

# Annual Review **FY20** IKEA Social Entrepreneurship

December 2020

*Creating greater opportunities for people who are  
vulnerable and marginalised to live a better everyday life*



Social Entrepreneurship

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# About IKEA Social Entrepreneurship



> Please visit our website at:  
[www.IKEAsocialentrepreneurship.org](http://www.IKEAsocialentrepreneurship.org)

**IKEA Social Entrepreneurship (ISE) is dedicated to enabling and accelerating positive social impact by supporting, and doing business with, social entrepreneurs and social businesses.**

As part of the Fair & Equal ambition in the IKEA sustainability strategy, ISE is focused on those who are vulnerable and marginalised. First and foremost working towards a more equal and inclusive society, ISE also delivers to the IKEA vision of creating a better everyday life for the many people.

IKEA works with social entrepreneurs in several ways. By partnering with social businesses producing products sold at IKEA, by funding accelerator programmes and social innovation around the world, and by engaging our co-workers as mentors. Our retail partnerships with local social businesses provide services and products for the local markets. Our core mission is to create greater

opportunities for those who need it most, and to have a positive impact on people and society. The social entrepreneurs and businesses we partner with are dedicated to empowering people, enabling them to get better jobs, higher incomes and access to products and services. They also work to change the systems and root causes of inequality, exclusion and lack of income opportunities.

By partnering with social entrepreneurs, we contribute to transforming IKEA to become more innovative and inclusive, as well as generating new business opportunities in terms of products, food, services and beyond. This report highlights the achievements of the IKEA Social Entrepreneurship during the period September 2019–August 2020 (fiscal year 2020). It encompasses the social business partnerships developed by IKEA Social Entrepreneurship Range & Supply and the programmes funded by IKEA Social Entrepreneurship B.V.

# A year in retrospect



**At the time of producing this report, it is difficult to recall what the world looked like before COVID-19. It was a world of economic optimism, but also one needing to address mounting, great challenges related to climate change, inequality and livelihoods. Besides dealing a devastating blow to the global economy, the pandemic has exacerbated every one of these tensions.**

As with most major crises, the people who are vulnerable and marginalised – long-term unemployed, minority groups, informal workers, refugees – have been affected the hardest. In addition, COVID-19 has effectively grown the number of people in these groups. The World Bank reports that global extreme poverty is increasing for the first time since 1998, with around 100 million people expected to fall

into extreme poverty during 2020 alone, and the International Labour Organization (ILO) estimates that a mind-boggling 495 million full-time jobs were lost worldwide in the second quarter of 2020 relative to the fourth quarter of 2019.<sup>1</sup>

Social entrepreneurs are needed more than ever to provide jobs, incomes and services to the people most affected – and to contribute to building more sustainable societies once the crisis is over. However, these entrepreneurs are often small and growing businesses that must confront an acute loss of staff, customers and capital caused by the pandemic. They are in urgent need of financial and other support to stay viable through and beyond this critical moment.<sup>2</sup>

Within IKEA Social Entrepreneurship, we have fortunately been able to continue supporting our existing partners, developing new programmes and partnerships. And, in doing that, scaling up our support to social entrepreneurs, and the people they support, through the pandemic.

When COVID struck, IKEA decided early on to keep orders and volumes to maintain the business operations of social business partners, in order to secure jobs and livelihoods of the workers. When production was paused during lockdowns, we contributed financially, through grants, to the worst hit social business to enable our partners to continue to pay wages and to develop their businesses.

**To better advocate for more support to social entrepreneurs, we joined forces with some of the main global actors within the social entrepreneurship sector in the COVID Response Alliance for Social Entrepreneurs.**

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<sup>1</sup> World Bank, Poverty and Shared Prosperity 2020. Reversals of Fortune, 2020, and ILO, 2020, ILO Monitor: COVID-19 and the world of work. Sixth edition. Updated estimates and analysis, September 2020

<sup>2</sup> World Economic Forum, COVID-19 Action Agenda. Leaders on the Front Line: Why Social Entrepreneurs Are Needed Now More than Ever. September 2020

In September 2020, there was issued a call for action on all actors to stand by social entrepreneurs in their response to the COVID crisis, and in shaping a future green, inclusive society and economic system.<sup>3</sup> We worked with our partners to quickly pivot our East Africa accelerator and other programmes towards a digital environment. Additionally, IKEA Social Entrepreneurship B.V. provided emergency financial support to several of the participating social entrepreneurs.

We continued to develop the social business partnerships through IKEA Social Entrepreneurship Range & Supply, with more products made by existing partners and with new

partners that can contribute to future expansion. We continued to map potential partners in East Africa, South Asia and South East Asia and contributed to develop pilots of new circular business models for IKEA.

The year also saw a significant expansion of our programmes that support social entrepreneurs and enterprises through IKEA Social Entrepreneurship B.V. We are supporting the entry of IKEA in Latin America with two accelerator programmes in partnership with the two local IKEA franchisees. We have also started a partnership with WWF, targeting community conservation enterprises. Our first programmes with Ashoka (global) and Acumen (East Africa)

were successfully concluded, bringing important learnings on how to support social entrepreneurs and engage IKEA co-workers and business in the best way.

All with the aim to create greater opportunities for people who are vulnerable and marginalised people to live a better everyday life.

Read more, [here](#).

<sup>3</sup> World Economic Forum, COVID-19 Action Agenda Leaders on the Front Line: Why Social Entrepreneurs Are Needed Now More than Ever, September 2020



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**“Now, more than ever, we need to come together to lay the groundwork for an inclusive recovery. We are committed to standing by our different partners, including social entrepreneurs. This is a critical way for us to contribute, learn, innovate and scale for positive impact on people, the planet and society. We are in this together.”**

