



Making it Collaborative

CASE # 12.6

IMPACT LOOPS 1 + 2

TNT-WFP – ‘MOVING THE WORLD’ PARTNERSHIP

[Relating to Sections 12.3.2 and 12.4 of the book – see footnotes 7 and 11]

THE CASE

In 2002, mail, express and logistics company TNT and the United Nations’ World Food Programme (WFP) launched one of the first global partnerships in which an international organization and a private company joined forces. The ‘Moving the World’ program aimed for a single common goal: to help in the global fight against hunger. It made TNT the first corporate ‘sponsor’ of WFP and the largest for the next ten years. According to the press release issued at the launch of the partnership, TNT decided to partner with WFP following a meticulous study of the different



options. The logic – paraphrasing the words of Peter Bakker, the CEO of TNT – was simple but clear: hunger is not a lack of food; there is plenty of food produced around the world; hunger is due to poor distribution. WFP is the world's largest humanitarian organization and the logistics arm of the United Nations, while TNT is one of the world’s largest logistics companies. “With similar expertise in both transportation and logistics, WFP and TNT share the common values of speed, reliability, and efficiency, as well as a ‘results-based’ culture.” The partnership focused on five initiatives: Emergency Response, Joint Logistics Supply Chain, Transparency and Accountability, School Feeding Support, and Private Sector Fundraising. “These are areas that WFP and TNT agreed together would be the most effective and appropriate for the partnership.” TNT directed EUR 5 million to WFP in the first year by providing a mix of expertise and financial resources.

In the next ten years, the TNT–WFP partnership acted as a showcase example of a successful cross-sector partnership (CSP). The aim that both parties served could be related to the core activities of both organizations: (1) it helped boost WFP’s emergency and development work, while (2) TNT benefited from the partnership because its major stakeholders – shareholders,

customers, employees, and the government – were increasingly looking at social as well economic issues. The partnership was also expected to strengthen the company’s pride and reputation. The strategic partnership with WFP expanded into a more instrumental partnership that also involved other players: the North Star Alliance – a non-profit organization that aims to reduce the impact of AIDS on the transport sector in Africa – and Fleet Forum, a non-profit organization for cleaner, safer and more effective transport around the world, involving the International Federation of the Red Cross and World Vision International. TNT actively used the projects for internal leadership training programs, yet also decided not to engage in many other strategic partnerships.

TEN YEARS LATER...

External reports on the partnership were unequivocally positive about the results. Over the 2002–2010 period, TNT and WFP had responded to more than 30 emergencies over ten years – ranging from earthquakes in Pakistan (2005) and Haiti (2010) to the 2004 tsunami in Asia. Nevertheless, in 2012–2013 the partnership was quietly terminated. No major publicity was given to the termination from either side. What had happened?

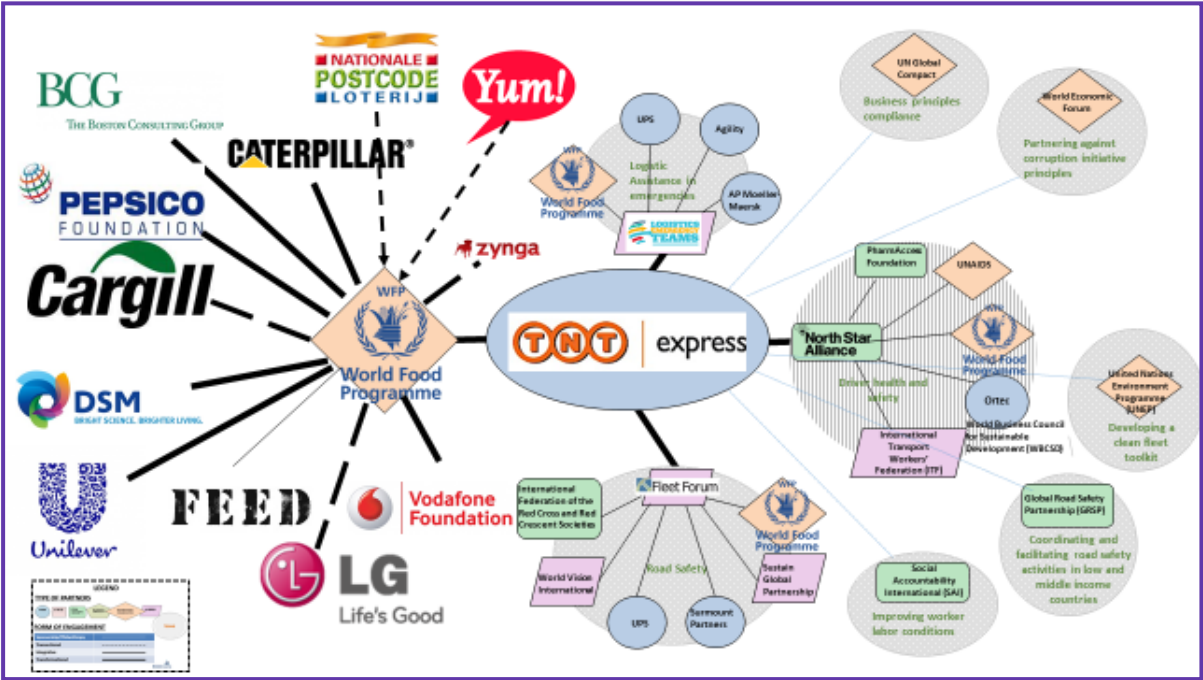
The specific way TNT had internally organized the partnership turned out to be a significant factor. It appeared that the very active commitment and support of the CEO of TNT was crucial for the legitimacy of the partnership. However, in 2011 Peter Bakker left the company to become the president of the World Business Council for Sustainable Development (WBSCD) in 2012. Support for the partnership among other members of the board turned out to be more fickle (it was ‘Peter’s project’). There were moments (allegedly) when TNT’s core business suffered from the use of TNT’s airplanes for emergency aid. Moreover, although the leadership programs were highly appreciated – more than 114 assignments in a variety of countries such as Egypt with clear results in efficiency and warehouse management for WFP – they were not integrated in job performance measures. Linkages with core business activities also remained relatively marginal, which was part of an intentional strategy: it was feared that by engaging TNT’s commercial activities too often in the countries in which emergency aid was given, the company might acquire a reputation of ‘profiting from disasters’. Despite the strategic frame, the actual execution of the program on TNT’s part was more philanthropic. Finally, the company did not engage in a broader portfolio of partnerships. All in all, most of these factors related to a relatively poor ‘internal alignment’ (institutionalization) of the WFP partnership, and explain why the partnership was terminated.

