



WFP/Rein Skullerud



moving the world

The TPG-WFP Partnership

Learning How to Dance

04/2004-5194

This case was written by Ramina Samii and Luk N. Van Wassenhove, the Henry Ford Chaired Professor of Manufacturing at INSEAD. It is the second in a series covering the TPG-WFP partnership. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

Copyright © 2004 INSEAD, Fontainebleau, France.

N.B. PLEASE NOTE THAT DETAILS OF ORDERING INSEAD CASES ARE FOUND ON THE BACK COVER. COPIES MAY NOT BE MADE WITHOUT PERMISSION.

A Meeting of Hearts & Minds

When James Morris assumed his position as Executive Director at the UN's World Food Programme (WFP) in early 2002, the last thing he had expected was to be able, in a matter of weeks, to move forward with his objectives. "Morris had set out with two objectives: to expand WFP's school feeding campaign¹ and to broaden the donor base through the involvement of the private sector," explained Michael Stayton, WFP Chief of Staff. Meanwhile, TPG, the €12 billion Dutch mail, express and logistics multinational company² was looking for a humanitarian organization to partner with in the context of its corporate social responsibility program. "It was serendipitous that by April 2002 TPG had already approached us," continued Stayton. By May a meeting between Morris and TPG's CEO Peter Bakker had been scheduled. "This luncheon in Rome was an exhilarating event. It was a meeting between men of goodwill who shared fundamental human values; a meeting of hearts and minds," explained Stayton. "Bakker instantly recognized our mandate and understood how his company could get involved. The two organizations appeared to be a natural fit. But all of this was at the 50,000 feet level, with details to be worked out."

Retreat of the Senses

To bring content to the partnership and convince TPG senior management of its value, TPG asked WFP to organize a mission for key TPG and WFP staff in the field (Exhibit 1). "In late June the group was taken to Tanzania where WFP's activities include relief assistance to refugees and development activities for Tanzanian poor," explained Natalie Vaupel, WFP Donor Relations Officer. WFP was asked to organize the visit without any special treatment for the TPG team. "The school feeding sites are typically in remote areas. It often takes Masai children three to four days to get to school on foot. They sleep in their schools for months at a time and then they have the daunting task of walking back to their parents; a problem during the migration season since their parents will have wandered elsewhere." The visit to refugee camps showed another reality where children, often born and raised in the camps, would never know life outside.

The visit lasted three days, and TPG and WFP brainstormed throughout on the possible content of their cooperation. The multitude of opportunities to see, touch, feel, smell and listen to the realities of the deprived and marginalized populations won over the last TPG skeptics, who pursued the discussions proactively. School feeding support and private sector fundraising ranked among the first initiatives identified by the two parties. The next two initiatives - emergency response (ER) and the joint logistics supply chain (JLSC) - were put

¹ WFP's school feeding programs provide school meals as an incentive for parents to send their children to school and to provide the children with the energy and nutrition necessary for learning. The program contributes to the basic physical condition of children, enabling them to concentrate on their studies and helping to build human capital.

² In 2002, TPG employed 161,000 people in 62 countries. It served over 200 countries and territories by delivering global mail, express and logistics solutions through its Royal TPG Post, TNT Express and TNT Logistics divisions.

on the agenda as a means to leverage TPG logistics and transportation expertise. WFP's top management felt that their organization's reporting and budgeting practices and systems required improvement. Hence a fifth initiative on transparency and accountability was laid out to address the administrative needs of the organization.

Back at their respective headquarters, the two organizations hammered out the details of the partnership in terms of budget, objectives and plans. On 2 September 2002, during the Johannesburg Summit on Sustainable Development, Morris and Bakker, in the presence of UN Secretary-General Kofi Annan, signed a letter of intent setting out the broad objectives of their five-year partnership (Exhibit 2). The joint logistics supply chain initiative, of particular interest to Bakker, was intended to address the logistics needs of the UN humanitarian community at large. This vision, put forward by Bakker and Morris to the Secretary-General, received full support.