**Jon Abrahamsson Ring**  
Chief Executive Officer, Inter IKEA Group, in the COVID Alliance report

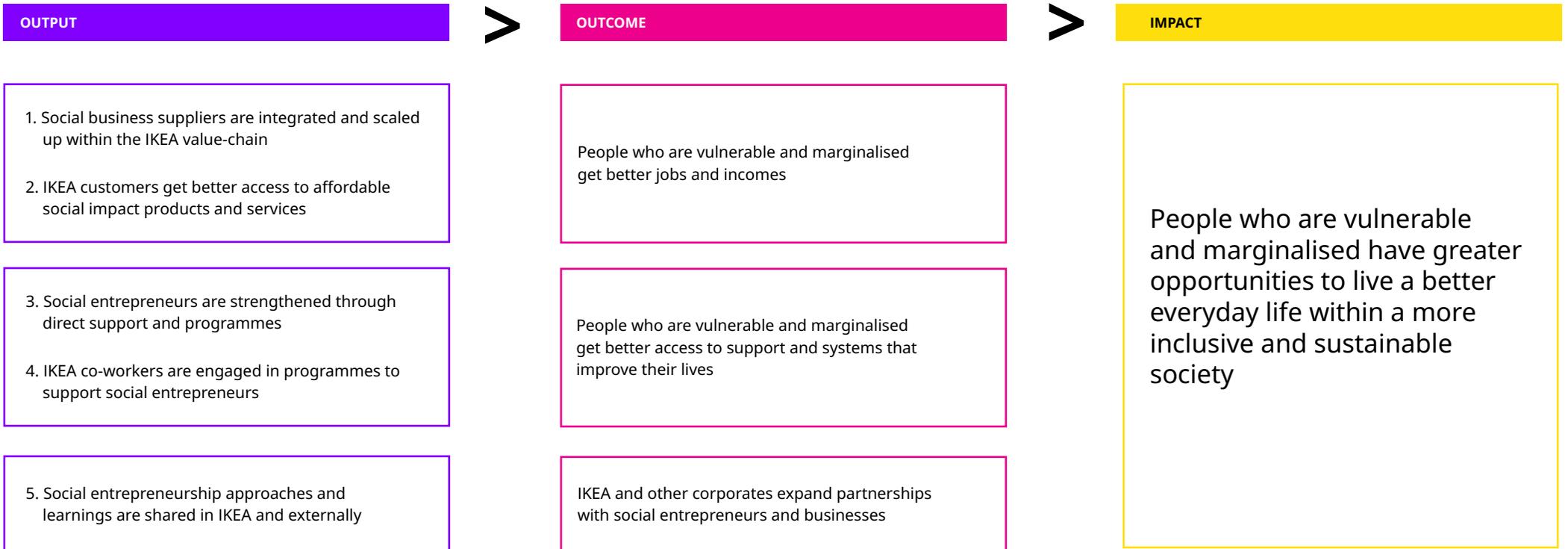
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Kiang Aitao, Ceramist Doi Tung

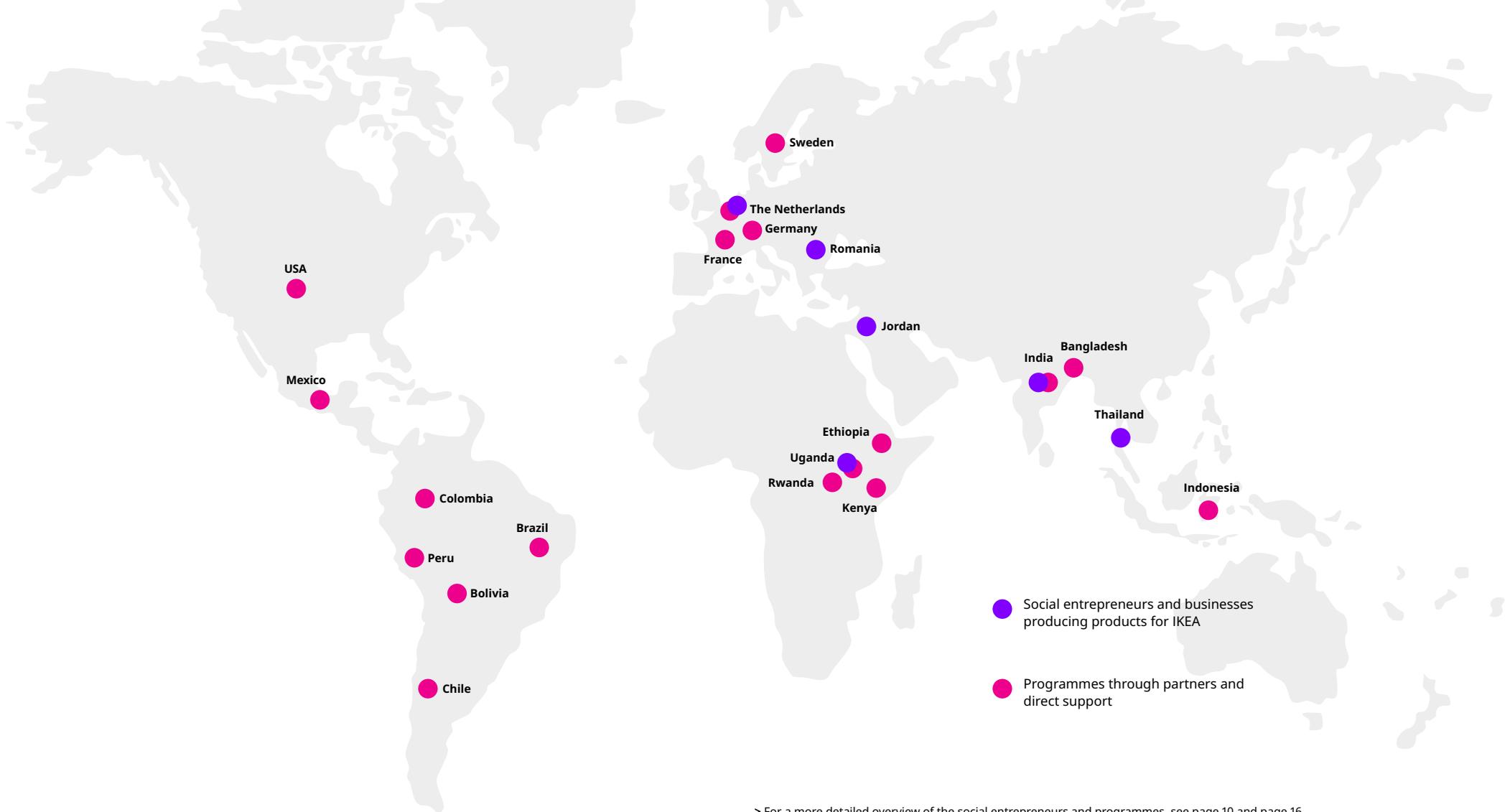
# IKEA Social Entrepreneurship in FY20

## > Theory of change



## > Our presence in the world

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> For a more detailed overview of the social entrepreneurs and programmes, see [page 10](#) and [page 16](#)

CHAPTER 1

# Scaling up and integrating our social business suppliers

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“It is the solid and continuous support from IKEA before and during the COVID pandemic that has kept Rangсутra alive and thriving during these difficult times.”

Sumita Ghose  
Founder and managing director, Rangсутra.

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> See also <https://ikea.today/handcrafting-at-home-through-hard-times/>

**Since the start eight years back, IKEA Social Entrepreneurship Range & Supply has gradually grown its business operations with social business.**

From a few products sold in a few markets, single products are now sold globally, and collections are sold in 16 markets. Selling social entrepreneurs' products globally opens for greater volumes, and more jobs for marginalised groups and women from vulnerable communities.

There is a continuous increase in volumes and most of our existing partners are now producing running social impact articles for several home furnishing business areas within IKEA. This leads to higher volumes, business continuity and more cost-efficient production throughout the year, with more sustainable jobs as a result.

To counter the adverse effects of business interruption caused by lockdown periods when production could not continue, grants were

offered to the worst hit social businesses by IKEA Social Entrepreneurship B.V. This covered wages and other operational expenses when production was paused during spring 2020.

The social businesses also responded to COVID by adapting their activities. For example, our Indian social business partner Rangсутra responded quickly to the new situation. When their production centres had to close, Rangсутra quickly adapted to a work-from-home approach and managed to get all its artisans back in production and able to provide a living for themselves. As a result, Rangсутra was able to deliver all they had committed to IKEA with a mere two-month delay.

