



# An Untapped Force for Global Education

An exploration of small and medium enterprises



The Global Business Coalition for Education is a movement of businesses dedicated to ending the global education crisis. Theirworld established the Global Business Coalition for Education in 2012 upon recognition that the business community was an important constituency with the potential to more proactively support global education in a sustainable and scalable manner.

Today, GBC-Education has become one of the most effective forums for connecting businesses that aim to make an impact on the lives of young people. With a network of more than 150 influential private sector companies committed to best practice in supporting education and United Nations Sustainable Development Goal 4.

This report is part of the research of the Business Investment for Education Impact (BIEI) initiative which aims at building a stronger, more informed, and impactful network of businesses with the potential to transform education outcomes through strategic and coordinated investments.

The goal of this initiative is to develop a series of tools and products to drive forward progress in education, where corporate investments create business impact as well as a more sustainable, scalable, and systemic social impact.

<https://gbc-education.org/what-we-do/business-investment-for-education-impact/>

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# Executive Summary

From a sock retailer in the United States to a gas supplier for households in Nigeria to a digital ticket broker in Australia to a soap manufacturer in India, leaders and owners of small businesses around the world are doing their share to improve education.

This report highlights examples that show how small companies are making a big difference—and mostly under the radar—helping to improve and advance education reforms.

It outlines why, when, where, and how SMEs support education. By illuminating their current contributions, the report also underscores the untapped potential and unique position of small companies to make an even bigger and more profound impact on students, schools, and education systems globally.

According to the World Bank, small-to-medium-size enterprises (SMEs) “represent about 90 percent of businesses and more than 50 percent of employment worldwide.” If more SMEs—businesses that employ up to 1,000 people—could be enlisted into the cause of advancing education, the overall impact of their combined giving and engagement would be significant.

This conclusion is based on a study conducted over the course of 2020 that covered 18 countries. It involved 70 interviews with representatives of SMEs, intermediary nonprofit organizations that connect SMEs with educational opportunities, some school districts, and organizations such as incubators that guide start-ups and early-phase companies to commit to social impact.

SMEs are an untapped force for good, with the potential to make a profound impact on students, schools, and education systems around the world.

### **Why and where SMEs support education**

SMEs interviewed for this report overwhelmingly spoke of a sense of personal responsibility as their main reason for supporting education: They want to do their part to improve what they have seen or experienced as a problem in the communities where they do business. But they also want to connect with young people to help them build vocational skills or to spark interest in their lines of business, often out of concern that students are not ready to enter the workforce after high school or even after college or university graduation. This was true whether SMEs are investing in their local community or in far-flung regions of the world.

In general, small companies choose to support education either locally or internationally. Companies that support education in their own communities or countries do so out of personal understanding or connection to the challenges of education where they live and attribute this to their desire to provide local support. In some cases, entrepreneurs want to address historic disadvantages of a population within their own country, such as the indigenous populations of Australia or Guatemala. Some business owners want to leverage their networks to introduce students to career possibilities within their community. In addition, SMEs sometimes prefer to support organizations working in other countries. Some do this through an arrangement with an educational nonprofit in a specific country or by donating directly to schools or educational programs based there.

### **Who makes the decision at SMEs**

Company leaders, who are often the founders, drive decisions about the SMEs' investments in education. If the founder is no longer active, the current head of the business generally carries on their wishes regarding community impact and corporate social responsibility. Most often the CEO or founder is the decision-maker because of strategic and budgetary requirements, which can range from a direct financial contribution to in-kind support, such as releasing employees to volunteer in schools or at events, or inviting students to participate in internships and tours of business facilities, which require employee support. In other cases, such as at larger SMEs, the management committee makes the decision.

### **When and how SMEs decide to support education**

Timing of an SME's decision to support education depends on a number of factors. For some, they either decide very early or a few years after they have achieved stability so can say "thank you" by giving back to their communities. For others, it occurred after new leadership took over.

SME investments in education reflect great variation in both their types of initiatives and the mechanisms they leverage to support education. They include career mentoring, job shadowing, tutoring, scholarships, after-school programming, vocational training, investment in physical infrastructure, and policy advocacy.

In other cases, SMEs work through third-party institutions to leverage their support. Approaches include: donating to educational programs identified by philanthropic advisors, establishing corporate foundations and institutes, working with intermediary organizations, donating a percentage of sales

to educational causes, and investing in assessments to determine the outcomes of educational programs they support.

### **Benefits to SMEs that contribute to education**

Much of the motivation driving SMEs to support education comes from a desire to make a difference, to help young people gain knowledge and skills that will prepare them for their future as adults, or to contribute to building a better world. As a result, SMEs generally aren't seeking monetary gains, such as increased sales, customer growth, or higher profits. Instead, SMEs take great satisfaction in knowing their support is doing what they hoped it would: helping pave better futures for the next generation.

Their "return on investment" includes seeing how their hometowns or local communities have better functioning schools or a workforce better prepared for future jobs. That's the same, too, for SMEs giving to support programs far from where they live, such as those that aim to boost literacy skills in the developing world or ensuring access to quality and affordable education in countries where they source their products or contract with labor to produce goods they sell.

### **Challenges SMEs encounter when supporting education**

Companies of all sizes often find that the desire to take action is easier than the implementation when it comes to supporting education. A common challenge for small business leaders is not knowing how to get started because of the lack of suitable models to follow or sources to go to for guidance. Also for SMEs that have found ways to begin supporting education, keeping these programs running smoothly can present obstacles.

At the same time, teams at schools and education nonprofits are small and stretched education leaders juggle many responsibilities, making it challenging to manage partnerships with companies. Plus, school systems and nonprofits often have necessary, yet bureaucratic, procedures for approval of external support. Clearly defined terms of engagement and dedicated staff contacts for all parties can help address these potential bottlenecks.

Another challenge is cost, even in the case of non-cash contributions that can impact company operations, such as employee volunteering that requires paying for their time off work.

Despite these obstacles, SMEs find ways to adapt because they consider an investment in today's students an investment in tomorrow's workforce.

### **Role of intermediary organizations in SMEs' support of education**

Intermediary organizations—groups that connect the business sector to opportunities for social impact—play an important role in providing direction and support to SMEs that want to invest in education, especially for SMEs that don't have experience or that have difficulty navigating school districts on their own.

Intermediary organizations are typically national membership groups. They provide knowledge about best practices and offer management, training, monitoring, and assessment tools. Their education programs vary but generally include literacy and numeracy tutoring for primary students and frameworks for mentoring, workplace experience, and intern or apprentice programs for secondary school students. Some intermediaries also connect companies to mentoring opportunities for principals and professional development for teachers.

### **Concluding Thoughts**

SMEs are an untapped force for good, with the potential to make a profound impact on students, schools, and education systems around the world. Explore the full report to learn more, and find our concluding thoughts [here](#).



Simul et  
Singula

Etre ensemble  
et être  
soi-même

Quin un par  
on un lieu  
un seul but commu  
une seule fo  
l'histoire



# Glossary

## Child protection regulations

Laws and regulations that provide overarching standards and guidelines for child protection.

## Early college high school program

A curriculum of high school and college courses and relevant experience in a growing industry. Students have the opportunity to graduate in four years with both a high school diploma and an associate degree from an accredited college.

## GBC-Education

The abbreviated name for the Global Business Coalition for Education, sponsor of this research project.

## Global South/North

Global South refers broadly to the regions of Latin America, Asia, Africa, and Oceania, and Global North refers to Europe and North America.

## High-needs school

Criteria vary from country to country but often include performance indicators or socio-economic measures. The U.S. criteria applies to a school within the top quartile of elementary and secondary schools statewide, as ranked by the number of unfilled, available teacher positions; or is located in an area where at least 30 percent of students come from families with incomes below the poverty line; or an area with a high percentage of out-of-field-teachers, high teacher turnover rate, or a high percentage of teachers who are not certified or licensed.

## Impact study

Research conducted to observe and understand the effects of introduction of a new policy or strategy.

## In-kind support

Service, supplies, or free help that an organization receives.

## Incubators

Organizations that guide start-ups and early-phase companies to commit to social impact.

**Informal economy**

Diversified set of economic activities, enterprises, jobs, and workers that are not regulated, protected, or taxed by the state.

**Integrated school**

Schools for children from diverse race, religion or other backgrounds. In Northern Ireland, this means children and staff of Catholic and Protestant traditions, as well as those of other faiths, are together in one school.

**Intermediary organizations**

Nonprofit membership groups that serve as trusted advisors to businesses that want to help make society more equitable and inclusive. They connect SMEs and large companies with educational opportunities and schools, among other things.

**Open sourcing & collective-good methodology**

Software for which the original source code is made freely available to anyone and may be redistributed and modified according to the requirement of the user.

**Small and medium enterprises (SMEs)**

For the purposes of this report, businesses that employ up to 1,000 people. Countries have their own definition for SMEs, including number of employees, annual revenue, or both.

**Social entrepreneur**

A person who pursues novel applications that have the potential to solve community-based problems. The individual is willing to take on the risk and effort to create positive changes in society through the initiatives.

**Title 1 schools**

U.S. schools with a high-percentage of students classified as low-income that receive Federal government funds to help raise the achievement of the pupils with the lowest academic performance.

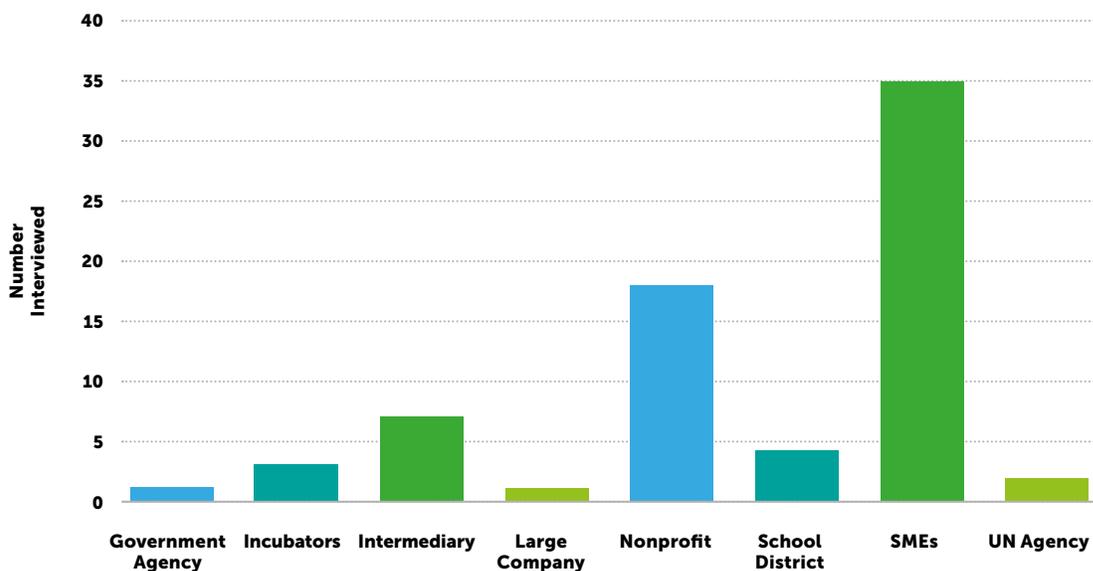
# Introduction

From a sock retailer in the United States to a gas supplier for households in Nigeria to a digital ticket broker in Australia to a soap manufacturer in India, leaders and owners of small businesses around the world are doing their share to improve education.

While their financial contributions individually pale in comparison with large corporations, collectively someday they could become a potent force in philanthropic giving and social impact to help improve education globally.

This conclusion is based on 70 interviews<sup>1</sup> with representatives of groups that included small and medium enterprises (SMEs), intermediary nonprofit organizations, some school districts, and others. The leaders of the SMEs—businesses that employ up to 1,000 people—shared why, how, when, and where they support education as well as the challenges and the benefits from pursuing their philanthropy. We spoke with eight intermediary organizations to learn about the added value they offer to small businesses that want to engage with education but may not know how to get started or need guidance on how to maximize their investments. In addition, we interviewed three incubators, which guide start-ups and early-phase companies to commit to social impact from the beginning.

**Figure 1 - Types of Organizations Interviewed**



<sup>1</sup>One single interview call included representatives from SME Eye 2 Connect and nonprofit Peer Support Australia.

Our report is limited to the SMEs with whom we spoke and the organizations helping them, and they represent just a sliver of the small businesses operating globally. But based on what we learned from the SMEs we interviewed, if more small-to-medium-size businesses could be enlisted into the cause of advancing education, the collective impact of their combined giving and engagement would be significant.