On 19 December 2002 the TPG-WFP partnership was officially launched with the signing of a Memorandum of Understanding that committed TPG to a yearly contribution of €5 million in services and cash for the next five years. Soon after, it became known as the "Moving the World" partnership.

The Five Initiatives

WFP's Appetite for Private Sector Fundraising

When TPG approached WFP, its private sector fundraising department was yet to be established. Contact was first made in January 2002 and after some initial meetings WFP was asked to prepare a business case to convince TPG that it would be their best partner. "When TPG approached us we had no clear vision or strategy for our corporate fundraising activities but we were 'hungry' for private sector funding," recounted Vaupel. "Moreover, we were not sure how to position ourselves with regards to potential private sector donors. Although WFP is the biggest humanitarian organization, it is also amongst the least known within the private sector. We thought our low brand awareness was a real negative, and that TPG might find us less appealing as a corporate partner." What WFP had underestimated was the attractiveness of its logistics capability and its role within the humanitarian community to TPG.³ As WFP prepared for the presentation, it was able to re-focus on this strength through feedback from TPG.

Vaupel put WFP's fundraising activities into context: "It is important to understand that WFP is funded almost 100% through voluntary donations from governments. On average, it receives about 90% of its funding from just 10 governments, with the US accounting for half." The growing challenges of increased emergencies meant the organization needed increased support while becoming less dependent on so few donors. Corporate contributions

³ In 2003, WFP fed 110 million people in 82 countries by moving 6.5 million metric tons of food by land, air and sea. On any given day of the year, WFP had 40 ships on the high seas, 20 planes in the air, and 5,000 trucks on the ground along with helicopters, canoes, camels, donkeys, elephants, etc. In 2001, WFP spent €500 million on transport services.

had been marginal and mainly in-kind in response to emergencies. Morris was determined to change the situation and broaden WFP's donor base. His target was to raise about 10 percent of WFP's resources from private sector funding after 4-5 years.

One of the first projects developed under the private sector fundraising initiative was a needs-based approach to corporation fundraising. For research and analysis TPG brought in a second major corporate partner, the Boston Consulting Group (BCG). For three months, from March to May 2003, four BCG consultants worked together with WFP and TPG staff on corporate fundraising studies for WFP. Meanwhile, a team from TPG Post in the Netherlands analyzed the consumer fundraising potential for WFP. "It soon became clear that we would not go ahead with consumer fundraising in the Netherlands and Italy, as had been initially suggested by TPG," said Vaupel. WFP was not yet ready for such activity and the implied up-front investment.

However, the findings of the corporate fundraising study highlighted an increasing interest among corporations to donate services and assets to humanitarian organizations as opposed to cash. Vaupel elaborated, "Given that we could not consider corporations as strong sources for cash, we had to go a step further in identifying which corporations could best help WFP achieve its mandate, objectives, and how." With the help of BCG, WFP developed questionnaires to identify operational and administrative needs. The survey, conducted in the field offices and HQ, highlighted seven main categories of need which were first matched with specific industries and then to a list of potential companies to be targeted. The results also brought up the issue of control and usefulness. "Just because a corporation is willing to offer its services to us for free, we should not feel obliged to accept," said Vaupel. "It should be the other way around. We should first identify our need and then bring in a partner with the specific skills and expertise to help us out." This approach also served to eliminate unnecessary competition between different corporations.

"Since September 2003 we have approached a number of corporations," explained Stayton. "We also intend to leverage TPG and BCG CEO-level contacts in order to mobilize a dozen good corporate partners in fields relevant to our needs."

With the addition of BCG as a second partner to WFP, the idea of a CEO Council developed. This was to provide a forum where WFP's future corporate partners would exchange ideas on how to best contribute in strategic and complementary ways to WFP.

Some Quick Wins: Transparency & Accountability Initiative

Put on the partnership agenda by WFP management, the transparency and accountability initiative initially aimed simply at better and sharper financial reporting. To add more content to the initiative, in July 2002 Amir Abdulla, Director of the Office of the Executive Director, Budget, met with his TPG counterpart in Amsterdam. The discussion led to the identification of five areas of potential collaboration: internal audit, HR, e-procurement, results-based budgeting, and project closure exercises. One of the tasks under this initiative remained the establishment of the reporting structure for the partnership. "After we reached an agreement on the structure with TPG, I had to ensure its buy-in from and its transfer to my colleagues across the five initiatives," explained Abdulla.