Most the artisans working for social business partner Jordan River Foundation (JRF) reported that their financial situation was drastically affected by the COVID lockdown as their spouses no longer received their salaries, debts increased, and payments piled up. This increased the reliance of the workers' households on the salaries paid by JRF. With the grant from IKEA Social Entrepreneurship B.V., JRF could



From left: Santosh, Sita, Geeta, artisans at Rangсутra, India

pay monthly salaries to artisans in production centres and minimum wage to artisans working from home during the COVID lockdown in April and May. At the time of writing this report JRF is up and running and maintaining their business operations and the jobs for refugee women and Jordanian female artisans.

In the past year, IKEA social business partners report that some 2 676 people worked with producing products for IKEA and 28 000 smallholder producers and workers supplied raw materials for the IKEA social impact coffee (see section on Monitoring impact below on how these numbers are produced). These incomes also have a direct positive effect on the families of workers and smallholders.

**And this is only the start; the goal is to have 95 000 people working within social business partnerships by 2025. In order to achieve this goal, IKEA will include more products to its range that are created in collaboration with existing and new social business partners.**

**Examples of new social business partnerships during the past year include:**

- **Saitex** in Vietnam that focuses on having a holistic approach to sustainability and circularity. They train and integrate people with disabilities and youth into their running production of recycled denim products.
- **Classical** in Bangladesh that employs women from vulnerable areas and indigenous people in sustainable production of jute products.
- **Spun** in India that gives women from the poorest areas of India a long-term livelihood producing handcrafted textile products.

**Other expansion and pilot projects include:**

- Initiating mapping and evaluation of social businesses together with the IKEA purchasing organisation with focus on food products in Africa and Indonesia.



People who worked with producing IKEA products

**2 676**  
(89% women)

Smallholder producers and workers who supplied raw materials for IKEA products

**28 172**  
(10% women)

Household members with access to an income through IKEA production

**153 000**

Number of global social business partnerships

**7**

### Social entrepreneurs and businesses producing products for IKEA

Name	Country	Sales start	Products scope	Social impact
Doi Tung	Thailand	2012	Ceramics, hand-woven textiles and later hand-made paper Global products and part of collections sold in several markets	Creating jobs for Indigenous people in northern Thailand
Industree	India	2014	Handmade banana fibre products Part of collections sold in several markets	Creating jobs for women from vulnerable rural areas in Madurai, India
Rangсутra	India	2014	Hand woven and hand stitched textile products Global products and part of collections sold in several markets	Creating jobs for women from vulnerable rural areas in Uttar Pradesh & Rajadisthan
Jordan River Foundation	Jordan	2017	Hand stitched textile products Part of collections sold in several markets	Creating jobs for refugee women and female Jordanian artisans.
Kawacom-White Nile	Uganda	2017	Coffee Global products	Creating jobs for small scale farmers in Uganda
Ramesh Flowers	India	2002*	Handmade products from organic waste material Part of collections sold in several markets	Creating jobs for women in rural vulnerable areas of Tutucurin India.
Mesteshukar Butiq	Rumania	2016	Wood products Part of collections sold in several markets	Creating jobs for Romani people in Rumania
i-did (pilot)	Netherlands	2016	Recycled textile products Local products sold in The Netherlands	Local social business integrating people far from the labour market

\* Identified as a social business partner in 2020

**Story: How to create social impact for refugees?**

“I never got to go to high school. I only finished tenth grade,”

Rajaa, Jordan River Foundation



**> Rajaa’s work is crucial for her family in the refugee camp. Early mornings, Rajaa usually takes the three-hour-long bus ride from the refugee camp to work with IKEA collections at the Jordan River Foundation in Amman.**

The designs she makes represent courage and hope – and gives her family an income. Now she hopes the lockdown will come to an end so that she can get on the bus again.

In 2014, when the Syrian civil war had been going on for three years, a young Raaja Albalbisi, together with her family, had no choice but to leave Syria. They took refuge in the neighbouring country of Jordan. A friend told her about Jordan River Foundation, and after completing a 25-day course she started working there as a seamstress.

The non-profit organisation Jordan River Foundation and IKEA work closely together to create jobs for women in Jordan, while at the same time creating products that represent courage and vision in terms of design. One example is BOTANISK, a collection created in collaboration with six social entrepreneurs in India, Thailand, Jordan, and Rumania. Another example is TILLTALANDE, an IKEA collection of precious hand-crafted textiles that was launched last year. Rajaa worked with both collections.

“I am in the cutting department. I have learned a lot and the income really helps. In the future I would love to do embroidery as well, as I can do that from home even if – God willing – there is

another wave of lockdown here in Jordan,” says Rajaa.

The job as a seamstress gives Rajaa the opportunity to support not just herself, but also support her family. The job is crucial for Rajaa. In a family consisting of eight people she and one of her sisters are the only providers.

In the future, Rajaa hopes are to develop in her current field or continue her studies.

**Social impact proof points - results from JRF annual social impact survey**

- In the 2020 survey, 78% of the women artisans reported an increase in their income after they began working with JRF.
- The total household monthly income of the artisans went up from 297 JOD (Jordanian dinars) to 427 JOD after they started working for JRF.
- Most of the artisans felt more accepted by and integrated into society after becoming working women, as they gained more self-confidence.

## Case: How to survive and thrive as a social enterprise in the IKEA supply chain

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“You have to be prepared to put a lot of effort into the partnership. Trust me, it’s worth it.”

**Enaam Al-Barrishi**  
Jordan River Foundation



At the annual EVPA conference 2020, co-workers at IKEA Social Entrepreneurship and representatives of two social enterprises (Jordan River Foundation and i-did) discussed what it’s like to partner with IKEA. The discussion was summarised in nine points of advice to social enterprises seeking to partner with large corporates:

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1. Find the sweet spot; in terms of working towards the same aims.
  2. Identify the commonalities; by developing common outcomes (e.g. through a theory of change) and measurements.
  3. Take a long (deep) breath; deal with the slowness of a big corporation.
  4. Deliver and do what you say or promise; to moderate risk for the big corporation.
  5. Do not get dependent on the corporate; see too that you have business with other customers.
  6. Be prepared to put in the effort; make the upfront investments in capacity building needed to meet technical, quality and volume requirements.
  7. Start at the top; secure the commitment of top management of your social enterprise.
  8. Learn to balance; do not lose the social impact when meeting business requirements.
  9. Ask what support the corporate can offer, such as coaching, technical assistance, favourable business conditions and financial support.
-

## CHAPTER 2

# Co-creating social-impact products and services for IKEA customers



**Most of our existing partners are now producing running social-impact articles for several home-furnishing business areas within IKEA. With increased growth and knowledge, the partner can be managed as a regular IKEA supplier, ensuring competitiveness and future growth.**

During the year the following social impact collections and products were launched:

- The social entrepreneurs' collection **HANTVERK** was launched in October 2019, with 16 articles. It was Scandinavian-inspired with artisans from India, Jordan, Rumania and Thailand.
- At the beginning of March 2020, the social-entrepreneur collection **BOTANISK** was launched. It included eighteen products made of sustainably sourced materials that

speak to plant swappers, urban gardeners, and anyone who dreams of growing green fingers – everything you need to create your own apartment jungle! **BOTANISK** is made in close collaboration with six social businesses across the world.