According to the World Bank, SMEs “represent about 90 percent of businesses and more than 50 percent of employment worldwide.”<sup>2</sup> Moreover, the International Labour Organization estimates that SMEs account for 70 percent of global employment.<sup>3</sup> In addition, the World Bank estimates that in emerging economies “formal SMEs contribute 40 percent of gross domestic product (GDP) and generate 70 percent of formal jobs.”<sup>4</sup> Other estimates of SMEs’ contribution to the global GDP are as high as 70 percent.<sup>5</sup>

Not surprisingly, the education sector is eager for help from the business community. For example, a recent study in Australia revealed that 90 percent of surveyed schools desired increased partnerships with businesses.<sup>6</sup> A similar study in the United Kingdom went further, finding that students who experienced four or more learning activities or interactions with businesses were 25 percent less likely to be categorized as “not in employment, education or training” in the future.<sup>7</sup> For students, these relationships can create a network of mentors that equip them with skills to succeed in professional settings, augments their knowledge of potential career pathways, and increases access to those jobs. For schools, these partnerships provide additional funding and support, allowing them to best prepare students for a changing workforce.

The unknown, of course, is how the COVID-19 pandemic ultimately will affect the ability and willingness of more SMEs to engage in education. The coronavirus was just beginning to spread at the time we started our research. Since then, there have been dire predictions about the numbers of small businesses that will not survive, as well as reports of those that have already shuttered. Still, the one hopeful sign we can point to is that business

<sup>1</sup> One single interview call included representatives from SME Eye 2 Connect and nonprofit Peer Support Australia.

<sup>2</sup> World Bank, “World Bank SME Finance.” <https://www.worldbank.org/en/topic/sme/finance>.

<sup>3</sup> International Labour Organization, “The Power of Small: Unlocking the Potential of SMEs.” 2019. <https://www.ilo.org/infostories/en-GB/Stories/Employment/SMEs#power-of-small>.

<sup>4</sup> World Bank, “World Bank SME Finance.”

<sup>5</sup> International Labour Organization, “The Power of Small: Unlocking the Potential of SMEs.”

<sup>6</sup> Rothman, Sheldon, and Australian Council for Educational Research (ACER). “What Do Schools Want from Engagement with Business?” 2019. [https://research.acer.edu.au/cgi/viewcontent.cgi?article=1030&context=policy\\_analysis\\_misc](https://research.acer.edu.au/cgi/viewcontent.cgi?article=1030&context=policy_analysis_misc).

<sup>7</sup> Education and Employers, “The case for employer engagement in state schools.” 2019. <https://www.educationandemployers.org/wp-content/uploads/2019/04/Research-summary-website-version.pdf>

leaders we spoke with—while acknowledging that the pandemic was causing some adjustments to both their operations and level of giving—all remain committed to their mission of helping to improve education.

This report is just a starting point and highlights examples from around the world of how small companies are making a big difference. SMEs have the potential to make a profound impact on students, schools, and education systems. By outlining why, when, where, and how SMEs support education, this report illuminates their contributions to education. That, along with the examples we share, underscore the untapped potential and unique position of SMEs to best serve students, schools, and society.

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## Small and medium businesses account for



**90%**  
**businesses**  
**globally**

World Bank



**70%**  
**global**  
**employment**

International Labour  
Organization



**40%**  
**of emerging**  
**economies' GDPs**

World Bank

## Chapter 1

# Why do SMEs support education?

Over the course of our interviews, SMEs overwhelmingly spoke of a sense of personal responsibility as their main reason for supporting education: They want to do their part to improve what they have seen or experienced as a problem in the communities where they do business.

But they also want to connect with young people to help them build vocational skills or to spark interest in their lines of business, often out of concern that students are not ready to enter the workforce after high school or even graduating from college or university. Some interviewees reflected on their own learning curve about the power of education to transform a person's life, with ripple effects on communities and society at large. This was true whether SMEs are investing in their local community or in far-flung regions of the world.

Sometimes, the motivation grew from a company founder's personal story. In 2017, Juliet Namujju started a company in Mpigi, Uganda, that employs people with disabilities to create upcycled garments and accessories from plastic waste. In creating **Kimuli Fashionability**, she was determined to transform her own past, as someone whose family was directly affected by disability, into a strength. And she does so while benefiting others in similar circumstances. Namujju wanted to address two issues at once: to achieve inclusion through meaningful work and to protect the environment. "I came up with the skills training to educate persons with disabilities on how to turn their challenges into opportunities," Namujju said.



**"The fact that we have an internship in the workshop will give more weight to the students' curriculum to then get a job... It's part of our corporate social responsibility."**

**ISABEL MONTERROSO (GUATEMALA), PADEX AUTOMOTRIZ**

SMEs in different regions talked about connecting with youth to build interest and develop skills related to their specialties. **Padex Automotriz**, a three-year-old auto repair shop in Guatemala started by two college graduates, offers paid apprenticeships for students from nearby vocational schools. Apprentices can learn without having to travel to the capital, something most students in the area can't afford. Padex's co-founder Isabel Monterroso indicated that the decision to pay the apprentices—

something other firms weren't doing—was significant. "The fact that we have an internship in the workshop will give more weight to the students' curriculum to then get a job. We couldn't cover our own salaries, but we had to take a chance on them. It's part of our corporate social responsibility," she said.

Understanding the need for representation is also a motivation for founders' involvement in education. CEO Terrence Southern of **HarozTec**, a Dallas-based robotics and artificial intelligence company he founded, reflected on his early career as an engineer at General Motors (GM) in Michigan. His mentor at GM asked Southern to work with students on a robotics project. The mentor surprised the young people with a question: "Who wants to meet a Black robotics engineer? This is Terrence Southern; he went to the same Detroit public schools that you guys went to," Southern said. "At that moment, I realized that the journey wasn't just about the technology that I was going to be working on... I [soon] started diving into education, and it is more of a mission for me to see how I was going to help change the future for those kids." In Dallas, he has been an industry partner for four years at two P-TECH early college high schools, which offer a curriculum of high school and college courses and relevant

experience in a growing industry. He teaches students from economically disadvantaged backgrounds about robotics engineering at one school and, at the other, logistics of the future, including drone distribution.

Because many SMEs conduct their activities locally, this proximity to what is happening around them is a driver for engagement. We heard this consistently across geographies, both in industrialized countries and in the developing world. Lisa Bracken of Reading Partners North Texas, a nonprofit literacy

program in Title 1 schools that supports businesses' involvement in education, reflected on how SMEs she's worked with know that young people are going to be the next leaders in their community. They want to invest their time and talent by volunteering to support students. "I would say it's an investment in their own community. We maximize these collective partnerships to advance our mission of closing the opportunity gap," said Bracken. Carla Inácio da Cunha of **Nexxera**, a Brazilian tech company that established its own foundation, talked about the founders acting on their commitment to the city of Florianópolis. She said, "They wanted to do something for the community, because to make this city sustainable will also make their business stronger and more sustainable."

**"... I realized that the journey wasn't just about the technology that I was going to be working on... I [soon] started diving into education, and it is more of a mission for me to see how I was going to help change the future for those kids."**

**TERRENCE SOUTHERN (USA),  
HAROZTEC**

In Ireland, SMEs sign up to various programs offered by **Business in the Community Ireland**, a nonprofit organization that helps companies bring about a sustainable economy and a more inclusive society. The Student Mentoring Programme, which provides mentoring for post-primary school students, is an example of a program that attracts SME support. Grainne Murphy, industry education and training manager of Kildare-based **Horse Racing Ireland**, which is the national governing body that oversees and promotes the sport, said employees have a strong desire to be involved in this program and that the connection with younger generations has an added value for the organization: It helps with the sustainability of the sector—horse racing—that young people might otherwise overlook.

In considering education, companies weigh how they can have the most impact. Sinéad Smith, head of corporate responsibility at **A&L Goodbody**, a corporate law firm in Ireland, said: “Our main offices are based in Dublin One, which is the northeast inner city, quite a disadvantaged area. It was easy for me to see that the community needed our support. The number one social issue would be drug addiction and crime. Number two would be underachievement in education, closely linked with number three: unemployment. We didn’t think we could have an impact on the first, but we definitely felt that education and unemployment were areas that we could support.”

Companies that support education internationally bring this same commitment but to the global village. The “sustainable, multigenerational change that can be created through the power of education” is how Adam McCurdie, co-founder of **Humanitix**, a Sydney, Australia-based social enterprise that uses online event booking fees to fund education, described their support of girls’ education in the developing world. Andy Huszar of **Marcellamoda**, a U.S.-based online fashion retailer, reflected on how, having lived and worked in corporate America, he and his founding partner wanted to create a company that would also contribute tangible benefits to society. “That’s really where we started. I think both of us are inspired by female education,” Huszar said.

For some SMEs, supporting education internationally is a response to their own learning curve. Prashant Mehta of **Conscious Step**, a Brooklyn, New York, company that produces ethically and sustainably made socks, told us: “I have learned a lot about how important world literacy is in today’s economy. Not just for the economy itself to grow. But for people to actually live normal, functioning lives. It has a significant impact on gender equality.”

## Chapter 2

# Where do SMEs support education?

## SMEs supporting education in their own community or countries

Many interviewees shared a personal understanding or connection to the challenges of education in their own community and attributed this to their desire to provide local support. Others talked about an intention to “give back” as a form of appreciation for the community in which they conduct business. They view education as a path to social inclusion and recognize a need to return to society some of the benefits they reap in running successful businesses.



**“There are no activities by the local government, there is no playground, there are no sports fields, nothing. There is no space for children in this community. Our program is all they have.”**

**DIEGO POLESE (BRAZIL), W3 INDÚSTRIA METALÚRGICA LTDA**

Notably, several companies support locally designed interventions that reflect educational realities where they are based. **W3 Indústria Metalúrgica Ltda**, an industrial and office furniture company in Ponta Grossa, Brazil, provides the only after-school program for children in their part of town, which is distant from the city center. Diego Polese, a physical education teacher who has been responsible for W3’s program since its inception 11 years ago, told us: “There are no activities by the local government, there is no playground, there are no sports fields, nothing. There is no space for children in this community. Our program is all they have,” said Polese.

Nichola Lynagh, co-founder of **LeonEdu** in Belfast, Northern Ireland, said she and her partners focus on the aspects of emotional intelligence for leaders to grow and excel in managing and leading the complex stakeholder demands and needs within the Northern Ireland school systems. As a service to its community during the COVID-19 lockdown, LeonEdu provided free trauma-informed materials on its website in an effort to support its clients and others to manage and lead during the pandemic crisis and stay true to its purpose of education. LeonEdu offers well-being development and training for mid- and senior-level educators in Northern Ireland and the Republic of Ireland.



**“I grew up in a community without access to education, most especially for the female child. A lot of young females in the community where I come from hardly go to school. I grew up with that story, and I always had the intuition that I wanted to change it.**

**OLASUPO ABIDEEN (NIGERIA), OPABGAS**

**OpabGas**, a household gas provider in Ilorin, Nigeria, offers a scholarship program for out-of-school children. Olasupo Abideen, one of the company’s founders, said the decision to support locally was based on his own experience. “I grew up in a community without access to education, most especially for the female child. A lot of young females in the community where I come from hardly go to school. I grew up with that story, and I always had the intuition that I wanted to change it.” When deciding how to intervene, the team at OpabGas conducted baseline surveys to understand the main barriers preventing children from attending school and tailored the scholarships accordingly.

In some cases, entrepreneurs want to address historic disadvantages of a population within their own country. **Humanitix**, a Sydney-based social enterprise that raises money for education from selling tickets online for events, funds education in Australia and the developing world. Humanitix underwrites scholarships to help improve educational outcomes for indigenous students and the overall well-being of the country’s indigenous population. The Guatemala-based **Samuel Camhi Levy Foundation**, established by a businessman of the same name and currently run by his son, has supported preschool access and family support for Guatemalan children in the Highlands region. The foundation invested in infrastructure development, training for teachers and school principals. Because few local children had prior access to preschool, many of them had not been exposed to Spanish, which is the language spoken in school (local communities speak Kaqchikel, a Mayan language). The foundation and its partners supported projects in 12 communities to maximize the children’s chances for success in later years of schooling.

Some business owners want to leverage their networks to introduce students to career possibilities in their community. This is often spearheaded and facilitated by nonprofit intermediaries dedicated to connecting businesses and schools. For example, **The Careers & Enterprise Company**, a nonprofit in the United Kingdom, offers a “Cornerstone Employers” program that builds a network of SMEs in communities to support local school goals for career mentoring.

In the United States, we also saw evidence of local mobilization of the business community at scale, where SMEs are playing an active role to help improve the education system citywide. In Dallas, Texas, several SMEs are actively working for better educational outcomes for public school students (See Chapter 9).

### **SMEs supporting education in the developing world**

The most common examples we identified are companies partnering with education nonprofits headquartered in industrialized countries that support established programs in the developing world, such as Room to Read (USA) and CAMFED (UK). SMEs based in industrialized countries say their ability to engage with education projects abroad often rests on finding an education partner that can effectively work with them. Because SMEs typically don't enter into partnerships offering large sums of money, they are aware that large international nongovernmental organizations or other education actors might not consider them viable partners.



