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Create Economic and Social Values through CSR Supporting Women as Main Agents of Economic Activity

The woman issue is one of the most popular areas of corporate social contribution. However, it is hard to differentiate, if companies support it in a similar way. How can companies maximize differentiation while supporting the same issue? Let's find some lessons through examples of global companies.

By Angela Joo-Hyun Kang
Founder and Executive President
GCEF (Global Competitiveness Empowerment Forum)
www.g-cef.org

March 8 is the International Women's Day¹. As the 104th in this year, it has celebrated economic, political and social achievements of women, since 1911. Ban Ki-moon, Secretary-General of UN told an event at UN Headquarters to commemorate the International Women's Day in 2012, "The energy, talent and strength of women and girls represent humankind's most valuable untapped natural resource." and urged that governments, civil society and the private sector should commit to gender equality and the empowerment of women.² Also, Angel Gurría, Secretary-General of OECD said, "Women are the most underutilized economic asset in the world's economy." and called for global attention.

Then, in the midst of collective voices of global leaders, what is the status of developing women as main agents of economic activity in the world and how do global companies make an effort for economic empowerment for women?

The world is giving attention to women, main agents of economic activity

Strategy&³, the global team of practical strategists, presented the view that about 870 million

¹ International Women's Day website:

<http://www.internationalwomensday.com/default.asp#.VOXm5OasXao>

² <http://undesadspd.org/Home/tabid/40/news/234/Default.aspx>

³ Strategy& was formerly known as Booz & Company and acquired by PwC in March 2014.

women, constituting one third of global women population, will enter the economic mainstream by 2020. Based on this view, they released 'Third Billion Index'⁴ in 2012, which provides an analytical outlook of 128 countries worldwide, according to the efforts they have made to empower women as main agents of economic activity. Australia was ranked No. 1. France was ranked in the 10th place, USA, 30th, Japan, 43th, South Korea, 50th, and China, 58th.⁵

Some of key findings related with the Index was that comprehensive investment is more effective for women entrepreneurs, than the investment focusing on a single dimension, either finance, or culture, or education. Also, women entrepreneurs should not regarded as only owners of small and medium-sized enterprises with micro-credit connection.

Then, how do global companies help women grow as independent entrepreneurs, potential enough to lead large enterprises, with what kinds of CSR? Let's find out some lessons from the cases of American and French companies.

Goldman Sachs helps women entrepreneurs overcome fear of getting loans and investments

'The 10,000 Women initiative'⁶ is a global initiative providing business education to women entrepreneurs from vulnerable social group⁷ in emerging economies like China, Brazil, and Nigeria, launched by the Goldman Sachs Foundation. It was designed to provide management education & mentoring, business networking, and access to capital for empowering competitiveness of 10,000 underserved women operating small businesses. It was launched in 2008 and ended in the end of 2013, when the 10,000th woman enrolled into the initiative.

According to the progress report⁸ outreaching to 3,000 beneficiaries, economic and quantitative outcomes are notable. By 18 months after graduation of business education from five weeks to six months, 70% of participants increased their revenues, 60% hired new employees, 144% more, and 90% participated in mentoring other women. Especially, average revenue growth rate after six months was 180% and by 18 months, the number skyrocketed to 480%. Social or qualitative outcomes are also notable. By 18 months after graduation, 80% became confident in their sales and communication skills and 75% gained confidence in decision-making abilities and negotiations. Especially, 89% agreed that mentoring helped them grow their businesses.

http://www.strategyand.pwc.com/global/home/who_we_are

4 Third Billion Index: http://www.strategyand.pwc.com/media/file/Strategyand_2012-Empowering-the-Third-Billion_Briefing-Deck.pdf

Third Billion Index is a composite of established data on women in the labor force, by combining input indicators of education, employment, and entrepreneurship support as well as output indicators of equality, equal pay, and degree of leadership in politics and economy.