- In April 2020, IKEA launched its first global running range, social-impact products. The cushion covers **MOAKAJSA** and **KLARAFINA** bring unique handicraft and contribute to jobs in India through our social business partner Rangсутra. The volumes for the articles have doubled compared to previous years, which meant Rangсутra could employ 200 more female artisans.
- The **TILLVERKA** collection, which is a local pilot with felt products made by leftover textile from the IKEA stores, launched in The Netherlands in July 2020. The collection is made by the local partner i-did, co-created with IKEA Netherlands and IKEA Range & Supply product designers and development team.

Several IKEA franchisees are involved in local partnerships with social entrepreneurs and businesses delivering local services to IKEA customers. By 2025 the IKEA franchisee Ingka Group plans to develop products or services with social businesses in thirty of their markets. To date, they have established forty partnership with social entrepreneurs across eighteen markets. These range from supporting people facing inequality or poverty – such as young people, migrants or those with disabilities – to providing products and services to IKEA customers, including circular services and last mile delivery.

CHAPTER 3

# Strengthening social entrepreneurs through direct support



Female artisan working at Imani Collective, Kenya

**This was the second year of activities of the IKEA Social Entrepreneurship B.V., which supports social entrepreneurs that are not, or only indirectly, related to IKEA.**

During the year we clarified our programme plan and ways of working to facilitate future expansion. We are exploring different types of programmes and partnerships and are beginning to accumulate learnings and establish what works, and what does not.

Despite COVID, we were able to launch several new programmes in the past year. In total, 36 social entrepreneurs and enterprises were supported through accelerator programmes and direct support, of which 25 were new for the year (excluding the COVID emergency support to the two global IKEA social-business partners mentioned above).

**Sixty percent of the supported social entrepreneurs were women-led (i.e. at least one co-founder or CEO is a woman). The supported social entrepreneurs were mainly based in East Africa and Latin America, through participation in our accelerator programmes focused on those regions.**

There were also some entrepreneurs based in Europe and South Asia. Two thirds of the group were active in three broad sectors – food & agriculture, ethical & sustainable manufacturing and professional training & job placement.

It's important to note that the number of people impacted and the depth of this impact vary greatly between social entrepreneurs. One of the entrepreneurs we support – that targets smallholder farmers in West Africa – is responsible for eighty percent of the total number of people impacted. The other two main



*FY20 numbers*

People impacted through jobs, incomes, tools and services **1.65 million**

Number of social entrepreneurs and enterprises supported **36**

IKEA co-workers engaged in accelerator programmes **77**

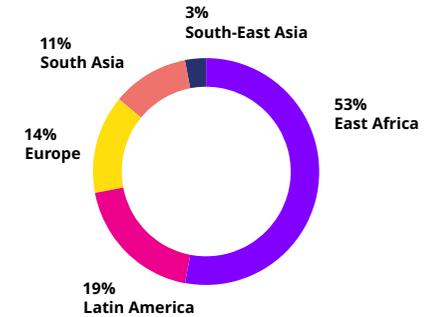
Number of programmes and partnerships funded **8**

target groups are low-income communities and women. Other social entrepreneurs target children, immigrants and migrants, informal workers, artisans and small-scale producers. A third of the social entrepreneurs have an explicit focus on women. Some social entrepreneurs are more focused on broader system-change activities and have a more indirect effect on communities.

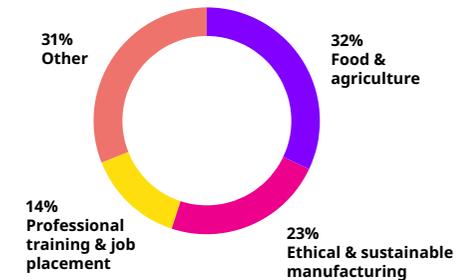
Our main programmes and partnerships are presented in the table. Notable achievements are the conclusion of our first global accelerator programme with Ashoka, and our East African one with Acumen. We also made a significant entry in Latin America by initiating three different programmes with NESsT, New Ventures and WWF. At the end of the fiscal year, preparations started for a second global programme with Ashoka.

The 36 supported social entrepreneurs report that they impacted some 1.65 million people who are vulnerable and marginalised, either by being employed or directly served by the social entrepreneurs. Besides people who are direct clients/recipients of products or services provided by social entrepreneurs and enterprises, the number includes self-employed and smallholder producers that are suppliers to the supported entrepreneurs (see section on Monitoring impact below on how these numbers are produced).