**“It was a successful program, and helped spark the initiation of a nationwide, broader sector initiative that is now being implemented together with the Ministry of Education in the Ivory Coast, which is really exciting,”**

**BELINDA CHRISTINE BORCK (NETHERLANDS),  
THE CHOCOLONELY FOUNDATION**

There are exceptions to this model. In classic entrepreneurial spirit, some SMEs based in Europe and in the United States have taken matters into their own hands and found projects to support in developing countries where they have a connection. They are motivated by a personal link. One example is **Bloom & Give**, a Dallas-based textile company led by two members of the Indian diaspora, which supports girls' education in India. Another is **Tony's Chokolonely**, a Dutch chocolate company whose foundation supports education in the Ivory Coast and Ghana—the countries where they source their cocoa. Belinda Christine Borck, impact editor at The Chokolonely Foundation, shared a major accomplishment for one initiative it supports: “Teaching at the Right Level” program in Ivory Coast. “It was a successful program, and helped spark the initiation of a nationwide, broader sector initiative that is now being implemented together with the Ministry of Education in the Ivory Coast, which is really exciting,” said Borck.

## Chapter 3

# Who at SMEs are involved in choosing to support education?

In our interviews with both SMEs and intermediary organizations, we learned that company leaders, who are often the founders, drive decisions about investments in education.

If the founder is no longer active, the current head of the business generally carries on their wishes regarding community impact and corporate social responsibility.

The CEO or founder is generally the decision-maker because of strategic and budgetary requirements, which can range from a direct financial contribution to in-kind support, such as releasing employees to volunteer in schools or at events, or inviting students to participate in internships and tours of business facilities, which require employee support.

In other cases, such as at larger SMEs, the management committee makes the decision. Scott Thomson, CEO of London jeweler **Astley Clarke**, said, "It's getting the buy-in of the senior leadership team. There's me and three or four heads of departments, and we work to decide what we're going to get behind."

After Manish Arora, CEO of **Rectifiers and Electronics, Pvt. Ltd.** in New Delhi, India, took over the 40-year-old company in 2011, he added Tata STRIVE Industrial Training Institute's apprenticeship program to provide about 20 engineering students work experience in custom manufacturing annually. Arora offered the apprenticeships because he had benefited from similar programs while studying engineering, both in India and the United States.

As part of their involvement in the community, many CEOs or managing partners serve on nonprofit boards and are members of civic and business networks such as Rotary and Chambers of Commerce, which provide them with firsthand exposure to the needs and opportunities of public education.

It's important to note that several larger or more established SMEs have set up their own foundations or trusts through which they make at least part of their social investments. Other larger SMEs have a head of corporate social responsibility (CSR) or a full-time human resources employee who oversees the support of education. In these cases, we observed a professionalization of how they develop strategies; and identify, monitor, and evaluate projects. The foundation, CSR, or human

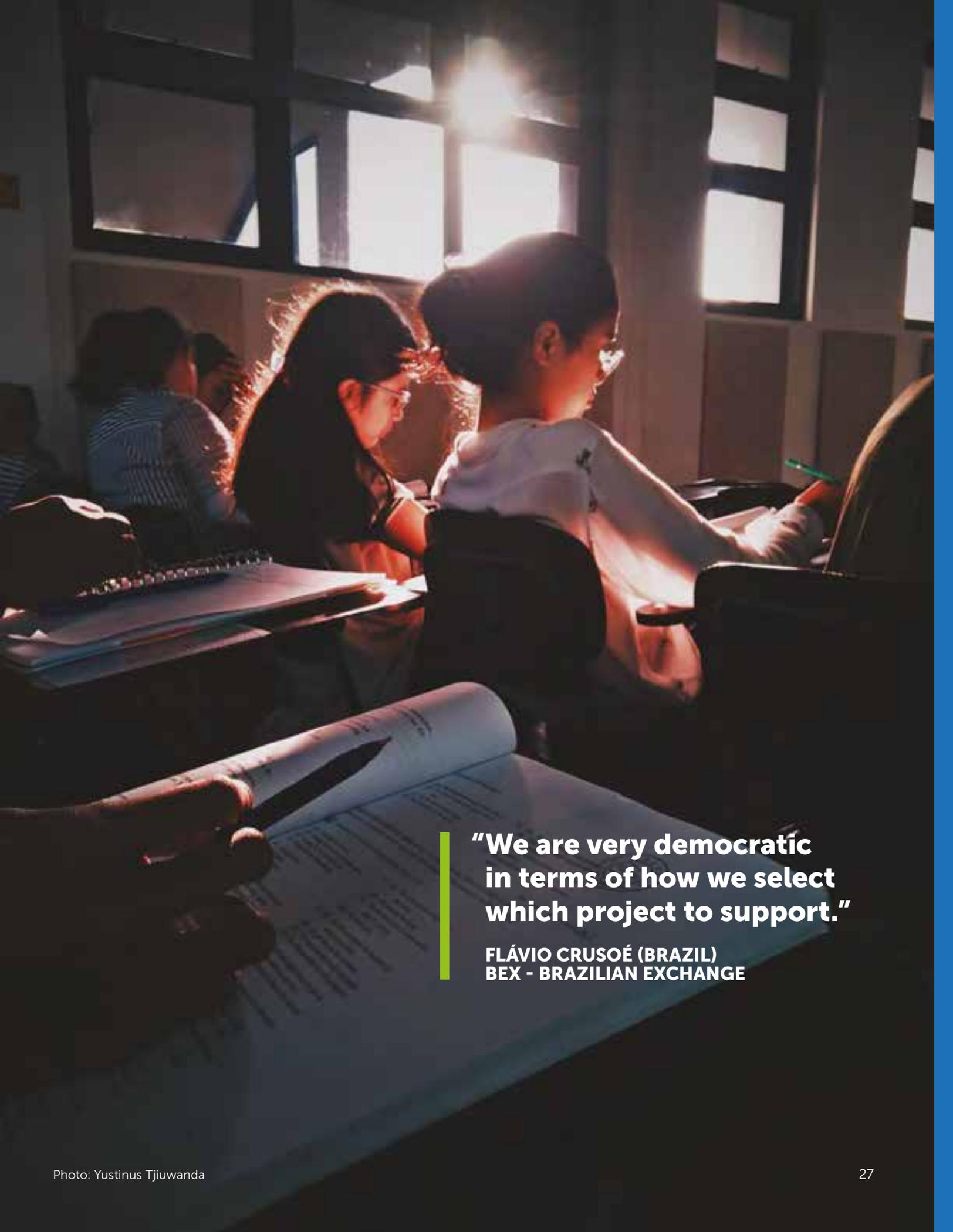
resources leaders bring their own expertise and networks to the effort, usually in consultation with the company's leadership.

At **A&L Goodbody**, a Dublin-based corporate law firm which has about 800 employees in four countries, Sinéad Smith leads the education effort as head of corporate responsibility. She reports to the managing partner and consults with the firm's partner who oversees responsible business/ CSR. Smith provides the guidance for their extensive education programs and develops the annual budget, which she shares with both of them. "Once they're happy with it, I present it to the management team and then it gets signed off," she said.

Claire Gordon, director of education and jobs at **Business in the Community Northern Ireland** in Belfast, said, "It is most powerful when the support comes from the CEO, when they lead by example and proactively encourage engagement by their employees in education activities. Their permission can cover all types of support." She finds human resources is involved if there are employee volunteer components.

Some leaders include their employees in the selection of their community efforts. Flávio Crusoé is the founder of **BEX - Brazilian Exchange**, a company headquartered in the city of Salvador with outposts across the country that specialize in cultural exchange programs and language courses abroad. BEX allocates a percentage of the client fees collected from each course or exchange program sold to CSR. Crusoé said: "We are very democratic in terms of how we select which project to support." He encourages the regional managers to nominate projects in their city. For example, the local team in the town of Bento Gonçalves in Southern Brazil secured a project for after-school sports by partnering with the local municipality. Once he determined it was feasible and compatible with their philosophy, Crusoé directed all BEX resources collected for one year to the sports project in Bento Gonçalves.

Allegra Spender, CEO of the **ABCN (Australian Business Community Network)**, said its newest member company had "an internal agitator" who's really passionate about education. Spender said, "She influenced us, so ... she has to have credibility within the organization and it obviously had to be the right moment" for the leaders to take action.



**"We are very democratic  
in terms of how we select  
which project to support."**

**FLÁVIO CRUSOÉ (BRAZIL)  
BEX - BRAZILIAN EXCHANGE**

## Chapter 4

# When do SMEs decide to support education?

Some companies decide to support education from the beginning because of its universal appeal and critical need. For others, it occurred when the CEO decided it was time to give back to the community or new leadership took over.

At **OpabGas** in Nigeria, a company started in 2018, leaders decided from the get-go to help bridge the gap in school attendance in their community. Their support grew from four students in 2018, to a planned 15 students in 2020 (COVID-19 has affected their plans). They decided on what support to provide based on research from teachers, parents, community leaders, and government agencies.

In 2003, a few months after opening its new plant outside of Dublin, Lagan Cement—now **Breedon Cement**—started giving back to its new community by partnering with a nearby school that serves an economically disadvantaged population. Anna Walsh, human resources manager, said her company had joined **Business in the Community Ireland** the previous year to plan its support of education. Breedon continues this relationship with students who are at risk of leaving school early.



**“The purpose came first. Then we thought how could we disrupt an industry to achieve this purpose?”**

**ADAM MCCURDIE (AUSTRALIA), HUMANITIX**

Two young social enterprises—**Humanitix** and **Bloom & Give**—selected their cause before launching their businesses. Humanitix is a four-year-old social enterprise that provides event ticketing in Australia and New Zealand, while Bloom & Give has been a U.S.-based online store selling handmade textiles from India for five years. In both cases, the co-founders were moved to support girls’ education. During a trip to the Rajasthan region of India after leaving careers at technology start-ups in the United States, Partha Raghunathan, along with his co-founder at Bloom & Give, said their lives changed when they were introduced to block printing on handmade textiles. Also returning to their homeland reawakened in them the reality of the gender disparity in education. They decided to source textiles from several regions and to donate 50 percent of their profits to educate girls in India.

## Chapter 4: When do SMEs decide to support education?

Humanitix co-founder Adam McCurdie said: “The [social enterprise’s] purpose came first [following months of research]. Then we thought how could we disrupt an industry to achieve this purpose? We eventually came to event ticketing as the right industry to go after.” They support Room to Read for girls’ education and, through another program, offer scholarships for indigenous students in Australia.

Others respond to needs they identify in their community after a few years on the ground. In its sixth year in business, **Du Anyam**—an Indonesian social enterprise that produces and sells wicker products made in Flores, East Nusa Tenggara—became involved by providing scholarships for its weavers’ children. In Dallas, Ken Barth, chairman of **Symphonic Source**, Inc. and CEO of **Catalogic Software**, and a few other successful business people began to support education about 15 years ago. At the time, the Dallas Independent School District’s academic scores were in serious decline, and inner-city schools were struggling to help their students. Now, Dallas has one of the fastest improving major metropolitan school districts in the country (For more on the Dallas Spotlight, see Chapter 9).

The timing for SMEs to begin supporting education depends on many factors. For some, they either decide very early or a few years after they have achieved stability so can say “thank you” by giving back to their community.



Photo: Kiana Bosman

## Chapter 5

# How do SMEs contribute to education?

One of the most important areas we focused on in our interviews with SMEs was to gain a fuller understanding of how small companies support education.

In exploring SMEs, we found great variation in both their types of initiatives and the mechanisms they leverage to support education. Here is what we learned about the approaches SMEs take:

## Types of Education Support

SMEs that are focused on education in their local communities often support students or local schools. This form of direct support is especially meaningful for SMEs whose leadership and employees have roots in the communities where they are based or work. These firsthand interactions between SMEs and students or schools can take many forms. In some instances, companies and their employees provide one-to-one support, like career mentoring, job shadowing, tutoring, scholarship funding, training, or hosting after-school programs.



**“Why not support education projects that have been around for 10 to 15 years that have successfully evolved and developed?”**

**LUIZ FERNANDO FIGUEIREDO (BRAZIL), MAUÁ CAPITAL**

SME leaders also told us they see value in backing established and proven programs in schools. Luiz Fernando Figueiredo, the founder and CEO of the Brazilian asset management firm **Mauá Capital**, remarked: “What is the goal? Is the goal to have the project to call our own or to help as many children as possible? If the latter, why not support education projects that have been around for 10 to 15 years that have successfully evolved and developed?”

### Mentoring

Career mentoring is an important way of providing direct support, and one that helps students apply what they learn in the real world. Dalreen Buchanan, business support manager at **Ulster Carpets**, which is the manufacturer and designer of luxury carpets in Portadown, Northern Ireland, draws on the fact that some of the company’s employees speak

other languages to highlight to neighborhood students how studying another language can open doors to future careers. "We arrange for multilingual members of our sales team to go into a local school to have open discussions with the young people around how learning a second or third language opened up career opportunities for them across many sectors," Buchanan explained. "Through informal discussion, this helps the students uncover the potential of what's available to them in their future careers." Commercial finance entrepreneur Sandeep Sesodia, founder and director of **mgps commercial finance ltd** in New Milton, England, has introduced students in his community to careers in finance as well as opportunities at other thriving industries in the local area. The purpose of doing this is to ensure students are aware of the many professional routes they could take after school. "It's all about exposing students to a wider variety of possible careers," Sesodia said.