The sub-projects that were identified had different fates. The focus of the audit project shifted from TPG being directly involved in the auditing exercise to training and the development of risk assessment models. While the e-procurement project was completely abandoned for reasons associated with WFP's internal restructuring process, the HR sub-project became almost an initiative in its own right. Apart from providing HR support to the partnership, the department, together with TPG, identified three areas for joint collaboration and experience-sharing: recruitment, performance management systems, and career development. "In 2003, for example, we looked at TPG's graduate recruitment program, visited their management assessment center and got an insight into their management development courses," explained Ruth Grove, Head of HRDI (International Staff Management and Recruitment Unit). "They have also offered us a number of seats on their management courses run by the Rotterdam School of Management." In addition, a number of recurring instead of one-off projects was lined up for 2004. "We now intend to create a TPG/WFP website to enable our employees to share information and experiences as well as to network with one another," continued Grove. "For specific and specialized HR expertise, however, we are looking beyond TPG, whose core competence remains logistics."

Twelve months into the partnership, the two sub-initiatives that had created a lot of excitement and had produced tangible deliverables were the results-based budgeting and project closure exercises. The zero-based budgeting exercise started as early as January 2003. For a couple of months TPG trained WFP headquarters and regional office staff in the new tools and techniques. All this was accomplished in time for the October 2003 board meeting when WFP presented its budget in its new format. "We greatly appreciated TPG's assistance in developing our thinking and helping us catch up on the new ideas and concepts of reporting and budgeting," commented Abdulla. Vaupel elaborated on the impact of the exercise on the private sector fundraising department: "As a result of the exercise, we linked and put a value on each element of our private sector fundraising biennial strategy." As for the project closure exercise, for two months two TNT Italy staff with SAP expertise and financial backgrounds joined WFP headquarters in Rome. "The project achieved great results as we managed to close some 75 projects more quickly, enabling the organization to propose alternative uses for the unspent balances," summarized Abdulla. He concluded, "Although one may consider the transparency and accountability initiative less ambitious in comparison to the others, we have produced quick, encouraging and much needed change. Help came to the areas in which WFP had to get its act together in any case. With the partnership we were able to achieve more, better and faster. TPG was the catalyst; they were here on the job working with us and helped lead the change."

School Feeding Support: The Heart and Soul of the TPG Campaign

The school feeding support initiative, close to Peter Bakker's heart, aimed to engage TPG staff across geographies and lines of business. It was the only initiative which envisaged a direct and indirect cash contribution to WFP. The indirect mechanism was linked to donations mobilized by TPG employees through cause-related fundraising activities which would in turn be matched up to a threshold of €500,000 by the corporation. Central to TPG's internal

communication campaign, the initiative aimed, through its 161,000 employees in 62 countries, to feed an equal number of school children per year.⁴

The second component of the school feeding support initiative was the volunteer program designed to create internal TPG “storytellers” to motivate internal fundraising activities while assisting school feeding operations in the field.

Volunteer programs were initiated in four relatively ‘safe’ countries in Africa, Asia, and Latin America (Cambodia, Nicaragua, Tanzania and the Gambia) where WFP had on-going school feeding programs. Following a week of intensive briefings organized by WFP on program activities, security issues and country briefings, two groups of eight TPG employees (two per country) were deployed for their assignments. At the end of their stay, the volunteers returned to Rome for a debriefing and reintegration session.

“Each of the pilot teams worked with WFP country staff to complete needs assessment surveys that helped evaluate the types of small-scale complementary activities TPG staff were capable of providing,” explained Ashleigh Roberts, one of the two WFP staff managing the program. “The balance was between finding practical and worthwhile activities that motivated the volunteers without overburdening the WFP field office or asking them to depart from their core operations.”

