



Photo: Alfred Ruffner

COMPANIES TRANSFORMING PERU:

Increasing competitiveness through corporate purpose

Peru's private sector has an important role to play in tackling the nation's development challenges and in increasing public trust. This activity promotes a business approach that enhances companies' profitability while simultaneously addressing social problems.

HOW DOES THE ACTIVITY WORK?

This activity centers around promoting an approach to business called Shared Value. The concept of Shared Value was first introduced in a Harvard Business Review article by Michael Porter and Mark Kramer, "Creating Shared Value." They described "policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. Shared value creation focuses on identifying and expanding the connections between societal and economic progress."

USAID supports IPAE Acción Empresarial (non-acronymous) to train executives and entrepreneurs to not simply engage in corporate philanthropy, but to focus on social problems as core business opportunities. Such an approach yields societal benefits in the direct pursuit of profits. Businesses that pioneer new strategies and markets by addressing Peru's development challenges are recognized annually in a list of companies that are transforming Peru. IPAE Acción Empresarial's media partners communicate the Shared Value principles and publicize awardees in order to build awareness and expand the community

of companies driving social change.

The business sector is instrumental in overcoming some of Peru's most complex challenges: poverty, endemic corruption, deficient infrastructure, inequitable access to state services, and environmental degradation. Maintaining high standards of corporate integrity, while contributing to and prospering alongside society, can help restore faith in Peru's institutions. Through this activity, USAID is part of an innovative alliance that links government, civil society, and corporations by providing business-strategy guidance, skills development, and reputational incentives for companies to do well by doing good.

RESULTS ACHIEVED

- 522 private sector leaders learned to employ the business approach of Shared Value through the provided training.
- Peruvian media published 371 articles and interviews promoting the connections between activity and social and economic progress, reaching an audience of over 70 million people.
- 115 companies adopted the Shared Value concept, forming a community of like-minded businesses committed to the mutual benefit of society.
- 62 companies that demonstrated this transformative approach were recognized by widely publicized annual awards. The brand images of these companies benefit from this recognition.
- Private sector assets addressed critical social and environmental issues while generating 62 million soles in revenue and 6 million new customers. Momentum is building around business integrity.
- For information about the participating companies, visit: <https://rpp.pe/empresasquetransforman>
- IPAE Acción Empresarial is building its own capacity to manage the program independently of donor and consultant support.
- Peruvian higher education business programs are adopting the model as part of their curriculum starting in 2023.

PROJECT INFORMATION

IMPLEMENTER: IPAE Acción Empresarial, supported by the Peruvian Frieda & Manuel Delgado Parker Association (AFMDP)

COMPONENT DURATION: 11/27/2020 to 11/26/2024

USAID FUNDING: \$400,000

LEVERAGE: \$1,174,000

LOCATION: Countrywide

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