**"It's all about exposing students to a wider variety of possible careers."**

**SANDEEP SESODIA (UK),  
MGPS COMMERCIAL  
FINANCE LTD**

Some SMEs go further, combining mentoring with skills development. **HarozTec**, a Dallas-based robotics and artificial intelligence engineering firm, supports Dallas Independent School District's Pathways in Technology (P-TECH) early college high school program. P-TECH offers economically disadvantaged students the opportunity to graduate in four years with both a high school diploma and an associate college degree. When HarozTec CEO Terrence Southern began working with Lincoln High School, he said, "When students think of logistics or transportation, they think of semi-trucks and forklifts." Today, as many industries are investing in robotic package delivery, particularly amid the COVID-19 crisis, Southern is teaching students to fly drones and participate in competitions. He encourages his students to obtain drone pilot licenses, which are achievable at age 16 as long as they learn air traffic control safety rules. "With a license, they can apply for jobs with the U.S. Army, transportation, GPS companies, and more ... there are drone jobs everywhere," Southern added. A similar example comes from Australia where Tracey Cuttriss-Smith, CEO of cost-neutral social enterprise **C-Res (Community Resourcing for the Future)**, said they work with high schools to promote development of programs for workforces of the future. "For a couple years, we have provided funding to seven high schools in Central Queensland to deliver certificate programs for drone aviation where students receive national drone aviation certification," said Cuttriss-Smith. These examples highlight how SME employees can mentor while also fostering concrete skills development.



**"We invite students into our workplace to meet our staff and understand all the different departments within our company."**

**TAYLOR SHEAD (US), STEMULI**

## **Shadowing**

Similarly, job shadowing helps young people get an authentic understanding of work life. **STEMuli** in Dallas is an example of an education technology SME that hosts students at their offices where they experience work life. STEMuli founder and CEO Taylor Shead said, "We invite students into our workplace to meet our staff and understand all the different departments within our company." The company facilitates workshops with secondary students, exposing them to different company functions like quality assurance and customer engagement. Some students have gone on to become interns at STEMuli while pursuing a university degree.

Similarly, **Business in the Community Ireland's** Skills@Work program provides staff from **Horse Racing Ireland**, the national governing body in Kildare that oversees the sport, with an opportunity to work with 16-year-old students at a local high-needs school. Kate Roche, administrator at the SME, said: "We show them what it's like to work in a company. They get a tour, and the staff has assignments for them. We have CV [resume] workshops and mock interviews. We even bring them out to the racing yard for a day. These programs make the world of work real for young people and begin to cultivate a long-term talent pipeline for companies."

## **Tutoring**

Tutoring is another popular way of engaging directly with primary school students who need reading and math support. SME employees are typically assigned a child or two for a specific period. Employees who tutor report that they like the opportunity to impact students directly. The Dublin-based corporate law firm **A&L Goodbody** has participated for eight years in the reading program of Suas, a charity that supports literacy skills building for disadvantaged children in Ireland, India, Kenya, and Zambia. Sinéad Smith, head of corporate responsibility at Goodbody, said, "This is a firm favorite. We always have a waiting list because it's such an enjoyable experience—reading with two children for half an hour per child once a week. It's extremely doable because the volunteers go to the school before they start their workday."

### Scholarships

Some SMEs provide direct financial support to individual students and their families, often in the form of scholarships. **Du Anyam**, an Indonesian social enterprise that produces and sells wicker products made by female weavers in Flores, East Nusa Tenggara, takes a unique approach to the firm's financial support. Du Anyam annually conducts what it calls an impact study and recently learned that children's education—specifically, school fees—was one of the top three expenses for the weavers they employ. As a result, the company decided to help their employees with these expenses. Hanna Keraf, Du Anyam's co-founder and chief of community and partnership, explained their decision, saying: "We believe that if we could take that [education] expense out of their burdens, they would have extra money to keep in financial institutions in case they face emergencies, or they can use that money for nutrition and health, which had never been a priority for household expenditures."

In Ilorin, Nigeria, household gas provider **OpabGas** decided to provide scholarships for local out-of-school children, especially girls. OpabGas co-founder Olasupo Abideen and his colleagues learned through a community needs assessment that many girls were missing school due to a lack of uniforms, stationery, sanitary pads, and other supplies. The company quickly realized this was a solvable problem. "While we will not be able to bring everyone out of poverty," Abideen has told members of his community, "we can gift your children with school uniforms and supplies as well as supporting them with a stipend to pay school fees."

### After-School Programming

Some SMEs see after-school programs as a vital part of students' social-emotional development. For example, **BEX - Brazilian Exchange**, a company that sells youth cultural exchange programs and language courses abroad, has invested in programs that offer extracurricular activities like sports for young people. The company's support extends to community-based organizations that host youth sports leagues as well as donating athletic equipment. For its part, **Ulster Carpets** has supported music programs in Northern Ireland, including sponsoring an orchestral music initiative in an integrated school for children and young people with special educational needs.

## Vocational Training

A subset of SMEs we interviewed operate as social enterprises, which enables them to provide vocational training for young people—usually already past the age of secondary education—in developing countries. For example, **Alternative Waste Technologies**, a Nairobi, Kenya-based company that converts organic and charcoal waste into low-cost and eco-friendly briquettes used to heat homes, is developing a business model to help young people who have dropped out of school learn how to run their own businesses. According to founder Stella Sigana, "Through the Pathway to Ownership model, we bring young people on board as employees, and through continuous training and mentorship, we help them grow to become supervisors, then managers, and eventually owners of their own Alternative Waste Technologies franchise." In addition to teaching business skills, she adds that the curriculum includes units on sexual reproductive health and life skills. "That way," Sigana said, "at the end of the day, even if they don't stay with our company, they have acquired skills to keep them moving to the next levels of their lives."



**"I really believe in open sourcing and collective-good methodology."**

**LINA ZDRULI (US),  
DAFERO**

SMEs often leverage their technical expertise to train and onboard employees, but that curricula may also be scaled to teach tangible skills to students anywhere. Washington, D.C.-based **Dafero**, a food producer that makes healthy date spreads and employs refugee women and trafficking survivors, was established with a similar social impact model. The SME developed online training modules to teach employees how to produce the company's products. After launching the technical training program, Dafero founder and CEO Lina Zdruli realized her employees were seeking additional life skills, so the company developed curricula on financial literacy, early childhood education, women's rights, health, and hygiene, among other topics. From there, Zdruli established a corporate foundation to make these curricula available to women around the world. "I really believe in open sourcing and collective-good methodology," she explained. "Since we had already put so much effort into making it ourselves—why not share it with others to help facilitate the integration of vulnerable populations into employment pipelines?"

**The Britannica Group**, a global knowledge leader and learning-transformation company, serves the needs of students, lifelong learners, and professionals by providing curriculum products, language-study courses, digital encyclopedias, and professional readiness training. The company has developed a vocational training program specifically for educators making the shift to online learning during the pandemic. The company also rolled out, during the pandemic, learning solutions, including print-on-demand in partnership with HP Inc. as well as low-bandwidth and digital offline learning modules to bridge the digital divide and improve learning outcomes. Karthik Krishnan, global CEO of the Britannica Group, said: "In the face of COVID, we've provided a lot of educational resources to the school systems. For example, we introduced 1,600 teachers in Guatemala to remote learning for free. We also opened our learning solutions and trained these teachers how to get the most out of them and how to inspire and engage their students in a remote learning environment."



**"In the face of covid, we've provided a lot of educational resources to the school systems."**

**KARTHIK KRISHNAN (US), BRITANNICA GROUP**

SMEs also help develop digital infrastructure for education. Keith Thode, CEO and chief scientist of **AdvanceNet Labs** in Dallas, Texas, views education "as a lever because it provides opportunity and choice." Through an arrangement with a large technology company, AdvanceNet Labs takes software that costs millions of dollars to develop and adapts it to fit the needs of the social sector, which it offers for free or for a small copay fee. One of his firm's offerings to underserved nonprofits and school systems is the Empowerment Marketplace, which is an integrated collection of learning, employment, and impact management technologies. They also have developed a mobile app for distance learning for use in after-school programs, camps, and adult learning, and it also offers applications for kindergarten through graduate school.

## Infrastructure

SMEs also have a role in education infrastructure, like improving school facilities for in-person instruction. Joginder Kalra, owner of **Multan Soap Works** in Godhra, India, explained how, as a member of his local Rotary Club, he and other local business leaders helped to upgrade a community school. "There was no proper place for children to sit and learn," Kalra said, "so we organized funds for that." The campus improvements helped "create a proper seating facility and other necessary amenities that are required for the students to feel well."



**"It is important for business leaders to recognize their role in shaping strong state policy. Ultimately, student success supports businesses' vested interests in talent and economic growth."**

**GEORGE TANG (US), EDUCATE TEXAS**

## Policy Advocacy

In our interviews in Texas, we heard how businesses—including SMEs—have used their influence to positively affect education policy. Their experience suggests that when company leaders work with education stakeholders on strategic levers for new education policies lawmakers are likely to respond favorably. For example, some businesses supported significant state legislation in 2019 that reformed education funding, generating more than US\$6.5 billion for classrooms and increased teacher compensation with an opportunity for an additional US\$4 billion for outcome-based incentives. "It is important for business leaders to recognize their role in shaping strong state policy. Ultimately, student success supports businesses' vested interests in talent and economic growth," said George Tang, managing director at Educate Texas, an initiative of Communities Foundation of Texas that aims to strengthen the state's public and higher education.

Also, some leaders of the companies interviewed serve in elected school board positions and on boards of education nonprofits, further leveraging their political influence.

## Support Mechanisms

While some SMEs support students or schools through direct engagement, others work through third-party institutions. Here is what we learned about different mechanisms SMEs leverage to support education:

### Philanthropic Advising

Some SMEs consult philanthropic advisors for input on how and where to distribute their education donations. Others choose to give to donor-advised funds that are set up to support educational causes. **Hazel's Expedited Freight**, a Dallas-based freight and logistics company, contributes to such a fund at Communities Foundation of Texas. "We also do optional employee payroll deductions from paychecks to contribute additional money to our fund," said CEO Dustin Marshall. He added that the company provides "a 100 percent match of anything that our employees contribute." In this approach, both the company and participating employees can make an impact on multiple education nonprofits.

### Corporate Foundations & Institutes

In other cases, SMEs have set up corporate foundations to ensure they can make strategic, consistent, and ongoing contributions to education causes. For example, **Ulster Carpets** in Portadown, Northern Ireland, and **A&L Goodbody** in Dublin, Ireland, both established charitable trusts as memorials to a former leader and partner, respectively, of their companies, supporting—in part—education initiatives such as scholarships. Leaders at **Nexxera**, a financial technology SME in Florianópolis, Brazil, established a nonprofit institute after about 15 years of the company's operations. Funded by its for-profit counterpart, **Instituto Nexxera** today delivers social inclusion after-school programming to students in the company's local community. **The Chocolonely Foundation**, founded by Tony's Chocolonely, a social impact company that makes chocolate in Amsterdam, Netherlands, currently receives one percent of the SMEs' annual proceeds. Like the company, the foundation's mission is to ensure a "100 percent slave-free chocolate industry." Focused on sustainable and fair-trade chocolate production, with a particular focus in West Africa, the foundation now funds various educational initiatives—such as a literacy and numeracy program managed by the Jacobs Foundation for primary students in the Ivory Coast, the source of much of the company's cocoa.

## Intermediary Organizations

Some intermediary nonprofit organizations provide frameworks and structured programs for SMEs to support local education. These intermediaries often initiate the critical connection between an interested business and a local school. (*Chapter 8 has more about the role of intermediary organizations.*)

## Cause Marketing

In our interviews, we frequently learned of SMEs collaborating with nonprofits. Examples include CAMFED and Room to Read that are focused on a range of education initiatives. Such support also can both bolster the SME's brand and bring attention to the causes they support. Many SME leaders choose this route because they know the nonprofits they contribute to have the expertise and proven programming already in place.

Some SMEs contribute a percentage of their sales or profits to support education. Ashley Johnson, founder of the online Hawaii-based sunglass retailer **Mohala Eyewear**, said she was inspired to focus her company's philanthropic efforts on women and education after watching the documentary *Half the Sky: Turning Oppression into Opportunity for Women Worldwide*. The film highlighted Room to Read, a global education nonprofit that works to "develop literacy skills and a habit of reading among primary school children, and support girls to complete secondary school with the relevant life skills to succeed in school and beyond." Johnson researched the organization, read a book by its founder, and eventually contacted the team to ask about corporate partnerships. "With Room to Read, I figured out the cost of donating one week of school for every pair of sunglasses we sell," Johnson said. Every product webpage of the online retailer now highlights how each purchase supports a girl's education. "Now every pair of sunglasses has power," she added.