The three-month experience proved to be a life-changing event for most of the TPG volunteers with a direct impact on the corporate internal fundraising schemes. “We did not expect the volunteer's level of enthusiasm or their commitment to WFP's mission,” explained Carole Still, the second WFP staff member in charge of the program. “Their desire to stay involved and share their experiences with their colleagues after they returned from the field has helped the whole company get behind the Moving the World Campaign.”

By the time the second group of volunteer teams was trained, WFP had begun to measure the benefits of the initiative and explore ways to improve coordination and communication. Given the satisfactory results of this first year of activity it was already looking forward to extending the initiative to at least one more country and examining the possibility of including volunteers from other corporations and partners.

The Slow Start of the Logistics-Related Initiatives

Stayton explained, “Interestingly enough, the most challenging point in the process was to figure out where TPG could help with its logistics capability.” Initially TPG did not fully grasp the scope of WFP’s logistics activities, given the differences in context as well as the type of material handled. While WFP dealt primarily with bulk quantities of food, a perishable commodity, TPG’s logistics was geared to move smaller, non-food parcel items. It was not clear how they were to help as a partner in the organization’s emergency planning, preparedness and response efforts.

⁴ In 2003, there were 300 million hungry children in the world. In 2002, WFP fed 15.6 million in 64 countries at an average cost of \$34 per child for an entire school year.

John Powell, WFP Deputy Executive Director, added, “We are less advanced in the two logistics initiatives than envisaged also as a result of the Iraq emergency. Our biggest humanitarian operation ever, this was an enormous logistics effort that involved 25% of our international staff.”

The partnership was a first for both WFP and TPG: WFP had never worked with the private sector and TPG had never engaged with a humanitarian organization. “While the love was there, we had to learn to live with each other,” elaborated Powell. Differences were particularly felt in terms of working rhythms and decision-making processes. At WFP decisions could have political dimensions, in sharp contrast with the private sector where they were driven by business rationale. The level of managerial accountability was very different between the two organizations, leading to decisional delays. Another barrier was the language: “TPG has a clear business language, while ours is full of UN and humanitarian specific jargon with its own set of acronyms. This led to unnecessary misunderstandings,” added Pierre Carrasse, Chief Logistics Officer.

Clearly there were a number of major differences between the partners’ operational contexts and markets. “We’re logistically active in areas and countries like Iraq, war-torn and insecure, in which TPG is unlikely to operate,” explained David Kaatrud, Chief of Logistics. “While the business sector is cost-focused, our operational settings are typically very different and difficult. To get supplies to the most remote areas we may have to resort to a range of imaginative and unconventional delivery systems such as air dropping. Our logistics is shaped by a mixture of expediency and cost-effectiveness. We are obliged to deliver life-saving food in an urgent manner at any cost. After the initial emergency phase and in our more routine operations, however, we strive to be as cost effective as possible, as each dollar saved in overheads and transport is, in effect, a dollar more for food for the beneficiaries.”

Compared to WFP, TPG was impatient to push forward with the logistics initiatives. Carrasse elaborated, “This ran the risk of rushing into projects that may not have necessarily been a priority for WFP. For example, introducing an unmanageable set of key performance indicators (KPIs) in Mozambique or translating everything into financial terms does not necessarily solve or address our day-to-day problems. Our business is about saving lives while TPG’s culture rotates around financial reporting and profit.” An effort had to be made by both parties to see how TPG, by bringing its expertise, could help WFP save more lives.

Twelve months into the partnership TPG and WFP shared the view that any undue dependency—budgetary or otherwise—on TPG should be avoided and that they should identify and undertake activities with distinct deliverables. “During this first year we also realized that there was potential overlap between the two logistics initiatives,” explained Kaatrud. “My task has been to carefully review the proposed activities to ensure their attribution to the most appropriate initiative. To assist in the day-to-day management of these two initiatives and ensure proper levels of interaction with TPG we have also taken on two dedicated staff.”

Joint Logistics Supply Chain (JLSC): Just Fleet Management and Warehousing?