**Supported social entrepreneurs by region they are based**

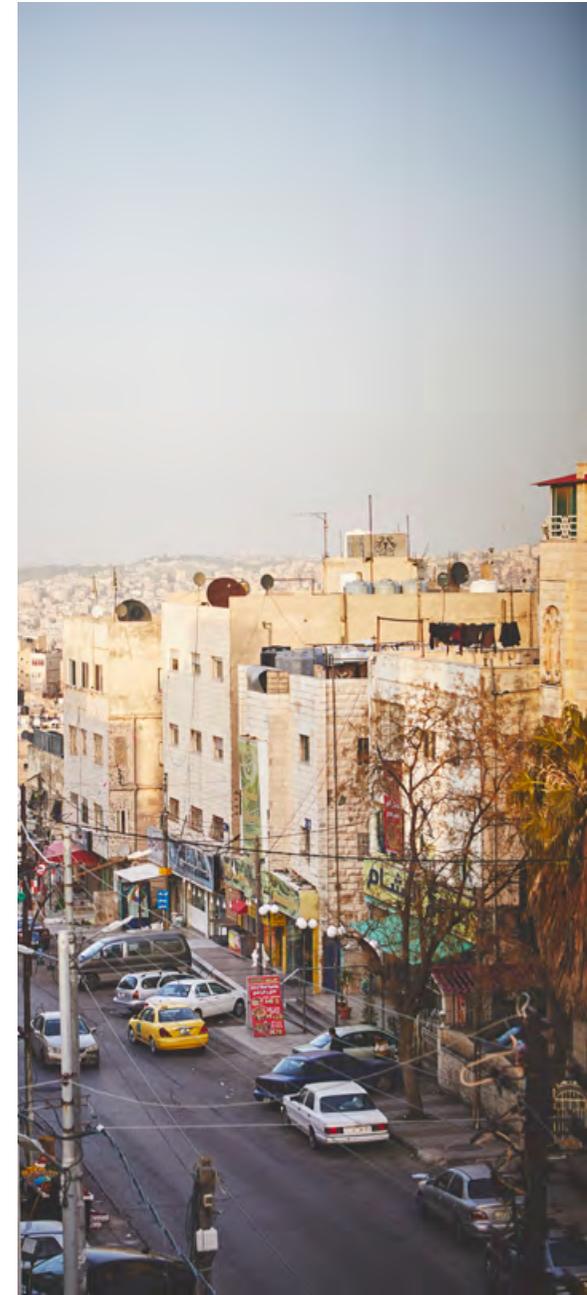


**Supported social entrepreneurs by main sector**



## Programmes through partners and direct support

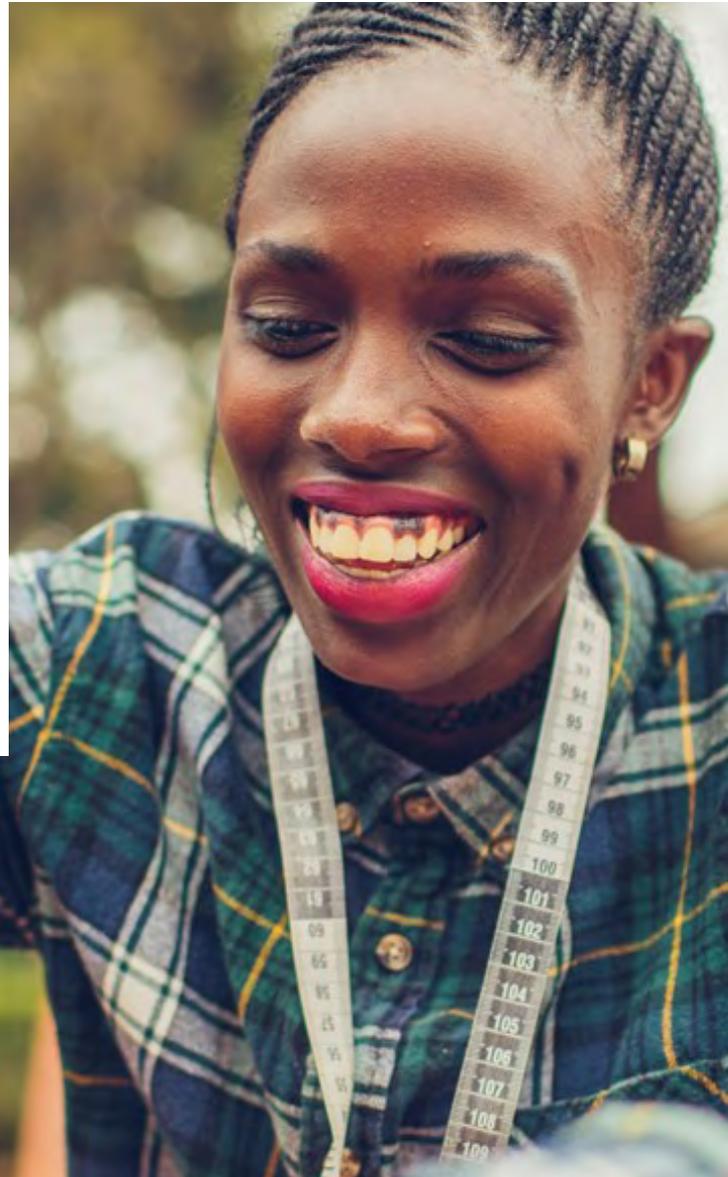
Programme	Status	Type	Geography	Timing	Programme participants	Short description
<b>Ashoka Dela I</b>	Completed	Accelerator	Global	1 year 2019-2020	12 social entrepreneurs 3 new Ashoka Fellows	A co-created global accelerator programme to select, strengthen and scale system changing innovations through a combination of interventions including co-worker engagement.
<b>Ashoka Dela II</b>	Running	Accelerator	Global	1 year 2020-2021	12 social entrepreneurs 3 new Ashoka Fellows	A co-created global accelerator programme to select, strengthen and scale system changing innovations through a combination of interventions including co-worker engagement.
<b>Acumen East Africa Accelerator</b>	Completed	Accelerator	Rwanda Ethiopia Kenya Uganda	8 months 2020	20 social enterprises	A co-created regional accelerator programme to strengthen social innovations across East Africa through online learning and IKEA coaching support. Most of the enterprises also received emergency financial COVID support.
<b>NESSt Latin America</b>	Running	Accelerator	Chile Colombia Peru Brazil	3 years 2020-2023	12 social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with IKEA Chile that supports with co-worker engagement and potential marketplace.
<b>New Ventures</b>	Preparation	Accelerator	Mexico	2 years 2020-2022	10+10 (2 cohorts) social enterprises	Tailor-made accelerator programme to scale social enterprises and increase their impact. Programme co-created in close collaboration with IKEA Chile that supports with co-worker engagement and potential marketplace.
<b>WWF Oaxaca</b>	Preparation	Value-chain improvement	Mexico (Oaxaca)	3 years 2020-2023	13 Community Conservation Enterprises	Supporting local small-holder producers and their organisations to improve agricultural practices, governance, and gaining market access.
<b>i-did (pilot)</b>	Running	Direct investment	The Netherlands	7 years 2020-2027	1 social enterprise	Loan investment in a small textile recycling plant to be run mainly by people with a distance to the labour market. Also support to conceptualise the operational model combining recycling and social impact for scaling through a social franchise model.
<b>Last mile delivery Paris</b>	Running	Social innovation programme	France (Paris)	2 years 2019-2021	1 social enterprise (Carton Plein)	Working with Yunus social business and Make Sense to develop last mile delivery solutions with IKEA France with both social and environmental impact, involving piloting a micro hub and a training academy, engaging people at a distance from the labour market.



**Case: Concluding the East Africa accelerator amid the COVID pandemic**

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The programme supported twenty social enterprises to develop a scalable and profitable business model.



Female artisan working at RefuSHE Artisan Collective, Kenya

**> The East Africa accelerator was co-created between Acumen and IKEA Social Entrepreneurship.**

The four-month programme combined online learning and coaching support to the social entrepreneurs, with IKEA co-workers playing an active role in sharing their knowledge, skills and experiences.

The start of the programme coincided with the start of the COVID-19 pandemic, which required adjustments to the programme to enable it to continue during the crisis:

- 
- The virtual curriculum could stay largely intact, but participating teams needed support with connection issues due to being forced to work from home.
  - The in-person summit was pivoted into a virtual summit.
  - The financial envelope was augmented to allow Acumen's COVID emergency facility to provide financial support to most of the participating enterprises.
  - Acumen's East Africa team contributed with a locally grounded understanding of how participating enterprises were impacted.
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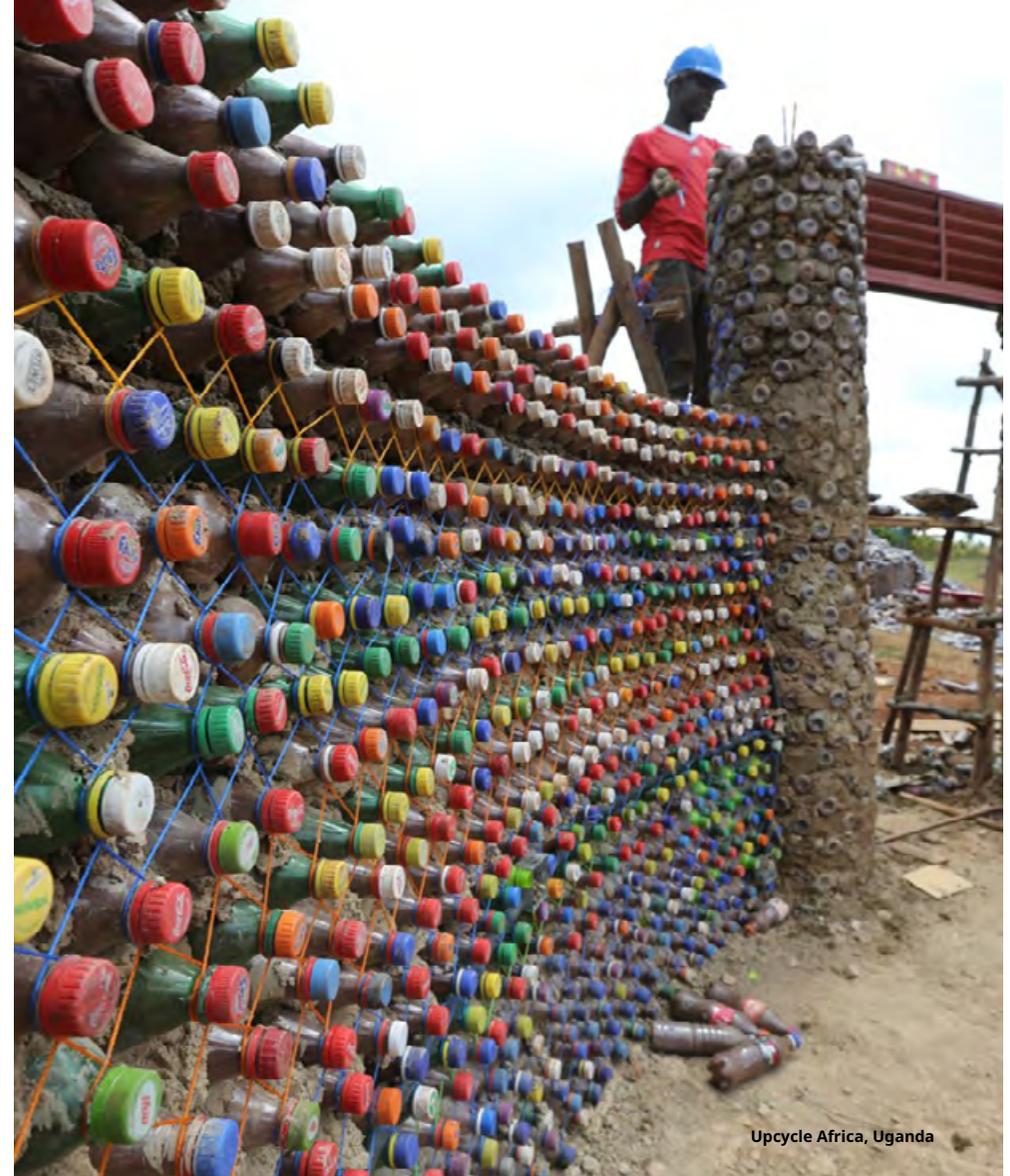
Out of the twenty participating social enterprises, only one enterprise dropped out due to COVID-19. The others remained active throughout the accelerator, completing the seven learning modules containing videos, readings with insights from IKEA, case studies of East African social enterprises that have been able to scale, assignments and tutorials. After completing a module, participants would meet with their IKEA coaches, in average two coaches per team, to discuss and reflect on lessons learned in the module.

The programme was concluded with a virtual summit in September 2020 during which the social enterprises practiced their pitches, connected with experts and were invited to join the growing community of IKEA Social Entrepreneurship alumni.

**The end-of-programme survey gave overwhelmingly positive feedback on all aspects of the programme from the participating social enterprises.**

**They liked the curriculum, cases and tools, the flexibility of the programme and how it carried them through the COVID pandemic (to which the financial support also contributed), and the community and networking possibilities.**

They reported that the programme challenged them to think about their business models and customers, particularly through the business experiment. A quarter of the teams specifically mentioned the importance of learning more about financial modelling as a key contribution of the accelerator to their business. The coaching by IKEA co-workers was widely appreciated and several suggestions were provided to enhance this experience even further.



Upcycle Africa, Uganda

## > Enterprises participating in the East Africa accelerator

**A diverse cohort of 19 social enterprises completed the East Africa accelerator. They are active in sectors ranging from local production of food, handicraft and designer shoes to training of youth and circular solutions.**



“I would recommend this programme to any entrepreneur, even if they feel confident about their model. The programme is likely to

challenge them into thinking in new ways and seeing gaps and opportunities that they have not before. I particularly enjoyed the case studies (relatable to our challenges and easy to digest), discussions (created a space to reflect on the case studies), tools (financial modelling and people strategy)”.

**Ania Zuzek**  
Enlight Institute, Uganda



“The coaches helped us take the concepts and work that we did through the programme exercises and think through how to apply it to our business in reality. It was incredibly valuable to

have their input and expertise to guide our growth throughout the accelerator! [...] I would encourage Acumen/IKEA to incorporate a bit of mentorship into the coaching model so there is room to ask for advice when the entrepreneurs feel lost and for the coaches to have space to share when they have more specific questions or concerns.”

**Emily Snider**  
RefuSHE, Kenya

### Ethiopia

- BeMistre Home Accessories
- Enzi Footwear
- Green Face Trading
- Enate Weaving Works PLC (Industree)
- Kidame Mart
- TruLuv Granola
- Tibeb Leather Works PLC
- Savannah Printing Press (Felek Notebooks)

### Kenya

- Alive and Kicking
- Aqua Clara Kenya
- Vijana Corps
- Nuru Social Enterprises Limited
- RefuSHE Artisan Collective
- Imani Collective

### Rwanda

- Resonate
- UZURI K&Y

### Uganda

- Asante Mama Natural Products Ltd
- Enlight Institute
- Upcycle Africa



## Story: Aqua Clara Kenya

**Aqua Clara Kenya (ACK), a social enterprise producing water purification tech for rural communities, joined our East Africa accelerator to see how best they can scale up their business.** Read about how they found opportunity for education and innovation on the frontlines of COVID-19.

> Read the full story [here](#)

## Case: Global accelerator with Ashoka – lessons from Dela 1 and planned changes for Dela 2

Building on the first pilot year it was decided to extend the partnership with Ashoka for another three years.



Liisa Smits, Ignitia Social Enterprise

### > The first year of the global Dela accelerator programme was concluded in April 2020.

The year had seen participants finalising the implementation phase of the programme, which focused on a concrete project identified as a key building piece for their system-change strategy. The project was supported on-site by an IKEA implementation partner. This took place just before the COVID lockdowns in many countries. Nine social entrepreneurs completed the full programme, three of which received a grant of 30 000 euro to help them realise their strategies. Additionally, two new Ashoka Fellows were appointed, with a third fellow to be selected.

Surveys of social entrepreneurs and IKEA co-workers showed a high likelihood to recommend the programme to their peers. Participants reported feeling ready to scale up and change their strategies towards a systemic impact. IKEA co-workers reported an increase in the understanding of systems change for social impact and commitment to create social impact through their work.

Building on the first pilot year, the partnership with Ashoka was extended for another three years. During Dela I, we learned how to work better and smarter together. Important lessons fed into the design of Dela II to improve the experience of participating social entrepreneurs and co-workers, including:

- Basing the matchmaking between social entrepreneurs and co-workers not only on competence and personality, but also on knowledge of context and culture.
- Unifying, personalising and clarifying the programme experience for social entrepreneurs.
- Creating opportunities to reflect and test hypotheses in the programme, based on experimentation practices and iterative approaches.
- Using more streamlined, personalised and flexible programme content and materials, to avoid overwhelming participants – and instead be able to adjust to their needs.