**"We use the united nations goals as a framework to try to make it simple for people to understand ways they can make a difference towards poverty reduction."**

**PRASHANT MEHTA (US), CONSCIOUS STEP**

**Conscious Step**, a Brooklyn, New York, company that produces ethically and sustainably made socks, raises awareness and money for various causes. "We use the United Nations goals as a framework to try to make it simple for people to understand ways they can make a difference towards

poverty reduction," founder and CEO Prashant Mehta explained. Room to Read is also its nonprofit education partner, and a portion of proceeds from every sale of the "socks that give books" product is donated to the organization.

**Humanitix**, a four-year-old social enterprise and online ticketing service in Australia and New Zealand, divides its revenue after expenses between Room to Read and an in-country program delivering scholarships to indigenous students. Event organizers that use Humanitix's ticketing platform can select where their donation goes, and its website displays a running total of the number of school days funded through ticket sales.

## Impact Assessment

More and more companies seek to understand their return on investment, even for philanthropic contributions. Our interviewees told us various ways they assess the impact of their giving. Some rely on anecdotal evidence of impact while others rely on more formal evaluations.

**OpabGas** in Nigeria, for example, developed a tracking system. CEO Olasupo Abideen explained how the company's monitoring and evaluation framework has enabled OpabGas to "assess how we are supporting children in the community."

Keith Thode, CEO and chief scientist of Dallas-based **AdvanceNet Labs**, and his team of software engineers are using technology to develop evaluation tools that capture longer term impact for education nonprofits and the adult education sector. They help program partners capture more defined impact of measurable outcomes, skills and retention in an effort to solve nonprofit education's challenge that once students leave a program it is difficult to get necessary data for longer term assessment.

In other instances, companies such as **Humanitix** and online fashion retailer **Marcellamoda** measure impact by converting the value of their financial contributions into the number of school days or years funded for girls. Other SMEs receive annual reports from their intermediary organization or conduct their own site visits to assess impact.

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## How do small and medium businesses support education ?

- ▶ **Mentoring:** partnering with schools or programs to help students understand their future career opportunities and foster skills development
- ▶ **Tutoring:** engaging directly with students to support reading and/or math studies
- ▶ **Scholarship:** direct financial support to a student or their family to assist with school related fees
- ▶ **After-school programming:** supporting and investing in music, sports, or other programs for students to develop social-emotional skills
- ▶ **Vocational training:** facilitate new skill-building and opportunities for young adults or employees
- ▶ **Financial or in-kind support:** direct financial or in-kind contribution to a school or non-profit organization
- ▶ **Policy Advocacy:** working with education stakeholders to advocate for and shape education policy

## Chapter 6

# What are the benefits to SMEs that contribute to education?

As we've shown elsewhere in this report, much of the motivation driving SMEs to support education comes from a desire to make a difference, to help young people gain knowledge and skills that will begin to prepare them for their future as adults, or to contribute to building a better world.

As a result, a number of the SMEs we interviewed generally aren't seeking monetary gains, such as increased sales, customer growth, or higher profits. Instead, these SMEs take great satisfaction in knowing their support for education is doing what they hoped it would: helping pave better futures for the next generation.

Their "return on investment" includes seeing how their hometown or local communities have better functioning schools or a workforce better prepared for future jobs. That's the same, too, for SMEs giving to support programs far from where they live, such as those that aim to boost literacy skills in the developing world or ensuring access to quality and affordable education in countries where they source their products or contract with labor to produce goods they sell.

When asked if there are commercial or operational benefits to their businesses, the number of responses was small and often the same. The closest examples of a direct return on investment to the business are found among those companies that see their support for education as contributing to the health and vitality of places where either they are based or have a major presence.



**"One of the solutions to child labor is the quality of and access to education."**

**BELINDA CHRISTINE BORCK (NETHERLANDS),  
THE CHCOLONELY FOUNDATION**

For instance, **Tony's Chocolonely** is an Amsterdam-based impact company that sources cocoa for its chocolate only from farms in Ghana and Ivory Coast in Africa that have systems in place to find and remediate forced labor. Poverty and lack of access to education contribute to the persistence of child labor. So, in addition to the company's own efforts to eradicate forced labor, Tony's donates one percent of its annual revenues to The Chocolonely Foundation, which makes grants to education

programs in Ghana and the Ivory Coast. Belinda Christine Borck, who oversees impact for The Chocolonely Foundation, put it this way: “Our mission is very clearly stated. We talk about forced labor; we talk about child labor. And one of the solutions to child labor is the quality of and access to education.”

Taylor Shead, founder and CEO of **STEMuli**, a women-owned educational technology enterprise, said her business got an unexpected payback from her work as a volunteer mentor in the Pathways in Technology (P-TECH) early college high school program in the Dallas public schools. In fact, she started a new business that created jobs for the students she served. She said when COVID-19 forced school closures, STEMuli was called on to create a virtual classroom. While her company had focused on workplace learning before, now they had to support students, teachers, and parents. Shead said some of the students she had mentored in the P-TECH program “immediately were able to hop in because they knew how to keep things organized, and they knew the culture of how we communicate with our customers. So we literally had to throw them in the fire on the first day of school. It’s a crazy story that worked out.”

At **Padex Automotriz**, a Cobán, Guatemala, auto repair shop, Isabel Monterroso, co-founder, said she saw the return on her company’s education investments as “helping us grow as a country, because we will have a qualified workforce,” and to which she adds, “I believe that we are serving as an example for others.”

Although they couldn’t convert these into quantifiable benefits, in conversations with other company heads that have integrated a social mission into their business, several cited how that makes them a more attractive employer or leads to a workforce with high morale.

Ashley Johnson, founder of the online Honolulu, Hawaii company, **Mohala Eyewear**, who contributes a percentage of sales to the global literacy program Room to Read, told us: “I don’t have a big budget for payroll or marketing yet. But I have been able to attract talented, hardworking freelancers, partners and interns (many from Gen Z) to come work for us because they care about our mission.”

At **Hazel’s Expedited Freight**, a Dallas-based freight and logistics company, CEO Dustin Marshall noted how employee volunteer days with the Dallas Independent School District, like planting a garden or painting a school, “builds teamwork and morale. And for some of our younger employees, I think it’s an opportunity for them to develop some skills and be in higher profile conversations than they would within a business context.”

Employees of the women's fashion firm, **Marcellamoda** in New York City, are "ecstatic" about its partnership with CAMFED, a nonprofit focused on improving girls' education in Africa, according to Andy Huszar, co-founder. He said, "They talk about how inspired they are and how cool it is that they're working on a brand that's doing this."

**"We invest a lot of time and energy while they are with us. We get good engineering brains for that brief period and they get great exposure. It's a win-win situation."**

**MANISH ARORA (INDIA), RECTIFIERS & ELECTRONICS, PVT. LTD.**

CEO Manish Arora of **Rectifiers & Electronics, Pvt. Ltd.** in New Delhi said his business benefits from the energetic engineering students who apprentice with them and often come back to work full time for a few years. "We invest a lot of time and energy while they are with us. We get good engineering brains for that brief period and they get great exposure. It's a win-win situation."

At **Bloom & Give**, a Dallas-based online seller of textiles, employees also take great pride in the company's social mission, said co-founder Partha Raghunathan who donates to girls' education programs in his native India. "Morale is high, and people generally have a very strong sense of fulfillment and being part of something bigger," Raghunathan said. "It has made a difference internally having a more motivated team."

The community isn't the only beneficiary from the onsite after-school program that **W3 Indústria Metalúrgica Ltda**, a Brazilian manufacturer of office and industrial furniture, based in Ponta Grossa, operates for local children. Diego Polese, who oversees the program, said as students, parents, and relatives catch a glimpse of each other as the children walk through the factory's facilities on their way to the cafeteria, "It gives a different mood to the work environment."

Some interviewees said that customers appreciate knowing a percentage of sales or profits go to worthy causes. But even in these cases, only a few we interviewed said they were looking for a definitive commercial benefit from their education investments.

For example, Marcellamoda doesn't want its partnership with CAMFED—based on sales from "Two Lines," a new brand launching in 2021—to be a promotional hook for attracting new customers. As Huszar explained: "The mission should not factor into any first purchase. It can factor dramatically into return purchases. But it's more of like a loyalty or sort of an enhancement tool rather than a reason people are going to buy your product in the end. The product has to sell itself."

## Chapter 6: What are the benefits to SMEs that contribute to education?

Likewise, Joginder Kalra, owner of **Multan Soap Works** in Godhra, India, said he and his fellow members of the local Rotary Club made their decision to raise money for school building and improvement projects not because they expect a benefit for their businesses but because it's the right thing to do. He said members typically hold "open ideation sessions. Somebody brings up something and everybody said, 'Let's do it.'" That's how they landed on their school building and renovation project.

Maria Scott, owner of **Eye 2 Connect**, a specialist property marketing firm in Sydney, and a board member of Peer Support Australia, a nonprofit that has worked with schools across the continent for almost 50 years



**"The benefit to my business is that everybody likes it if you do some form of corporate social responsibility."**

**MARIA SCOTT (AUSTRALIA), EYE 2 CONNECT**

to support student well-being, said, "The benefit to my business is that everybody likes it if you do some form of corporate social responsibility. And I work with [real estate] developers that have strong CSR programs so it's like-minded support for me."

In the final analysis, if return on investment is measured in terms of emotional rewards, the SME business leaders we interviewed are getting far more back than what they are giving.

As Marshall of Hazel's Expedited Freight put it, "I believe if we solve education, we'll solve almost every other ill in society."



## Chapter 7

# What challenges do SMEs encounter when supporting education?

Companies of all sizes often find that the desire to take action is easier than the implementation when it comes to supporting education.

A common challenge for small business leaders is not knowing how to get started because of the lack of suitable models to follow or sources to go to for guidance. Still, many people we spoke with have developed their own social impact programs from scratch, investing in education in ways that best fit their company's context.

**"Any company smaller than us would find it even more difficult because they do not have exclusive people dedicated to the apprenticeship program."**

**MANISH ARORA (INDIA), RECTIFIERS & ELECTRONICS, PVT. LTD.**

For SMEs that have found ways to begin supporting education, keeping these programs running smoothly can present obstacles. SMEs have small teams, so the person leading the philanthropic efforts often has a number of other responsibilities. Manish Arora, CEO of **Rectifiers & Electronics, Pvt. Ltd.**, a custom electronics manufacturing company based in New Delhi with 65 employees, said, "Any company smaller than us would find it even more difficult because they do not have exclusive people dedicated to the apprenticeship program." Yet, the SMEs we interviewed value their support of education, so they have found ways to build team capacity to maintain and grow these efforts.

Just like SMEs, teams at schools and education nonprofits are also usually small and stretched, presenting similar issues. These education leaders juggle many responsibilities, making it challenging to manage partnerships with companies. Plus, school systems and nonprofits often have necessary, yet bureaucratic procedures for approval of external support. Clearly defined terms of engagement and dedicated staff contacts for all parties can help address these potential bottlenecks.

Sourcing volunteers can sometimes be another obstacle, according to Terrence Southern, CEO of Dallas-based **HarozTec**, a robotics and artificial intelligence engineering SME. Southern has received adequate funding to support his student drone training program and competition, yet he needs more adults to help facilitate it. "I need people showing up," he said. "I think not only do science, technology, engineering, and math programs scare students away but also adults. STEM's something that we all have got to get comfortable with."



**“The link between business and education is where there is often a stumbling block. Clearer communication between education and business to address each other’s needs is required.”**

**SANDEEP SESODIA (UK), MGPS COMMERCIAL FINANCE LTD**

Sandeep Sesodia, founder of **mgps commercial finance ltd** in New Milton, England, described a more existential challenge: “The link between business and education is where there is often a stumbling block. Clearer communication between education and business to address each other’s needs is required.” There can be alignment issues between companies and the schools they directly support, especially related to perceived student needs. For example, **STEMuli** CEO Taylor Shead noted: “Schools are still based off of academic learning with all of their goals geared towards students meeting certain test scores, and integrating workplace learning into the classroom where it needs to be is ultimately the challenge.” That means, at times, there can be tension between the learning benchmarks schools must reach and the more abstract workplace skills that businesses are poised to help deliver. Conversely, schools need companies to provide support that can aid academic achievement and not merely make environmental enhancements or only facilitate social-emotional student development.



**“Schools are still based off of academic learning with all of their goals geared towards students meeting certain test scores, and integrating workplace learning into the classroom where it needs to be is ultimately the challenge.”**

**TAYLOR SHEAD (US), STEMULI**

Finally, the bottom line for some companies is money. Contributing has a cost, which can impact SMEs’ success, especially when margins are thin. Some educational support requires specific minimum contributions, even when supporting indirectly via education nonprofits. Some SMEs we spoke with circumvent these cost-prohibitive donations and offer their products or services directly. Mary Contini, co-owner of the specialty Italian grocer **Valvona & Crolla** in Edinburgh, Scotland, said her store provides in-kind support because it is a “small business with limited funds.” She added, “Rather than contribute a relatively modest cash donation, we have found in-kind support—such as hosting a private event or offering direct learning experiences for students [to learn about healthy eating and cooking techniques]—to be more effective and welcome support for an organization.”