At the time of the partnership, WFP's inter-agency logistics role was evolving. In mid-2000, Bakker had taken his vision of WFP becoming the sole logistics service provider to the humanitarian community to a high level meeting with the UN Secretary-General and WFP's Executive Director. Meanwhile, WFP logisticians and the humanitarian logistics community at large had been looking at their logistics activities since the mid-1990s. Given the range of activities which 'logistics' encompassed in the UN, there was no consensus that full integration was necessarily more cost-effective than improved co-ordination between the agencies. As Kaatrud explained, "In their enthusiasm and private sector mind-set, TPG wanted quick decisions and results on this initiative without fully appreciating the political sensitivities at play among donor countries, recipient governments and humanitarian agencies." In addition, the humanitarian logistics community was in itself quite diverse, ranging from UN agencies such as WFP to the Red Cross Movement and international and national NGOs. WFP's view was that its internal logistics capabilities required significant upgrading to properly execute its own mandate before assuming additional inter-agency responsibilities. "We took a pragmatic approach," continued Kaatrud. "We started to improve upon select WFP logistics activities such as aviation and reserve stock management, building the option for the organization to assume greater inter-agency logistics responsibilities in these very areas in the future. Concurrently, through the initiative, we aimed at improved inter-agency co-ordination in critical areas such as fleet management."

As fleet management and warehousing were aspects of inter-agency logistics that were conceptually accessible to TPG, WFP's logistics department gave TPG several presentations on its operations in the context of developing countries.⁵ "During our first meeting, we got the impression that TPG was less than enthusiastic about fleet management, making it a closed topic," explained Martin Bettelley, Logistics Officer. There was an initial view that fleet management was more of a back-office type of support and hence not as visible as the more flashy airlift support. However, through continual discussion, TPG realized the significant impact their expertise could bring in terms of cost-savings by introducing greater efficiencies.

Bettelley admitted, "As far as our fleets are concerned, we don't always know what the total consolidated costs of our fleets are. Although we understand their importance, KPIs are just not so relevant when you need expensive solutions to get the food to beneficiaries. However, if our vehicles as well as those of all humanitarian organizations run more effectively during emergencies, then we have multiplied our outreach and speed of delivery."

In October 2003, TPG assisted in the organization and facilitation of the Fleet Forum driven by WFP, World Vision,⁶ and the International Federation of Red Cross and Crescent (IFRC) for some 26 humanitarian UN organizations and NGOs. It was a breakthrough event. Until that time all agencies had been concerned about their level of visibility. "Today people

⁵ Each humanitarian agency had its own independent strategy for fleet and warehouse management. The separate and agency-specific warehouses and different types and makes of vehicles across and within given geographies had increased the level of complexity as well as the cost of maintenance at the agency as well as aggregate level.

⁶ A Christian relief and development organization working for the well-being of all people.

working for the sector respect each others' capabilities and country knowledge making cooperation much easier," observed Bettelley. TPG's role went beyond the event itself. By consolidating the data and information exchanged during the forum, it was to help put inter-agency ideas (such as the possibility of joint purchase of vehicles) into motion.

The second project with inter-agency application was a TPG study on in-house vehicle maintenance versus outsourcing (commercial sector). TPG was to bring its experience in materials, spare parts, and tyre management to help agencies decide, given the country context (quality and cost of services provided by the market) and the number of vehicles involved, on the optimal business decision. To gain the necessary experience and understand the differences between the way WFP ran its operations and the commercial sector, a TPG expert was seconded to Pakistan, a country in which WFP ran its own in-house facility. Prior to this exercise, TPG assisted in the adaptation and simplification of the fleet management software to the requirements of developing countries.

On the warehousing side, TPG involvement was sought in the remodeling of the humanitarian warehouse operated by WFP in Brindisi, Italy. Members of TPG's Italian business unit provided advice on optimal layout and saw these modifications through. The project produced practical quick wins: "Improvement to the Brindisi warehouse was something we had to do in any case with external help," commented Carrasse, "TPG's involvement brought in necessary resources in addition to a neutral, external view. With this project we have created significant and lasting benefits from the cost point of view as well as from efficiency perspectives." It took several more interactions before TPG's logistics capability in the area of inventory tracking was taken on board by WFP in view of its increasing role as the logistics arm of UN humanitarian organizations for the movement of food and non-food items (NFIs).