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**“Our scope of action originally was limited to the bounded geographical area and even if it was to be spread to other locations, it was not meant to make substantial system changes. The strategy after accelerator programme has broadened the scope of action by targeting systems”.**

**John John,**  
Grassroot Tea Corporation

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> A final impact report for Dela I has been published by Ashoka and is available [here](#)



### **Case: Expanding in Latin America**

IKEA will open its first sales channels in Latin America in the coming years, with Mexico, Chile, Colombia and Peru in focus.

Women lead Community Conservation Enterprise, WWF Mexico

➤ When entering a new market, it's important to get a solid understanding of the local context, and the social and environmental challenges.

**The expansion created a great opportunity for IKEA Social Entrepreneurship to explore how we could support the social enterprise ecosystem in the region together with the IKEA business.**

After a visit to Mexico to meet different potential partners, we decided to engage in two different types of programmes. The first is an accelerator programme together with New Ventures and IKEA Mexico. This aims to support the scaling and impact of selected social enterprises, and to grow a potential pipeline of future business partners, to IKEA and other relevant organisations.

The other programme is implemented by WWF Mexico as part of WWF's Nature Pays initiative. The programme supports thirteen community conservation enterprises to improve livelihoods and the agricultural practises of the local communities in the state of Oaxaca. The programme adds a social dimension to WWF Mexico's previous activities in Oaxaca, with an environmental focus on watershed management and forest restoration. If the new programme's holistic social, environmental and economic approach is successful, it has the potential for replication to other parts of the world.

We also launched an accelerator programme together with NESsT covering Chile, Colombia, Peru and Brazil. The programme will support social enterprises to develop their business and impact, in collaboration with IKEA Chile, Colombia and Peru. The first set of three social enterprises participating are Pixed, Empanacombi and Café Compadre, all from Peru.

In all these initiatives, we are taking a long-term, tailor-made approach in supporting the social enterprises. The programmes all begin with a solid diagnosis of the unique needs and growth plans. Based on that, support is then developed over time. We link the programmes to the IKEA business to find synergies and win-win effects for the social enterprises – and to support IKEA in becoming even more inclusive and sustainable.

**The programmes are also built on a strong sustainability foundation, including environmental conservation, renewable energy and circularity, and use a gender lens in the selection process and in the design of the support.**

We have also organised networking sessions with New Ventures, NESsT, WWF and NUUP (a Mexican social enterprise that we have supported to become a new Ashoka Fellow), which we see have already led to new initiatives and cross-collaborations.

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## Story: Allison and Ann-Sofie – intercontinental collaboration



The story of a Bolivian social entrepreneur and a leader at IKEA who collaborated across continents.

> [Read the full story here](#)

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## CHAPTER 4

# Engaging IKEA co-workers in programmes – a win-win collaboration



Fernando Assad,  
Programa Vivenda, participant Dela Accelerator

**Within the business partnerships with social businesses, IKEA is contributing directly with competencies of co-workers who are responsible for scaling these partners through business operations, supply chain know-how, systems training, design and product development.**

The accelerator programmes provide an opportunity for co-workers to engage outside their core work and the past year, we gained considerable experience on how to make this happen. Over the course of the year, 77 IKEA co-workers participated in different coaching/mentoring and content-developing roles in the Dela and East Africa programmes. There was a clear gender balance, with 53 percent women. The roles were advertised internally and met with considerable interest – for example, there were sixty applicants to be an advisor in the East Africa programme, and fifty applicants for the forthcoming Dela II.

IKEA co-workers were then matched with programmes for a set time period. Surveys show that co-workers generally are very appreciative of this experience. For example, co-workers engaged in the East Africa programme gave a very high Net Promoter Score (81).

Many co-workers see the participation as a win-win. They can contribute with their experience and knowledge and in the same time learn from the reality and businesses of social entrepreneurs. Co-workers also refer to the participation as an opportunity to learn and develop themselves and to do something meaningful. Learnings vary between programmes, depending on the focus and co-worker roles. However, a common denominator is an improved general understanding of social entrepreneurs and their approach to solving problems. In the Dela I programme, a specific learning theme was understanding of systems change. In the East Africa programme, it was developing coaching and leadership skills – in addition to gaining knowledge about the local context.

It's too early to say what the experience means for the work of co-workers and ultimately for IKEA as an organisation. However, co-workers report that they know more about social entrepreneurship and are more motivated and committed to creating positive social impact through their work and to engage more colleagues in doing so. Some say they have an increased sense of agency to solve social problems.

**Many of the co-workers believe they will be better leaders and coaches after the programme.**

They have also increased their understanding of the life of vulnerable and marginalised people. Some mention they have seen how small means can do a big difference and how they want to apply that at work. They have also seen how they can use their network more.



**“In the beginning it was hard to understand what is expected from us advisors, but later it went very well, so due to that I rate it 4 not 5. I already started recommending it to my colleagues.”**

**“Great opportunity to impact a better life for more people as well as learn new way to approach and develop business by coaching.”**

## Case: Learning highlights on co-worker engagement



UZURI K&Y DESIGNS, Rwanda

- Co-workers clearly benefit from the engagement with social entrepreneurs. They gain better understanding of social entrepreneurship and social entrepreneurs' approaches to solving problems. They also seem to improve their coaching and leadership skills.
- Networks and information sessions are important for the engagement. Co-workers apply through the IKEA recruitment system, but this isn't enough to reach the right target group. Here, the IKEA network has been a very important complement. We can see the number of applicants increase from areas or functions with a committed management team, or if we have had specific information sessions.
- On-boarding matters. Many co-workers report that it takes some weeks to understand the programme and how they best can support. To shorten that period and better prepare co-workers, we have developed an on-boarding package.
- Coaching in pairs has been a success. The social entrepreneurs get two different perspectives – not only from different parts of IKEA, but also in terms of personal experiences and knowledge. The coaches learn from and support each other to create a better session for the social entrepreneur.
- Learning circles provide support during the programme. These are facilitated sessions where engaged co-workers can share highlights, worries and ideas about their work with the social entrepreneurs. The learning circles have also been a way to gain insights of participants' progress in the programme, and about the issues they face.

CHAPTER 5

# Sharing our learnings



Workshop LOKALT at Jordan River Foundation

**By sharing the results, approaches and learnings from our programmes – internally and externally – we aim to inspire others to enhance their contribution to accelerating the social entrepreneurship movement. We also want to inspire IKEA and other corporates to become more inclusive and sustainable by working with social entrepreneurship and innovation.**

Our activities include communication, outreach, development of a knowledge hub, and research collaboration.

## > **Communication and outreach**

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Our communications aim to share our learnings and raise awareness of IKEA Social Entrepreneurship. Explaining what we do, and why, is a way to exemplify the IKEA values. It serves to engage and inspire others – within IKEA and beyond. We do this by sharing our stories, talking about our partnerships and our latest news. We also look to attend speaking and engagement opportunities where we can showcase our approach to inspire others. Alongside all of the above, we naturally communicate to IKEA customers about new collections and products produced by our social-business partners.