Even non-cash contributions can impact company operations, such as employee volunteering that requires paying for their time off work. As we've seen throughout 2020, the dramatic economic impacts caused by COVID-19 have made it even more challenging to support education, if at all. "That's why I think it's important to start in a very simple way," said Carla Inácio da Cunha, general manager at the **Instituto Nexxera**, the philanthropic arm of Brazilian financial technology firm **Nexxera**.



**"It's important to start in a very simple way."**

**CARLA INÁCIO DA CUNHA (BRAZIL),  
INSTITUTO NEXXERA**

It's also important to note that the SMEs we interviewed represent a small group that has been able to overcome many of these obstacles. The vast majority of SMEs, especially in the Global South, are dealing

with day-to-day issues that prevent them from contemplating support of a cause. Complex tax systems and heavy regulations in several countries result in many SMEs operating in the informal economy, outside the reach of regulators. As such, what they may or may not do to support their local community is less visible. What's more, in most markets—including the U.S.—many SMEs have a hard time accessing capital. That puts limits on their viability and by extension, their longer-term ability to support charitable causes.

Still, SMEs are nimble and adapt to obstacles. Despite the challenges, company leaders we spoke with said they consider an investment in today's students an investment in tomorrow's workforce.



Photo: Science in HD

## Chapter 8

# What is the role of intermediary organizations in helping SMEs support education?

Among the key findings of our interviews is the important role that intermediary organizations play in providing direction and support to SMEs that want to invest in education.

This is especially the case for SMEs that don't have experience or that find it difficult to navigate school districts on their own. They also appreciate that intermediaries focus on the least-served schools in low-income areas of their communities, which increases the likelihood their investments will have the greatest impact.

Intermediary organizations are typically national membership groups. They serve as trusted advisors to businesses that want to help make society more equitable and inclusive. They also provide knowledge about best practices and offer management, training, monitoring, and assessment tools. Due to their longstanding relationships with school principals, administrators, and, in some cases, education departments at the city or state level, intermediaries know how to navigate the bureaucracy.

Their education programs vary but generally include literacy and numeracy tutoring for primary students and frameworks for mentoring, workplace experience, and intern or apprentice programs for secondary school students. Some intermediaries also offer mentoring for principals and professional development for teachers.

## **How Intermediaries Work with SMEs**

Intermediaries offer companies a range of options to help address the most critical social impact needs. While some intermediaries are solely focused on education, others offer members the opportunity to take actions on a range of other causes, such as the environment, unemployment, race and gender. Among their strengths is the ability of these nonprofits to create cohorts of companies to have greater impact by addressing educational disadvantages.

We heard from SMEs that they rely heavily on intermediaries for their expertise, structured support, established programs, and credibility with educators. Yet, we also learned that many intermediaries, while welcoming companies of all sizes as members, primarily support large companies. In fact, when we queried some of them about SMEs, they indicated that they

don't routinely track the size of companies among their membership or in their service areas; they had to do their own research to identify which are SMEs.

Allegra Spender, CEO of **ABCN (Australian Business Community Network)**, said its members want long-term partnerships with schools. She noted that SMEs seek to do good in the community but lack bandwidth to approach schools directly or to design effective programs. Spender said: "It's good to have an intermediary because educators and business managers are different so they can misunderstand or let each other down. If businesses stick to what schools need, their value is huge. Our recent survey<sup>8</sup> on what schools want from business showed that 90 percent of them want to do more with business to help prepare young people for the future, supporting them to understand career options, raising and broadening aspirations, and providing a bridge of relevance for 'why are we learning that subject.'"

Some intermediaries also play a vital triangulation role among governments, schools, and the private sector. In some cases, intermediaries work in partnership with education to support educational inclusion. Both **Business in the Community (BITC)** in Ireland and Northern Ireland and the UK's **Career & Enterprise Company**, for example, are nonprofits partially funded by the government with a remit to find businesses to support specific high-need schools. The criteria for designating schools as high-need vary from country to country but often include performance indicators or socio-economic measures. Governments sometimes fund nonprofit intermediaries to deliver education programming in marginalized communities. "The Department of Education looks to us to find a partner business to work with students who are at risk of dropping out, so—in a sense—we will knock on [business] doors," said Dr. Eleanor Walsh, assistant manager of business action on education at Business in the Community Ireland.

**"The department of education looks to us to find a partner business to work with students who are at risk of dropping out, so—in a sense—we will knock on [business] doors."**

**DR. ELEANOR WALSH, (IRELAND)  
BUSINESS IN THE COMMUNITY  
IRELAND**

A nonprofit organization in Brazil—**Parceiros da Educação**—began its work 16 years ago, connecting schools throughout the State of São Paulo with private sector partners. The group then started to scale by partnering with the municipal departments of education throughout the state, offering a higher level of involvement between schools and the private sector. Their partnership model centers on four areas:

<sup>8</sup> Rothman, Sheldon, and Australian Council for Educational Research (ACER). "What Do Schools Want from Engagement with Business?" 2019. [https://research.acer.edu.au/cgi/viewcontent.cgi?article=1030&context=policy\\_analysis\\_misc](https://research.acer.edu.au/cgi/viewcontent.cgi?article=1030&context=policy_analysis_misc)

pedagogical support, school management, infrastructure, and community involvement. Each school or education network has its own action plan that is shaped by a diagnostic assessment and discussed with educators and partners. Since embracing this approach, Parceiros has seen transformational results. Rafael Machiaverni, general director, said, "In the schools that we support, we have seen, on average, a 35 percent improvement in the Education Development Index<sup>9</sup> during the first three years." In 2020, Parceiros secured a new partnership with the state government that enables them to widen their reach and secure even more sizable commitments from the private sector. Parceiros is now supporting 182 schools in the state's two regions of highest vulnerability and low educational indexes. Further, the organization works to ensure that best practices become public policy statewide.

Business Class, a program developed by the UK organization Business in the Community, clusters school and business partnerships by geography. According to Katy Neep, head of education campaigns, "The unique part is that we bring partnerships together to share best practice and, where appropriate to pool resources that can be really powerful from an SME perspective." Through the cluster model, BITC has seen larger corporations supporting SMEs to engage in school partnerships providing wider opportunities for students to engage. For example, one cybersecurity SME has supported students and school staff to understand how to stay safe online and what a career in cybersecurity may look like.

## **SMEs' Perspective on Working with Intermediaries**

SMEs we interviewed feel a third party helps them to build a better relationship with their schools and to support their volunteers. As Anna Walsh, human resources manager at **Breedon Cement** in Kinnegad, Ireland, said: "I would highly encourage businesses to find schemes [intermediaries] like BITC in their community to benefit from their expertise and help in establishing relationships. It is very easy for your good-intentioned plans to fall off the cliff, but that doesn't happen when you partner with an organization that is structured with a schedule."

**Horse Racing Ireland's** administrator Kate Roche, who works directly with the SME's volunteers, sees Business in the Community Ireland's training program for tutors as a key strength. "One of the most important elements of the training is child protection regulations. They ensure

<sup>9</sup> This index is a main indicator of education quality in the State of São Paulo, which sets yearly achievement targets for schools.

**"We monitor indicators, we ask for reports, and we have constant meetings with the teams [at the schools] to discuss the best way to move forward."**

**BARTHOLOMEU SILVA (BRAZIL), INSTITUTO FEFIG**

our mentors are aware of the latest requirements and do the regulatory work that's required on the backend," said Roche. **Instituto Fefig**, the foundation established by the founder of **Mauá Capital**, an asset management firm in São Paulo, Brazil, invested in a strategic plan focused on educational outcomes for four public schools and for the department of education of a smaller city called Itú, following a recommendation by **Parceiros da Educação**. To make sure the schools were getting the most from the Institute's investment, Bartholomeu Silva, coordinator of Instituto Fefig, said, "We monitor indicators, we ask for reports, and we have constant meetings with the teams [at the schools] to discuss the best way to move forward."

When **Padex Automotriz**, an auto repair shop in Cobán, Guatemala, decided to propose to their larger clients that they would give a percentage for each vehicle serviced to support education, they turned to **Empresarios por la Educación** (Businesses for Education), a national nonprofit that brings together companies that support education. Isabel Monterroso, Padex co-founder, learned that **Empresarios'** mapping showed where the highest need is, which helped her donations have the greatest impact during the COVID-19 pandemic.

## Workforce Development & Mentorship

In addition to supporting the students, some intermediaries encourage members to help teachers or administrators in their partner schools. Companies have hosted career guidance and science teachers to discuss the skills that they are looking for and what future workers will need to know.

ABCN offers a special yearlong program linking business and educational leaders from high-needs schools to share experiences and expertise, solve problems, explore leadership challenges, and build community relationships with limited resources. SME leaders are good mentors for

school principals. Of business executives surveyed,<sup>10</sup> 92 percent said they achieved a sense of personal satisfaction, reward and growth from the program; and 100 percent of education partners reported having a greater understanding of the corporate sector and will use that knowledge to benefit students.

Claire Gordon, director of the education and jobs program at Business In the Community Northern Ireland in Belfast, summed up best what several people said about their long-term dream for education. “In a perfect world, I would love to see every school well connected to industry, and the future of work and careers education forming an integral part of every school’s curriculum. I wish that every young person could have multiple experiences of the world of work, to help them make more informed choices later in life,” Gordon said.

**“I wish that every young person could have multiple experiences of the world of work, to help them make more informed choices later in life.”**

**CLAIRE GORDON, (UK)  
BUSINESS IN THE COMMUNITY  
NORTHERN IRELAND**

Our research also uncovered incubators and hubs that don’t directly connect SMEs to education support, but they offer opportunities and tools to help companies become socially responsible from inception. The Tony Elumelu Foundation (TEF) in Lagos, Nigeria, incubates, promotes, and aids the rapid growth of selected small businesses or programs across Africa’s 54 countries in an effort to create jobs and eradicate poverty. Since 2010, the foundation’s competition has named 1,000 Tony Elumelu Entrepreneurs annually. Winners receive a start-up enterprise toolkit, seed funding, mentoring, and a resource library. They also have access to a large network called TEF Connect to pitch their ideas and connect. The foundation has empowered 9,360 entrepreneurs,<sup>11</sup> closing in on its goal to train 10,000 entrepreneurs in 10 years.

B Lab United States & Canada is a movement to redefine success in business and build a more inclusive, sustainable economy. Certified B corporations—many are SMEs—meet criteria related to environmental, social, and corporate governance impact. Christopher Nickelson, senior associate of impact improvement partnerships, said: “We are trying to move businesses along that spectrum of ‘not doing anything, not caring’ to ‘we care, but we don’t know where to start’ or ‘we’re getting started, but we don’t have a lot of focus’ to ‘wow, we’re really a credible company taking credible steps [as] a B Corp.’”

<sup>11</sup> The Tony Elumelu Foundation, <https://www.tonyelumelufoundation.org>

## Chapter 8: What is the role of intermediary organizations in helping SMEs support education?

Pledge 1% is a global movement, with its founders including U.S.-based Salesforce and Australian-based Atlassian, that encourages and empowers companies of all sizes and stages to donate one percent of their staff time, product, profit, and/or equity to advance social impact. Maria Choi, strategy and partnerships lead, said more than 10,000 companies globally have taken the pledge; they are small businesses from U.S. tech start-ups or early-stage companies to companies with global reach. Choi said: “We are agnostic about what companies support. If someone is interested in education, we help by match-making and say, ‘You should talk to these four people.’ We also foster a lot of peer-to-peer learning...we are growing a global community and will build a platform with new programming and resources for all members to access.”

We came across business networks that didn't fit immediately into our scope but might be worth future research because they support education. Organizations with high SME memberships that are global in scope but local in execution include Rotary Clubs and Chambers of Commerce. Rotary has a global network of 1.2 million business leaders in 33,000 clubs in 200 countries that take action for lasting change in their communities. Education, with an emphasis on literacy, is one of its six causes for clubs to support. Joginder Kalra, owner of **Multan Soap Works** in Gujarat, India, said all his education investments are linked to his Rotary Club involvement.

The International Chamber of Commerce has more than 45 million members in over 100 countries with interests spanning private enterprise. They champion education, in part because of business leaders' concerns that graduates are not equipped for today's workforce. The U.S. Chamber promotes access to affordable, high-quality education and workforce initiatives for a more equitable talent marketplace. Brian Lusk, Dallas Independent School District's chief of strategic initiatives, said, “The Dallas Regional Chamber is an important conduit for us to connect to large and small businesses.”

Our research shows that intermediaries, incubators, and business networks encourage investment in education as part of their programming or CSR efforts and offer opportunities to advance education support more quickly. They are possible keys to future efforts to bring more SMEs into this work.