5 Rankings of 128 countries:

http://www.strategyand.pwc.com/media/file/Strategyand_2012-Third-Billion-Index-Rankings.pdf

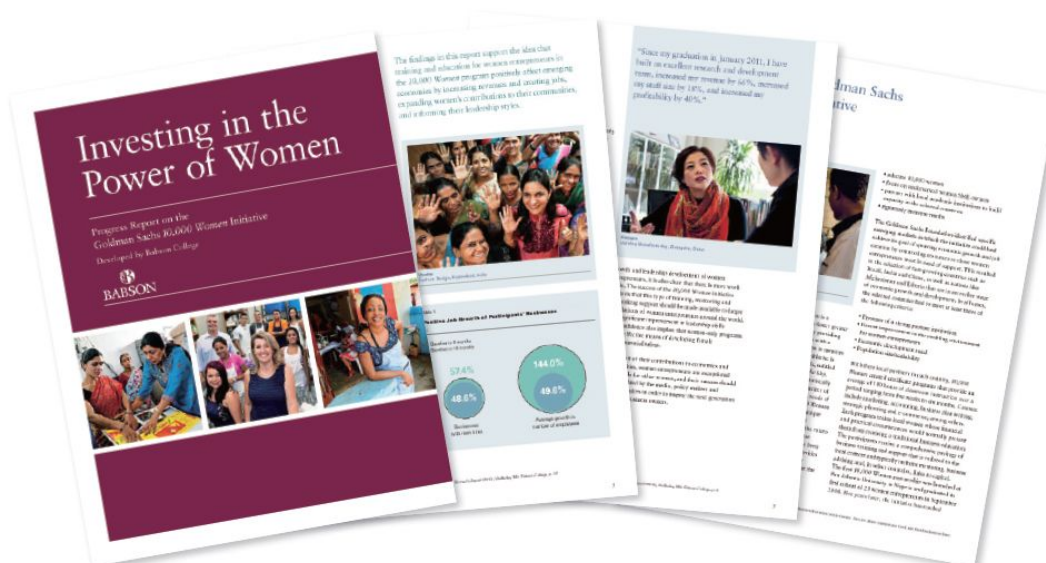
6 <http://www.goldmansachs.com/citizenship/10000women>

7 Most of them are married women between 35 and 45 years old, with average 5 years of entrepreneurship. They manage households averaging 3.7 people and 60% did not possess a college degree.

8 Progress Report on the Goldman Sachs 10,000 Women Initiative:

<http://www.goldmansachs.com/citizenship/10000women/news-and-events/10kw-progress-report/progress-report-full.pdf>

Progress Report on the Goldman Sachs 10,000 Women Initiative



Investing in the Power of Women by Babson College in 2013

For five years with 100 million USD, 'the 10,000 Women initiative' has reached women entrepreneurs in 43 countries with 89 academic and non-profit partners. It came from Goldman Sachs' belief for 'Womenomics'⁹. Especially, it played a key role to help women entrepreneurs overcome fear of getting loans and investments. It is known that women entrepreneurs need capital but do not aggressively apply for it, because of unattractive loan terms, complex procedures, lack of application information, collateral requirement, seemingly high risks, and fear of rejection. By 18 months after graduation, 40% of participants applied for external funding. 73% of applicants succeeded to get approvals, 54% used own funds, and 22% expanded business with funding from family and friends. Competence of women entrepreneurs has been empowered through the initiative, not as owners of small and medium-sized enterprises but as leaders of large enterprises.

Cartier attaches wings of global reputation for initial-phase women entrepreneurs

