder expectations as you grow?
- 5. How should you measure the impact of the partnership?**
 - a. How will you know if you are having the desired impact?
 - b. How will you ensure you are working well together, and improve if necessary?
 - c. How will you collect only the most important information?
 - d. How will you communicate effectively?
- 6. How will you make the transition to business as usual, or conclude the partnership?**
 - a. When will you stop piloting and shift to business as usual?
 - b. If you are not being successful, how will you effectively conclude the partnership?
 - c. What would you be willing to share about your successes and failures?



5 Authors, acknowledgements and references

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Barclays is a transatlantic consumer, corporate and investment bank offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in our two home markets of the UK and the US.

With over 325 years of history and expertise in banking, Barclays operates in over 40 countries and employs approximately 130,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide. For further information about Barclays, please visit our website www.home.barclays.

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GSK is a science-led global healthcare company with three world-leading businesses that research, develop and manufacture innovative pharmaceutical medicines, vaccines and consumer healthcare products.

GSK is committed to widening access to its products, so more people can benefit, no matter where they live in the world or what they can afford to pay. Read more at www.gsk.com.