THE OTHER SIDE...

The other side of this story shows the opposite experience. What happened to the World Food Programme? For WFP, the alliance with TNT was the first alliance with a major global company. But the strategy did not develop in isolation. On the contrary: a partnership portfolio management (PPM) strategy had always been considered essential for the organization. In the past, building up a CSP portfolio had been primarily related to NGOs. WFP considered partnerships with more than 1,000 NGOs worldwide the most important factor in increasing the organization’s effectiveness and contributing to SDG2 in particular (zero hunger). Since its pioneering alliance with TNT, the organization has increasingly embraced multi-stakeholder partnerships as “a key opportunity to learn from other actors” in advancing SDG2. WFP has learned much from bilateral partnerships with individual

companies, witnessing its present extensive portfolio of partnerships for a variety of goals – not only in philanthropic relationships but also in strategic ones with more ambitious goals. By the time TNT and WFP parted ways, the discrepancy between the bilateral partnership portfolios of both organizations was already quite distinct: WFP had been able to develop a fairly extended portfolio of partnerships with many private companies – a mixture of strategic and more instrumental relationships. TNT, on the other hand, had built up a much less developed partnership portfolio. In addition to the alliance with WFP, only a few links were established with other international organization (see figure below). Both organizations had used the partnership differently: as philanthropy and weakly internalized in the core of the organization, versus strategically and as a learning effort in effective PPM.

Two partnership portfolios: TNT and WFP (2010)



Source: interview partnership manager TNT (2013), PrC

THE FUTURE: IMPACT ON SDG2

WFP built upon this experience and developed a rather sophisticated PPM approach, as can be deduced from statements in its recent reports: “Partnerships are essential for WFP in order to accomplish its mission and achieve its objectives”; “Partners from the private sector support WFP projects in over 80% of the countries where we work; saving lives and reducing hunger across the globe”; “WFP sets a high standard for meaningful private sector relationships that combine technical assistance and knowledge transfer with financial contributions to not only solve global problems but also to create measurable business outcomes. Together with each partner, we develop a strategic partnership that creates synergy between our interests and goals, exchanging valuable expertise to generate an impact that shifts business one step closer to Zero Hunger. WFP works with global leaders in almost every industry to create shared value that can be measured against the Sustainable Development Goals (SDGs). SDG2, Zero Hunger, gives us a defined roadmap to track and

evaluate the progress of our combined efforts.” Nowadays, WFP engages with a variety of corporate partners: ‘humanitarian’ (MasterCard and DSM), ‘zero-hunger champions’ (such as Balenciaga, Cartier, PepsiCo, Sodexo), and ‘corporate supporters’ (approximately 20) that engage in a wide variety of projects.

CASE QUESTIONS:

- **Value proposition:** Take the perspective of either TNT or WFP; consider their ‘value proposition’ at the start of the partnership, and define the preconditions for making their organizational model sustainable (use Chapters 8 and 9).
- **Partnership portfolio management (PPM):** Make a more detailed analysis of the established partnership portfolio from the perspective of each individual organization; zoom in on a number of key relationships and try to define whether or not the nature of the realized partnership has been intentional (consult Chapter 12).
- **Strategizing 1:** How could TNT have made the partnership more strategic, and how would this have benefitted TNT after 2010?
- **Strategizing 2:** Consider WFP’s partnership portfolio strategy and write an assessment on the effectiveness of this strategy in view of its aim to reduce hunger (SDG2); is it possible or desirable to expand the portfolio to include other or additional partners and SDGs to increase interaction (nexus) effects?
- **Map out potential stakeholders** of WFP that the organization could consider for expanding its portfolio and increasing its effectiveness; delineate a logic framework and an ‘impact value chain’ (see section 12.3) that could define a more ‘complexity-sensitive’ Theory of Change for the WFP partnering strategy (Chapter 12).

FURTHER READING

- Samii, R. & Van Wassenhove, L. (2004). ‘Moving the World: The TPG-WFP Partnership – Learning How to Dance’, Insead case study.
- Van Wassenhove, L. & Catignon, A. (2009). ‘When the Music Changes, So Does the Dance... The TNT/WFP Partnership “Moving the world’ five years on’, Insead case study.
- WFP strategic plans and performance reports; see: www.wfp.org and <https://www.wfp.org/private-sector>.