To allow for the identification of other sub-initiatives, WFP tried to help TPG connect to the United Nations Joint Logistics Centre (UNJLC) concept, a facility under WFP custodianship. With no obvious parallels in the private sector, the UNJLC provided a platform for civil/military as well as inter-agency logistics coordination in large-scale emergencies (complex and natural).⁷ In the course of 2003, TPG supported the development of the Humanitarian Response Network (HRN) concept. This initiative, initially driven by UNJLC, was aimed towards developing a global, common and coherent emergency response strategy within which various humanitarian agencies could set their own agendas. Given the complexity and uniqueness of the UNJLC, in 2004 TPG and WFP intended to explore areas beyond fleet management and warehousing (i.e. assistance to the humanitarian community in the area of customs activities) to be supported by the partnership.

In addition to providing technical assistance and modernizing the way WFP ran its fleets and managed its warehouses, TPG's involvement brought leverage with other departments in-house. It also forced WFP to ask hard questions about its approach and operations from a

⁷ For further information on the UNJLC concept and deployments, consult the following INSEAD case studies:

- "The United Nations Joint Logistics Centre (UNJLC): The Genesis of a Humanitarian Relief Coordination Platform," case study 02/2003-5093.
- "UNJLC: The Afghanistan Crisis," case study 02/2003-5092.
- "Logistics Moving the Seeds of a Brighter Future (UNJLC's Second Year in Afghanistan)," case study 07/2003-5135.

technical as well as an administrative standpoint. It was felt that if managed with tact, an external force like TPG could help shake the organization and prepare it for broader and more sensitive issues. Carrasse commented, “Given the slow pace of change in a large complex organization like WFP, a long-term partnership is more effective than a consultant to bring about change as, apart from providing an objective diagnostic, a partner is usually there to help you implement the solution.”

The partnership was rich in terms of lessons learnt. “Compared to the beginning, we have become more precise in terms of articulating our goal, work plans and the type of expertise and skills we require to tackle our challenges,” said Bettelley. The experience was valuable for future partnerships as WFP not only had a clearer understanding of its needs, but was also more prepared to verify whether the potential partner could adequately address them.

The WFP logistics team concurred. After spending numerous months understanding each other’s requirements, the partnership was to produce substantial benefits during the following years as both parties pushed forward with a number of initiatives of significant impact.

Enhanced Operational Effectiveness during Emergency Response (ER)

Swift delivery of food and NFIs to emergency sites was a constant challenge and strain on WFP resources. Through the second logistics initiative, WFP intended to leverage TPG’s express and logistics capability and know-how to enhance its operational effectiveness. Peter Scott-Bowden,⁸ Head of WFP’s Emergency Response Unit (ALITE)⁹ who was involved in the partnership as early as the June 2002 Tanzania retreat, played a pivotal role in the identification of projects to be implemented under this initiative. Scott-Bowden recounted, “After few months of interaction, together with TPG we managed to narrow down areas in which WFP could benefit from TPG services, assets and expertise in order to achieve its mandate—the fight against hunger.”

The aviation training program was amongst the first. “We had plans to professionalize our air operations. When TPG offered to train and certify our international cadre of air transport and movement officers¹⁰ in 2003, we were enthused.” The benefit of a pool of professional and internationally-certified air operators was considerable for WFP in view of the prohibitive cost of such training. Nonetheless it led to some dependency and risk as it gave their operators greater job mobility and opportunities in the commercial sector.

The second project involved TPG’s Express division and addressed the requirement to move small parcels of equipment to support WFP’s Information and Communication Technology

⁸ Promoted in October 2003 to Regional Programme Advisor (Contingency Planning) for Asia.

⁹ Augmented Logistics Intervention Team for Emergencies.

¹⁰ First TPG conducted four five-day assessment trainings for 27 WFP air operators. Out of these, 11 candidates from WFP air operations in Afghanistan, Somalia, Sudan and Angola were selected to attend a full 11-week course organized at TPG’s air hub in Liège, Belgium. Three of the candidates graduated as Ramp Officers, while the remaining eight completed the full training and obtained the recognized FAA (Federal Aviation Administration) Flight Dispatcher License.