Photo: Theirworld

## Chapter 9

# Spotlight on Dallas, Texas

Dallas is a prosperous metropolitan area that has the 17th largest<sup>12</sup> urban school district in the United States, yet its student body is among the most economically disadvantaged. Some 86 percent<sup>13</sup> of its 155,000<sup>14</sup> students classify as economically disadvantaged and 95 percent are people of color.<sup>15</sup>

More than a dozen years ago, the Dallas Independent School District (DISD) had fallen quite low in national academic rankings. In 2007, the high school graduation rate was 62.5<sup>16</sup> percent but has since been climbing, reaching above 87 percent in 2019.<sup>17</sup> Dallas students continue to narrow their performance gap on state achievement tests, and the dropout rate has declined from 26 percent in 2007<sup>18</sup> to 8.7 percent in 2019.<sup>19</sup>

DISD is now one of the fastest improving U.S. school districts<sup>20</sup> as the result of the collaboration of several sectors, including business. To help maintain this momentum, in 2019, the Texas legislature passed an historic funding bill<sup>21</sup> that is infusing over US\$6.5 billion in the state's public education to increase teachers' salaries and per-student base funding, provide free full-day preschool education, and another US\$4 billion of outcomes-based funds are available for effective programs.

## Private sector involvement in education

A small group of SMEs were among the business leaders who began to focus on improving public schools about 15 years ago in response to the Dallas school district's abysmal record with low-income students. Tech entrepreneur Ken Barth, chairman of **Symphonic Source** and CEO of **Catalogic Software**, said, "Education is the one constant that I've found to lift somebody out of poverty and bring them opportunity."

<sup>12</sup> Niche, "Dallas Independent School District." <https://www.niche.com/k12/search/largest-school-districts>

<sup>13</sup> *The Texas Tribune*, "Dallas ISD." 2019. <https://schools.texastribune.org/districts/dallas-isd/> (2018-19 statistics because accountability ratings for 2019-20 were waived due to the coronavirus)

<sup>14</sup> Dallas Independent School District, "Dallas ISD Facts Sheet." 2020. <https://www.dallasisd.org/Page/2609-2019-2020-statistic>

<sup>15</sup> *The Texas Tribune*, "Dallas ISD." 2019. <https://schools.texastribune.org/districts/dallas-isd/> (2018-19 statistics used because accountability ratings for 2019-20 were waived due to the coronavirus)

<sup>16</sup> *The Dallas Morning News*, "Editorial: Dallas ISD's Good news on graduation rates." 2012. <https://www.dallasnews.com/opinion/editorials/2012/07/04/editorial-dallas-isds-good-news-on-graduation-rates/>

<sup>17</sup> Dallas Independent School District, *The Texas Tribune*, "Dallas ISD." <https://schools.texastribune.org/districts/dallas-isd/>

<sup>18</sup> *The Dallas Morning News*, "Editorial: Dallas ISD's Good news on graduation rates." 2012. <https://www.dallasnews.com/opinion/editorials/2012/07/04/editorial-dallas-isds-good-news-on-graduation-rates/>

<sup>19</sup> *The Dallas Morning News*, "Editorial: Dallas ISD's Good news on graduation rates." 2012. <https://www.dallasnews.com/opinion/editorials/2012/07/04/editorial-dallas-isds-good-news-on-graduation-rates/>

<sup>20</sup> Dallas Independent School District, "Dallas ISD At-a-Glance." <https://www.dallasisd.org/Page/20300>

<sup>21</sup> Dallas Independent School District, "About Dallas ISD: General Information." <https://www.dallasisd.org/Page/336>

<sup>21</sup> Texas Education Agency, "House Bill 3." 2019. <https://tea.texas.gov/about-tea/government-relations-and-legal/government-relations/house-bill-3>

He established two entities: Leadership ISD, a nonprofit to equip civic leaders to advocate for educational equity and excellence for all students, and later a political action committee called Dallas Kid's First. Barth explained, "Leadership ISD is like the PTA on steroids, and its goal is identifying and helping elect strong school board trustees and getting better human capital working for the school district."

Dustin Marshall, CEO of **Hazel's Expedited Freight**, a freight and logistics company, and DISD board member, sums up what he and other entrepreneurs see as their value-add: "I'm a firm believer that the way we change education is by bringing not only businesses to the table but also a business-oriented mindset around gathering, assessing, and analyzing data; looking at what works; coming up with best practices; and then scaling those models. That's a typical approach in business. It's not at all typical in education. I think bringing businesses to the table is what is working in Dallas."

Workforce development is significant for business leaders because most lament that graduates of high school and college are not prepared to enter the workforce. For years, they've had to recruit people from other areas when they would much prefer to nurture homegrown talent.

One middle school program that helps students understand college and workforce readiness requirements—and receives support from local SMEs—is Education Opens Doors. Jayda Batchelder is the founder and CEO, and a former middle school teacher who saw firsthand that students thrive if adequately supported on fundamentals such as the importance of keeping a high grade-point average, pursuing extracurricular activities, and understanding their options after high school and how to access them. "Our program bridges the gap and helps them see that these things are the means to a bigger end," said Batchelder. Local SMEs are among the businesses that hold career days and give career talks for the participants.

Businesses are essential partners in one DISD effort to address workforce development: Pathways in Technology (P-TECH) early college high schools. The P-TECH 9-14 School model, a pioneering education reform initiative developed by IBM and adopted in 28 countries, has a three-pronged approach: students taking high school and college courses and engaging in industry-guided workforce development. Several SMEs are among the DISD's 82 partners.

"Pathways in Technology provides our students with skills where they can, if they choose, graduate from high school and community college

(or earn up to 60 hours of college credit) at the same time, and go right into an industry with a marketable skill,” said Brian Lusk, chief of strategic affairs for DISD.

Dallas offered its first P-TECH course four years ago in a few schools. In 2020-21, the school district has the initiative’s largest P-TECH program, with 10,000 students in 28 schools, accounting for one in four DISD high schoolers. Multiple pathways are available covering fields from accounting and health to information technology and network support to gaming and robotics engineering to cybersecurity and artificial intelligence. DISD graduated its first early college P-TECH cohort in spring and summer 2020, and 71 percent of eligible seniors or 617 graduates earned high school diplomas and industry-recognized associate college degrees. “We have wraparound support: Industry is serving us and we’re feeding them students and graduates that are skilled and ready to go to work,” said Lusk.

Terence Southern, founder and CEO of **HarozTec** robotics and artificial intelligence engineering company and founder of nonprofit Illuminate STEM, is one of DISD’s industry partners who works at two inner-city high schools to prepare his students to go into science, technology, engineering, and math (STEM) career fields. “I provide curriculum from my nonprofit and company that’s relatable to the kids and makes sure that they get the program and the corporate support that they need to one day be able to say, ‘Hey, I became a robot engineer,’ ‘I became an artificial intelligence programmer,’ or ‘I became a drone programmer through this mentor.’” Southern, who grew up in Detroit’s inner city, knows their path and how to get them to the finish line. As he said, “I speak the language of the jobs of the future.”

## Challenges

As for challenges, school district and business people discussed how DISD’s “massive bureaucracy” and “confusing entry points” prevent many SMEs from deeper engagement and some limit their participation to one-off activities such as painting classrooms. Miguel Solis, a DISD school board member for the past eight years, said: “Don’t get me wrong; kids need beautiful facilities and gardens, but if you are planting a garden for kids who may be getting a really bad science education. Then what is the purpose of the garden?”

It’s critical to focus on systemic issues. Solis added, “There is still a disconnect between DISD’s goals and how SMEs can help advance them.

If we worked on that, I believe support would increase because they [business leaders] see we are closing the academic achievement gap, which will ultimately improve our community.”

Taylor Shead, founder and CEO of **STEMuli**, an educational technology enterprise and an industry partner at four schools, sees integrating workplace learning into the classroom where it needs to be as a major challenge. She said, “Schools goals are still based on students meeting certain test scores so that’s where teachers focus.”

## Opportunities

Dallas ISD is moving in the right direction but has more room to grow in academic improvement and to help prepare the students, mostly people of color, for productive careers and lives.

Mita Havlick, executive director of the Dallas Education Foundation, said: “What we are finding is that our corporate partners want to give monetary donations and want to offer in-kind and/or volunteer support, especially SMEs that are not always able to make the highest dollar donation.” Havlick pointed out another major opportunity with SMEs: “Our kids need to see role models who look like them so they can see their future selves. SMEs are generous that way and often lend their employees’ time to make that happen.”



**“I feel partnering with schools is how we are going to have a more diverse workforce that is better prepared... You have to start earlier than college if you want to have people who are ready for the demands of work today.”**

**TAYLOR SHEAD (US), STEMULI**

When trying to enroll additional SME business partners for DISD, STEMuli’s Shead promotes working with schools as a diversity opportunity. Large school systems are some of the most diverse organizations in the United States from the standpoint of their students of color who mostly come from economically disadvantaged backgrounds. “I feel partnering with schools is how we are going to have a more diverse workforce that is better prepared,” she said. “You have to start earlier than college if you want to have people who are ready for the demands of work today.”



# Chapter 10

# Concluding Thoughts

This report showcases numerous examples of the ways SMEs, intermediary organizations, and incubators are working to support education around the world.

While the diversity of approaches is notable, a common element among them is an unwavering desire to continue this support despite the coronavirus pandemic and other setbacks many small businesses are facing.

The lessons that emerged from conversations with the companies and the groups that support them could serve as a roadmap for encouraging and inspiring SMEs as well as larger companies, nonprofits, and educational institutions that want to work together to improve education globally.

## **Start with a big vision and small steps**

Many SMEs that chose to support education at the point of their inception had to forge their own paths, sometimes with little support along the way. Their reward has been that as their businesses grew, so did their contributions to improving the lives of children, families, and communities. Many of those companies told us that, while they had big ambitions, starting with small steps felt more doable.

A practical option for SMEs who are motivated to get involved but need guidance is to partner with an established intermediary, when available in-country. They are already engaged in the local education sector, understand both the business and the education perspectives, and offer proven in-school programs. If no intermediaries are available, it may be possible to connect with a local chamber of commerce, Rotary Club, school district, or individual school. Pairing with a reputable education nonprofit with a track record—especially for SMEs that want to support education internationally—is another option, focusing on those nonprofits that welcome the range of financial or in-kind assistance an SME can provide.

When possible, have a conversation. SMEs can learn a great deal from hearing school principals, administrators, teachers, counselors, and students discuss their needs. Similarly, the education sector would benefit from hearing about what SMEs can do and how a collaboration might benefit them. Working with intermediaries, SMEs can be introduced to school leadership and together they can exchange thoughts about opportunities each sector has to offer the other.

## **Networking can benefit SMEs**

Large and small companies already supporting education can benefit from learning from each other about the kinds of investment they are making, their successes, missteps, and lessons learned. This is truer for SMEs, which are often taking action on their own. Plus, SMEs that are already providing support can inspire other similarly sized companies to join the effort, and their lessons can help newcomers avoid mistakes.

Company founders and CEOs are most often the decision-makers and the ones with a personal connection to education, so it's essential for them to be engaged in these kinds of conversations. Experienced SMEs have much to contribute: They often have had direct engagement with local schools and/or students; they are connected with young people to help them understand what skills are needed in the workplace.

## **SMEs and larger companies could work together**

Many SMEs do business with larger companies as part of their supply chain, as vendors and more. Nonprofit associations such as Empresarios por la Educación in Guatemala welcome companies of all sizes that are supporting education and bring them together for joint initiatives, as they have recently done in response to the coronavirus pandemic working to increase household connectivity around the country. This type of collaboration could be promoted and incentivized globally.

## **SMEs can support out-of-school programs**

Many SMEs find it easier to navigate and get involved in supporting educational initiatives that take place in alternative settings, such as established after-school programs and sports activities; host students to tour company facilities, shadow workers, mentoring; and more. Nonprofits that run these programs might find willing partners in SMEs.