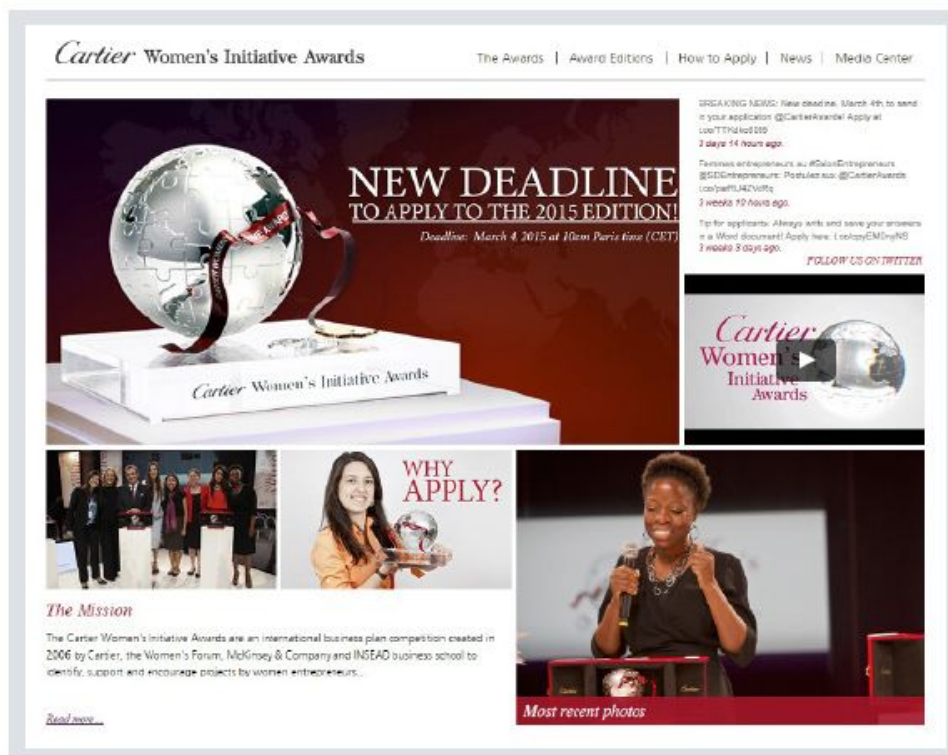
Considering fear of women entrepreneurs with average 5 years of experiences, can you imagine how much fear of initial-phase women entrepreneurs with only 1-3 years of experiences? Therefore, Cartier, a leading luxury brand in the world, has taken the lead to encourage and give hope to women entrepreneurs, potential and promising but under limited surroundings.

⁹ Goldman Sachs argues that transforming women as main agents of economic activity can lead GDP growth.

'The Cartier Women's Initiative Awards'¹⁰ is a Cartier's global CSR effort collaborating with the Women's Forum, McKinsey & Company and INSEAD business school, created by Cartier headquarter. It is an international business plan competition for women leading 1-3 year phase enterprises to enhance economic, social, environmental values with creativity. Many of their business are Creating Shared Value (CSV) business models to create both social and economic values by solving social problems.

Round 1 is online application. 18 Finalists, the top 3 projects of each region - Latin America, North America, Europe, Sub-Saharan Africa, Middle East & North Africa, and Asia Pacific – are selected. Round 2 is verbal presentation of business plans. 6 laureates from each region are finally selected. Cartier provides funding, coaching, media exposure, and global networking to them. The Cartier Women's Initiative Awards is well known for its high competition rate, with over 1,000 applications from more than 90 countries every year.

It is notable that Cartier offers post-competition management services not only to the laureates but also to the finalists. By providing sustainable support and networking opportunities, Cartier has built global Cartier community of women entrepreneurs. So far, 125 women entrepreneurs from 41 countries received benefits. Two-thirds of them are expanding their business and more than 6,000 jobs were created by direct and indirect employment effects.



The Cartier Women's Initiative Awards, created by Cartier to support women entrepreneurs, potential and promising but under limited surroundings.

10 The website of the Cartier Women's Initiative Awards in English: <http://www.cartierwomensinitiative.com>
 Facebook in English: <https://www.facebook.com/CartierAwards>
 The website in Korean: http://www.cartierwomensinitiative.com/uploads/pdf/PDF-KOREA_2013.pdf

Three success factors for differentiation of the CSR programs supporting women

There are three success factors for differentiation of the CSR programs supporting women as main agents of economic activity by the Goldman Sachs and Cartier, as followings.

Firstly, they support not only direct beneficiaries but also indirect beneficiaries.

Goldman Sachs supports not only education for women entrepreneurs but also special education and online & offline networking opportunities for 800 professors all over the world.

Cartier also does so. For 9 years and until now, 60 people have served as jury members¹¹ of 6 regions and 170 business specialists have provided coaching on voluntary basis. Care and support for them have increased global influence of Cartier Women's Initiative Awards in online and offline environment.

Secondly, they recognize importance of post-research on economic and social outcomes as well as global communication.

Through outsourcing from professional academic organizations such as Babson College, Goldman Sachs conducted a post-survey of 3,000 participants, about 30% of beneficiaries, produced a progress report in English and publicized it to all over the world.