(ICT) activities during an emergency response, particularly in under-funded operations.¹¹ Through an agreement with TNT, WFP ensured worldwide express delivery of critical ICT equipment to emergency locations from its Fast IT and Telecommunications Emergency Support Team (FITTEST) based in Dubai.

While WFP was efficient in moving food to a disaster area, due to certain budgetary rigidities it was less equipped for rapidly transporting NFIs to support response teams deployed in the field and address logistics bottlenecks. The \$500,000 emergency response fund established under this initiative allowed WFP to call upon TPG services during an emergency and offset expenditure incurred for the delivery of important NFIs at short notice. The account was used during the three major crises addressed by WFP in 2003: southern Africa, Iraq¹² and Liberia. “In Monrovia, Liberia, the port’s forklift trucks were stripped and its fuel bladders looted, preventing humanitarian agencies, including WFP, from offloading their cargo,” said Scott-Bowden. “The TPG freight services delivered forklift truck tyres and fuel bladders, items that enabled us to get our show on the road within four days.” In normal circumstances, WFP would have used the commercial sector through a tender process. “In emergency cases, however, it is extremely valuable to have an account like the TPG one that can come in quickly,” emphasized Scott-Bowden. To facilitate the use of the TPG services by WFP’s regional offices at the outset of emergencies, in December 2003 TPG finalized an emergency response catalogue listing internal assets and logistics capabilities throughout the world that could be mobilized quickly and efficiently in support of WFP’s logistics emergency preparedness and response requirements.

The fourth project aimed to provide logistics assistance to WFP’s massive southern Africa operations addressing a severe food shortage affecting 13 million people. Scott-Bowden elaborated: “To kick-off our collaboration we outsourced a functional area, our non-food supply chain from South Africa to Zimbabwe to TPG.” The assistance consisted of the storage, handling, transportation, clearance and delivery of high value, small volume telecommunication and security related equipment from South Africa to 12 WFP implementing partners within different localities in Zimbabwe.

“Our Johannesburg regional office was utterly impressed by the way TPG had managed the NFI supply chain in Zimbabwe,” recounted Scott-Bowden. WFP’s regional interest in achieving a similar level of efficiency in its operations led to TPG’s involvement in a comprehensive Business Process Review (BPR) of WFP’s supply and demand chain in southern Africa. “TPG applied project management skills to analyze our regional structure, business processes, MIS and planning procedures¹³ with a view to suggest improvements that would enhance and standardize our operations,” explained Scott-Bowden. “As a result of this initiative, we managed to unify our data warehousing system by building the necessary interfaces between three different programs. Now we are in a better position to monitor, track,

¹¹ During 2003, the service was called upon an average of 10 times per month.

¹² For example, in response to the needs of the Iraq crisis, TPG delivered critical equipment and items from Sweden and Italy to Cyprus, Jordan, Syria, Turkey, Syria and UAE.

¹³ The BPR examined interfaces between the various functions from procurement, logistics and HR to finance. It also verified how the regional office in Johannesburg coordinated activities among the six southern African countries involved in the WFP regional emergency operation.

and move our stocks and understand their quantitative as well as monetary implications.” Other outputs included the emergency response performance indicators applicable across WFP field offices defined by program managers together with the logistics staff. This effort, initiated and rolled out at grass-roots level, was expected to contribute significantly to WFP’s efforts to improve performance measurement through its results-based management initiative.

Scott Bowden was enthusiastic about the future of the initiative: “This initiative is only bound to thrive in the coming years. Among other things, it is most likely that the emergency fund will be doubled for 2004 and that we extend and replicate the BPR exercise in our other regional offices. Those parts of our operation touched by the TPG partnership have had a unique and most valuable learning opportunity: a direct insight on how a first-class company runs its business.”