## Acknowledgements

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# Appendices

## Appendix 1: SMEs Interviewed

Organization Name	City	Country
A&L Goodbody	Dublin	Ireland
AdvanceNet Labs	Dallas	USA
Alternative Waste Technologies	Nairobi	Kenya
Astley Clarke	London	England (UK)
BEX Brazilian Exchange	Salvador	Brazil
Bloom & Give	Dallas	USA
Breedon Cement	Kinnegad	Ireland
Britannica Group	Chicago	USA
C-Res (Community Resourcing for the Future)	Mackay	Australia
Conscious Step	Brooklyn	USA
Dafero	Washington, DC	USA
Du Anyam	Flores	Indonesia
Eye 2 Connect	Sydney	Australia
HaroZTec	Dallas	USA
Hazel's Expedited Freight	Dallas	USA
Horse Racing Ireland	Kildare	Ireland
Humanitix	Sydney	Australia
Instituto Nexxera	Florianópolis	Brazil
Kimuli Fashionability	Mpigi & Maya	Uganda
LeonEdu	Belfast	Northern Ireland (UK)
Marcellamoda	New York City	USA & Bulgaria
Mauá Capital / Instituto Fefig	São Paulo	Brazil
mgps commercial finance ltd	New Milton	England (UK)
Mohala Eyewear	Honolulu	USA
Multan Soap Works	Godhra	India
OpabGas	Ilorin	Nigeria
Padex Automotriz	Cobán	Guatemala
Rectifiers & Electronics, Pvt. Ltd.	New Delhi	India
Samuel Camhi Levy Foundation	Guatemala City	Guatemala
STEMuli	Dallas	USA
Symphonic Source, Inc. / Catalogic Software	Dallas	USA
Tony's Chocolonely	Amsterdam	The Netherlands
Ulster Carpets	Portadown	Northern Ireland (UK)
Valvona & Crolla	Edinburgh	Scotland (UK)
W3 Indústria Metalúrgica Ltda	Ponta Grossa	Brazil

## Appendix 2: Intermediaries Interviewed

Intermediary Name	City	Country
ABCN (Australian Business Community Network)	Sydney	Australia
Business In the Community, UK	London	England (UK)
Business in the Community, Northern Ireland	Belfast	Northern Ireland (UK)
Business in the Community, Ireland	Dublin	Ireland
The Careers & Enterprise Company	London	England (UK)
Empresarios por la Educación	Guatemala City	Guatemala
Parceiros da Educação	São Paulo	Brazil

## Appendix 3: Incubators Interviewed

Intermediary Name	City	Country
B Lab United States & Canada	New York	USA
Pledge 1%	San Francisco	USA
Tony Elumelu Foundation	Lagos	Nigeria

## Appendix 4: Other Organizations Interviewed

Organization Name	City	Country
Bridge 47	Dublin	Ireland
Cementos Progreso	Guatemala City	Guatemala
Chicago Public Library Foundation	Chicago	USA
Confederation of Indian Industry	New Delhi	India
Cypress-Fairbanks Independent School District	Houston	USA
Dallas Education Foundation	Dallas	USA
Dallas Independent School District	Dallas	USA
Educate Texas	Dallas	USA
Education Authority	Belfast	Northern Ireland (UK)
Education Opens Doors	Dallas	USA
Global Partnership For Education	Washington DC	USA
Integrated Education Fund	Belfast	Northern Ireland (UK)
LEGO Foundation	Billund	Denmark
Montessori Children's School Inc.	Houston	USA
Norsensus Mediaforum	Oslo	Norway
Politics in Action	Belfast	Northern Ireland (UK)
Peer Support Australia	Sydney	Australia
Reading Partners (North Texas)	Dallas	USA
Room to Read	San Francisco	USA
Social Ventures Australia	Melbourne	Australia
Tata STRIVE	New Delhi	India
Teach For All	New York City	USA
UNICEF Lebanon	Beirut	Lebanon
UNICEF Uganda	Kampala	Uganda
Working in the Schools (WITS)	Chicago	USA

## Appendix 5: Methodology

If we had to come up with a book to describe our process to find, vet, and interview SMEs, it would be a cross between *Where's Waldo?* and *Around the World in 80 Days*. Put another way, our work has been divided between relentlessly searching for hidden information and then following any leads wherever in the world they took us.

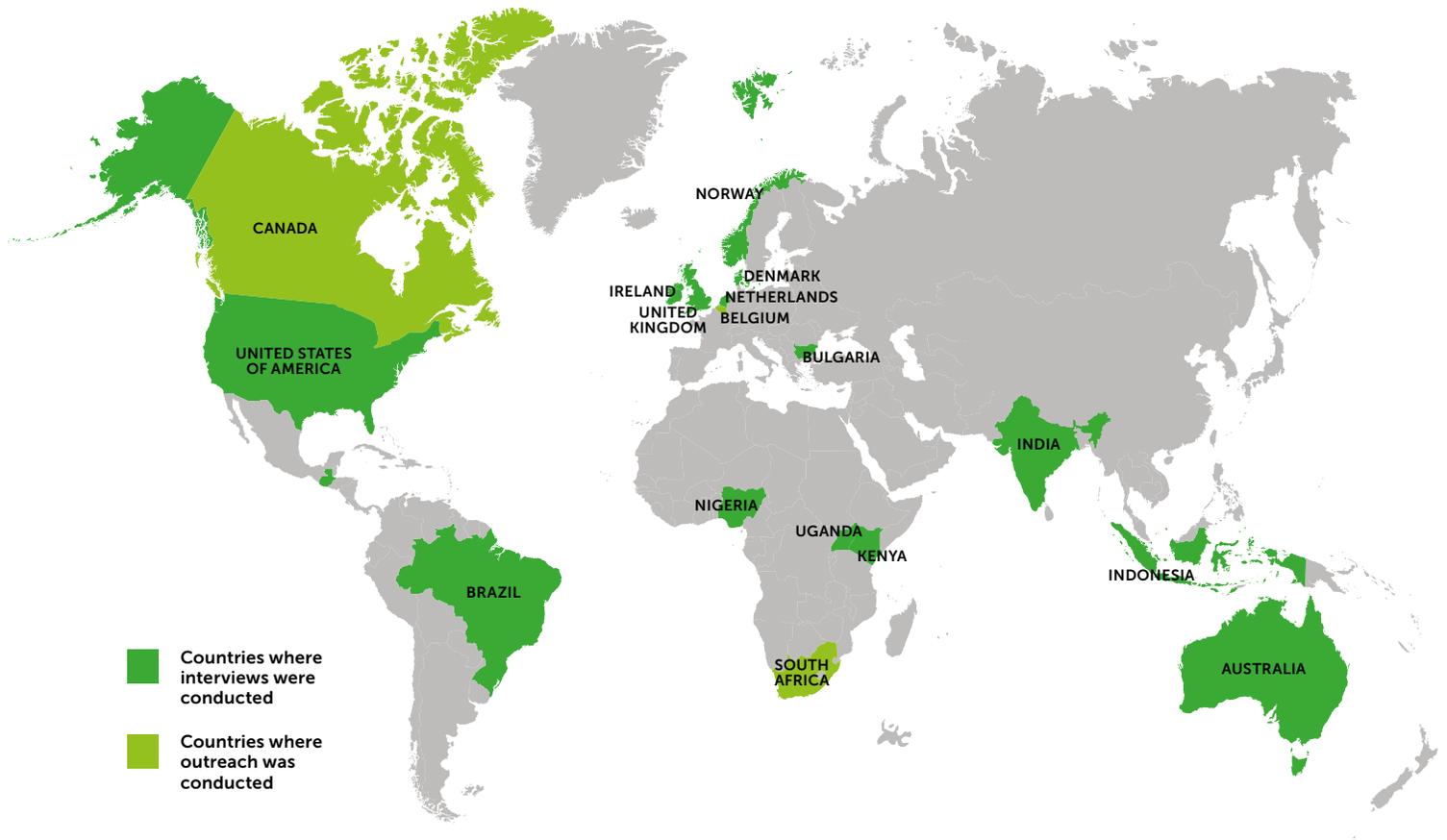
Our work was singularly focused on identifying SMEs—small and medium businesses—that are investing in education as part of their social impact, community relations, or philanthropy programs. Over the course of our research, we focused on SMEs providing support for preschool to secondary school students. In a few cases, we spoke with companies supporting education for young adults. To find these SMEs, which we are defining as companies employing up to 1,000 people, we divided the geographic part of the search into three categories:

- First, we covered select countries in the Global South—and our search primarily focused on Nigeria, Uganda, Kenya, Brazil, Guatemala, India, and Indonesia.
- The second category were SMEs in select industrialized countries: the United States, Canada, parts of Europe, and Australia.
- Finally, within these industrialized nations, we looked for companies that support education within their countries as well as those whose investments extend into the developing world.

We relied on a variety of approaches to identify SMEs to interview in these different locations.

- We did extensive desk research, combing websites of all sorts of organizations, including:
  - Affiliated with the United Nations
  - Working on education reform
  - Promoting corporate social responsibility or business engagement in the community. We first approached global groups and then quickly moved to national ones.
- Whenever possible, and with great gratitude, we've tapped into the many contacts of the Global Business Coalition for Education. We also consulted with several members of its Guidance Group who generously gave us their

**Figure 2 - Map of Interviews & Outreach**



time and access to relevant contacts. Several people we spoke with work at education nonprofits, and we even connected with some professionals working for public school districts.

- We also researched online libraries and other internet sources, along with materials and referrals GBC-Education and people we interviewed provided, to compile and review recent reports on corporate social responsibility, global education, and private sector giving to inform our work.

Out of this digging, any time we came across a reference to what seemed to us a promising SME, we bookmarked those companies for a closer look later.

- Alongside the extensive desk research, we interviewed a number of individuals, United Nations representatives and nonprofit groups we know collectively from our own international networks. We asked for names of:
- SMEs that invest in education and, if possible, the individual(s) to contact

- names of individuals who might have information about SMEs investing in education
- nonprofits or associations that might lead us to identifying SMEs investing in education.

In Nigeria, Brazil, and Indonesia, we relied on local consultants who took an in-depth look into their respective countries to better understand the education challenges and the role that the private sector—and SMEs in particular—are playing in addressing them. We chose these three countries because they represent large economies that exert strong regional influence and are home to tens of millions of students. Each is on a different path toward achieving Sustainable Development Goal 4, and each has a vibrant private sector.

We also took an in-depth look into one U.S. city, Dallas, Texas, where the business sector has been active in helping improve educational outcomes over the last 15 years. (This story is summarized in Chapter 9).

**As for our interviews, we divided that work into two categories.**

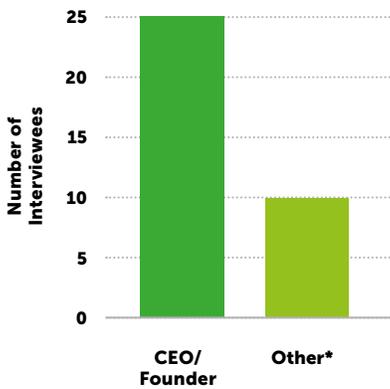
## **1. Small and Medium Enterprises**

Over the course of the project, we interviewed people from 35 SMEs based in 13 countries. Of those we spoke to, 63 percent had less than 50 employees or less, and 71 percent had 100 employees or less. Over 70 percent of these conversations were with each company's founder and/or CEO. While most interviews were with one person, at some SMEs we spoke with more than one individual to learn about their education investments. They ranged across all kinds of industries—transportation, software development, manufacturing, financial transactions, international exchange programs, publishing, fashion, energy, robotics engineering, and event ticket sales. Some of these are companies started by social entrepreneurs who decided from day one they would support education—either directly or by donating a percentage of sales and profits to education. Whereas others have reached a point of success, which motivated them to give back. As mentioned, we looked for and identified companies that give within their countries—often within the cities or communities where they live—or that partner with nonprofits working in the developing world.

## **2. Organizations we call intermediaries.**

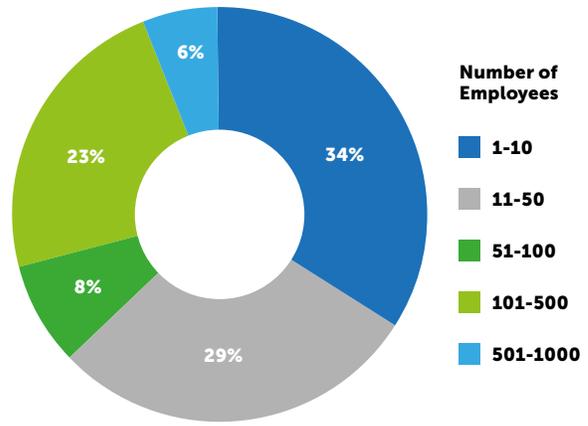
These groups play roles facilitating business support for education, advocating for it, or having programs that enable business to participate in supporting education. The intermediary interviews were designed as an extension of the research to uncover SMEs that might merit a closer look and to learn from the intermediaries'

**Figure 3 - Interviewee Titles**



\*Other Titles Include: Owner, Director, Head of Corporate Responsibility, General Manager, Business Support Manager, Human Resources Manager, etc.

**Figure 4 - Number of Employees at Interviewed SMEs**



perspective as groups who work with many companies, often small and large. In all, we did seven of these interviews with people in six countries.

All in all, the people we spoke with were extremely helpful in surfacing names, introducing us, and sharing valuable insights and observations about different ways that small businesses are and can support education. In some countries because of privacy issues, they said they couldn't give out names of companies without clearing with them.

We also spoke with three organizations that are part of a subcategory we call "incubators." They help start-ups and early-stage businesses launch with social impact as part of their mission. Incubators do not directly facilitate support of education or other specific social causes, but all agreed that education was one of the top interests of their members. They offer some potential for collaboration.

In addition to SMEs interviewed for this report, we sought to identify as many others as we could find that support education. All the names of and information about SMEs collected over the course of this project are contained in a master list of more than 275 companies—perhaps the first of its kind.

This has been a combination of finding Waldo and journeying virtually around the world. We uncovered new valuable information, so we could also have described our research as a treasure hunt.



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