Cartier differentiated itself from the planning stage in terms of global communication. Through strategic partnership with Women's Forum for the Economy & Society, which attracts more than 1,500 people annually, Cartier hosts the Cartier Women's Initiative Awards ceremony announcing laureates publicly as a highlight session of the Annual Global Meeting of the Women's Forum, for maximum effects with minimum efforts. Also, Cartier offers an additional support through close monitoring with bigger interests to laureates and finalists of the Cartier Women's Initiative Awards about their further development.

Thirdly and maybe as the most important thing, they focus on core competence of company.

As a leader of international financial market, Goldman Sachs develops brave women entrepreneurs, not afraid of exploring business expansion or access to external capital.

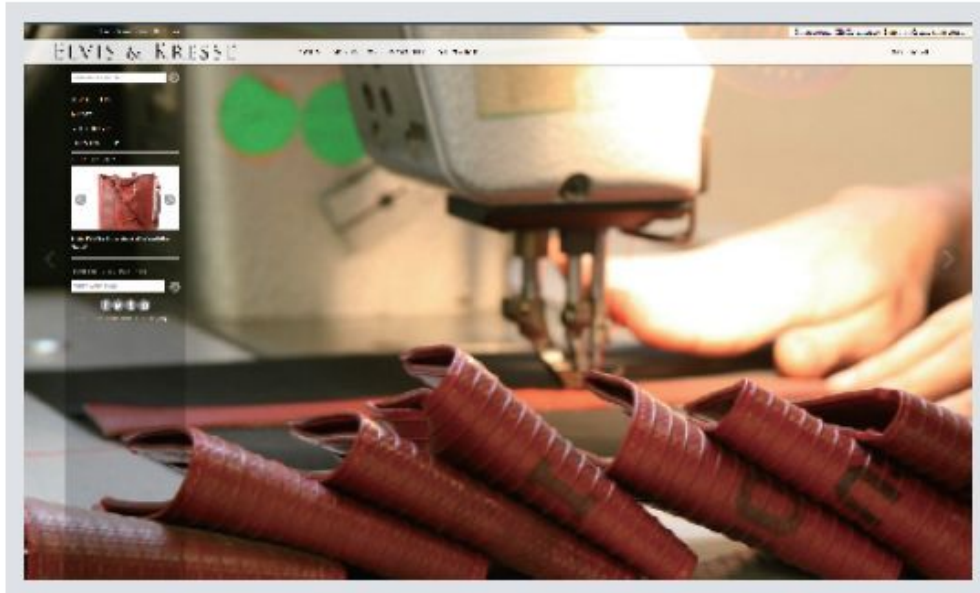
As a living legend of luxury brand marketing, Cartier builds a global platform so that hidden women entrepreneurs can raise their voices with courage in order to publicize their products and services to all over the world.

I still remember ambitious eyes of Kresse Wesling, a woman entrepreneur from UK and the laureate of Europe region of the Cartier Women's Initiative Awards 2011. She created Elvis & Kresse¹², the up-cycling brand of accessories, made of used fire-hoses. In front of people around

¹¹ I was one of jury members of Asia-Pacific region, the Cartier Women's Initiative Awards from 2012 to 2014 with Cartier Korea's recommendation.

¹² <http://elvisandkresse.com>

her promotion booth in 2012, she proudly expressed her conviction by saying. “I want to make Elvis & Kresse successful like Dolce & Gabbana.”



Elvis& Kresse, the brand created by Kresse Wesling, one of laureates of Cartier Women's Initiative Awards 2011.

I hope that Korean companies also do CSR giving courage and hope to all women in the world more actively, developing women, underutilized economic asset, and differentiating their CSR in global market.

Written by Angela Joo-Hyun Kang : Ms. Kang is Founder and Executive President of Global Competitiveness Empowerment Forum (GCEF), holding a bachelor's degree of English Language and Literature from Yonsei University and a mid career master's degree of Public Administration from Harvard Kennedy School. She was Evaluation Group Member for Leadership and Responsible Practices of State Owned Enterprises appointed by the Ministry of Strategy and Finance and Advisor of Presidential Council of Nation Branding. She currently serves Global CSR Advisor of Korea Trade Promotion Agency (KOTRA) and Regulation Reform Committee Member of the Ministry of Trade, Industry and Energy (MOTIE).