Learning How to Dance

Powell recalled, “When we presented the TPG partnership to our board, their attitude was somewhere between healthy skepticism and downright disbelief about why TPG wanted to work with WFP. The same type of feelings and doubts prevailed among our staff.” Traditionally those marrying a humanitarian cause viewed their decision as a life choice. Not all WFP staff were prepared to appreciate the involvement of a profit-making entity in their work. As the initiatives evolved, however, WFP was moved by the devotion of TPG employees, and their doubts about TPG’s intentions were dispelled. As Bettelley put it, “TPG employees have been put on jobs, they have delivered and we have benefited from their expertise.” In addition, there was a lot of emotional investment from TPG’s side in the partnership. The number and variety of cause-related actions undertaken by TPG employees to raise money for WFP’s school feeding program provided ample evidence.

“There is a noticeable difference between staff awareness and involvement at WFP and TPG,” emphasized Kaatrud. The TPG partnership was not as widely promoted within WFP and its many field offices, although this was changing rapidly. After all, TPG was only meant to be one of 10 or so WFP corporate partners. “Contrary to Bakker, who engages all of his employees worldwide, at WFP only relevant staff are involved,” continued Kaatrud.

Commenting on WFP human resources, Stayton explained, “This was a detailed partnership and we grossly underestimated how much it was going to take to make it work.” TPG allocated a number of full-time people to the partnership whereas WFP staff had to deal with the partnership on top of their existing workload. “Once we took stock of the reality, we could not immediately align our resources to those of TPG as we had not budgeted for them.” While the two new hires joining the logistics initiatives took a big strain off the logistics group, lack of resources persisted for the school feeding support initiative, as hundreds of TPG employees were lined up to go into the field and expectations were high. Kaatrud explained, “We see the same type of constraint and pressure at TPG at the business unit level, where no dedicated resources have been allocated to the partnership.”

After 12 months, the partnership was showing great scope for gain over the five year period. However, given the depth and scope of the partnership, WFP was forced to make substantial upfront investment in terms of staff from its own budget. Stayton elaborated, “We are now

carrying out cost exercises for each of the initiatives, taking into consideration hours/people/costs from headquarters and from field perspectives.” An important cultural change for WFP staff who had never before reported on the use of their time, the results of the exercises were to impact and shape WFP’s future partnerships.

Future Corporate Partnerships

Weighing the pros and cons of corporate partnerships, Powell observed, “I think by any measure we do a pretty good job. We bring food to 100 million people each year with only 7% overheads. The truth of the matter is that companies like TPG can bring us to another level.” As for the TPG partnership, Stayton emphasized, “The seeds for the partnership to grow have been planted. The future will tell us more about its longevity and ramifications as well as TPG’s capability to motivate its 161,000 employees to feed 161,000 children year after year, with or without Bakker’s personal involvement.” What was certain was that the partnership’s second year budget intended to expand TPG volunteer activities from the school feeding initiative to the two logistics initiatives, creating more opportunities for TPG staff involvement in an increasing number of technical assistance activities.

Going forward, it appeared unlikely that WFP could get involved to such an extent with another corporation. Stayton explained, “This is our first partnership. We are anxious to learn and to make it work. However, we can’t possibly replicate this effort with each corporation. True, there may not be another dozen organizations out there that can give it the drive, commitment, involvement and inspiration that TPG’s CEO Peter Bakker has. But corporations also need to be quick in partnering with us, given our limited absorption capacity and the diminishing opportunity for finding new projects as time elapses.”

Without doubt, private sector partnerships were to have short and long-term consequences on WFP’s financial resources, performance and staff morale. Would the organization pursue these initiatives were they to have an impact on its traditional donor base? What is the optimal number of partners, and in which industries? How was the organization to choose and select between the different partners? What was a desirable level of engagement and reliance on corporate donations given their unstable and uncertain nature? And what were the limits to corporate partner involvement in organizational issues and change? These are some of the questions WFP is examining as it learns from the TPG experience and moves toward other corporate partnerships.

Exhibit 1
James Morris and Peter Bakker

The Tanzania Retreat, 22-23 June 2002

WFP/JeffreyRowland



Exhibit 2
Peter Bakker, Kofi Annan and James Morris

Johannesburg Summit, 2002

FP/Paul Botes