### **Highlights of the year include:**

- Five new partnerships announced: WWF, Acumen, NESsT, New Ventures and i-did.
- Two (global) collections launched (**HANTVERK** and **BOTANISK**), plus unique global single articles for all markets (**KLARAFINA MOAKAJSA**).
- Speaking and presenting at twelve external events and forums.

- Co-ordinated communication with over fifty organisations as part of the World Economic Forum COVID Alliance for Social Entrepreneurs.
- Launch of our website [IKEAsocialentrepreneurship.org](https://www.ikea.com/uk/en/social-entrepreneurship) to share our work.

We also integrated our stories across the IKEA channel landscape. This includes featured stories of our partnership with Ashoka on [about.IKEA.com](https://www.ikea.com/uk/en/about-ikea) to support IKEA Facts & Figures FY19 statement, and the work supporting social entrepreneurs as a key element of the IKEA sustainability report.

Inspiring and sharing our work to others outside of IKEA is an important part of our

theory of change. This external outreach is mainly aimed at other corporates that are looking to or already support social entrepreneurship, and interested parties (donors, impact investors and friends of IKEA). This year was about establishing ourselves and presenting our approach and expanded support for social entrepreneurs. We participated in a total of twelve external speaking engagement and events, ranging from Skoll World Forum, Social Innovation Summit (Malmö) to presenting our work to master's students (Rotterdam, Erasmus). Again, it's difficult to determine engagement levels for these events; delegates ranged from 450+ (Skoll World Forum) to a handful of engaged corporates (Ashoka webinar).

## > Knowledge hub

Through co-creation and a high level of involvement in programme design and implementation, we gain learnings on challenges faced, what works and doesn't, and how to best support partners. The question, then, is how we best can share our growing knowledge of working with and supporting social entrepreneurs? More broadly, where can IKEA Social Entrepreneurship add the most value in accelerating the social entrepreneurship movement?

To answer these questions without getting stuck in pre-conceived ideas, we formulated a design challenge and invited a strategic design agency to widen our thinking regarding these issues. This also includes enabling networking opportunities to accelerate the social entrepreneurship movement. The first phase of this project (focused on inspiration and ideation) will run in the last quarter of 2020 and gather as much inspiration as possible to challenge our initial concept and generate an innovative solution.

## > Research collaboration

As we are building our portfolio it is essential that we tap into existing knowledge and we continuously follow the policy-oriented literature in the relevant fields. This year we held several conversations with academics specialised in fields related to social entrepreneurship and innovation to find touchpoints. This resulted in two research collaborations with researchers. One at the Institute for Development Studies at the University of Nairobi, Kenya, on survival, learning and development of capabilities of social enterprises in East Africa. The other at the University of Applied Sciences, Utrecht, The Netherlands, on a case study of i-did's partnership with IKEA.

We also contributed to the research study 'Social Enterprises as Influencers of the Broader Business Community' managed by Social Enterprise Netherlands, funded by Porticus. The final report will be released later in the year. Finally, IKEA Social Entrepreneurship featured as a case study for the report 'Business As Unusual. How Social Intrapreneurs Can Turn Companies Into A Force For Good' produced by Yunus Social Business and Porticus among others (see [www.yunussb.com/business-as-unusual](https://www.yunussb.com/business-as-unusual)).



# Operations

The past year, we continued building the IKEA Social Entrepreneurship framework across IKEA. This to have alignment within IKEA and securing a holistic approach to social entrepreneurship.

## > The ISE organisation

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IKEA Social Entrepreneurship is mainly organised in three different places within IKEA, each with different governance structures, assignment and ways of working: as a dedicated team within Range & Supply, as a separate entity placed at Inter IKEA Group, and within several franchisees.

IKEA Social Entrepreneurship Range & Supply is part of the Business Area (BA) Textile, called "Textiles Social Entrepreneurs Collections" (BA TESEC). At the end of FY20, IKEA Social Entrepreneurship Range & Supply had a team of 4,5 FTE (full-time equivalent) within IKEA of Sweden AB. This includes the business leader, two partner development leaders and communication specialist. In addition, a Business Navigator (0.5 FTE) was assigned to the team.

IKEA Social Entrepreneurship B.V. is structured as a Dutch B.V. (limited liability company) within Inter IKEA Systems with a 'social impact first' mandate in its charter. At the end of FY20, the

B.V. had a core team of 6 FTE with the following functions: managing director, partner account leader, controller, co-worker engagement, communication and monitoring, evaluation and learning, in addition to a partner account leader who is working on a consultancy basis.

IKEA franchisees are involved in various local partnerships with social enterprises and social impact organisations, focusing on local services such as sewing services. The nature and focus of these partnerships vary between franchisees and markets. Efforts are underway to map these partnerships, integrate social entrepreneurship more clearly in the IKEA concept, and develop tools to facilitate for franchisees to engage with social enterprises in local markets.



Janjira Suriyawichai, ceramist Doi Tung

## > Monitoring our impact

The starting point for strategising and monitoring is the theory of change of IKEA Social Entrepreneurship, which was recently updated. Portfolio KPIs are set at output and outcome levels, while the impact level is covered by social surveys and audits of the workers and other target groups of the social entrepreneurs and businesses. Specific theories of change and monitoring frameworks are developed for the individual programmes and partnerships.

The IKEA social business partnerships are monitored for social outcomes connected to incomes and sustainable jobs of people and household members involved in IKEA production. In addition, a range of indicators are used to track the social partners' business performance and sales of related products in IKEA stores. Formulation of theories of change for these partnerships are used for common ambition and follow-up.

To collect data on people reached within social business partnerships, a reporting template was sent out to partners at the end of the financial year. It asks partners to report on the core KPI – the number of vulnerable and marginalised people working with producing IKEA products during the financial year, and share of women.

It also asks for data on a select number of related KPIs, supporting evidence and information about additional social impact to which the partner contributes.

The monitoring of our programmes outside IKEA combines a few portfolio KPIs with programme-specific monitoring frameworks based on programme theories of change. We strive to make the monitoring as relevant, transparent and feasible as possible based on the monitoring systems and capacities of our partners.

The collection of reach data for accelerator programmes outside IKEA is also based on a reporting template, which is populated by partner organisations and entrepreneurs. The template asks for the following information from each organisation: description of target groups, number of people in each group, type of impact on each group, and basis for calculations and monitoring related to each group. It classifies target groups into four categories: people employed, people directly serviced, family members and community members. The first two categories are summed to become the main KPI – people impacted by social entrepreneurs.

The reporting templates have been designed based on the internationally recognised five dimensions of impact developed by the Impact Management Project: what, who, how much, contribution and risk (see <https://impactmanagementproject.com/>). The KPIs we use take inspiration from the internationally accepted system of impact indicators IRIS+ (see <https://iris.thegiin.org/>). The reporting templates are revised continuously to be as clear and accurate as possible.

Creating greater opportunities  
for people who are vulnerable  
and marginalised to live a  
better everyday life

