P·ACT
PARTNERSHIP CO-DESIGN TOOLKIT
User Guide
Hybrid partnerships — i.e. collaborations between impact enterprises, corporations, NGOs, or governments — are essential to scaling inclusive business in Base of the Pyramid (BoP) markets. However, developing and deploying these types of partnerships is challenging, as it requires a fine integration of the goals, resources, cultures and incentives of organizations that are inherently very different from each other. Enticed by the promise of scale, impact entrepreneurs can often hurry into hybrid partnerships without a sound and transparent business model that ensures an equitable return on investment for all partners. This can strain relationships, jeopardize the partnership sustainability and the potential for impact. How do we co-design partnership models where all partners - despite their diversity - have a shared understanding and buy-in for the value created and captured within the partnership?

The Partnership Co-design Toolkit offers a disciplined approach to co-designing business models for resilient value chain partnerships.

The toolkit builds upon MIT D-Lab learnings from designing and testing the P-ACT Conversation tool and SEED’s experience with their Entreprise toolkit; as well as an in-depth literature review of existing partnership design and facilitation tools.
Who is the audience for the P.ACT toolkit?

Are you...

- An impact entrepreneur or working for an impact venture
- An impact intrapreneur (within a corporation, an NGO or a government agency)
- An accelerator or an incubator manager supporting impact entrepreneurs
- A partnership broker or facilitator helping partners design and deploy an impact driven partnership

If yes, are you joining a diverse group of one or more organizations to initiate a value chain partnership, and facing challenges in:

- Aligning on partnership goals, value proposition or impact
- Defining the partnership activities and/or the partners’ roles and responsibilities
- Negotiating a fair distribution of the partnership generated value and incurred costs
- Establishing common processes to monitor the partnership success over time.
What type of partnerships does P.ACT support?

Are you working on a partnership with the following characteristics:

- **Value chain centric**: Partnership engaging various organizations that are integrating their existing value chains or developing new ones to create, enhance and deliver a value proposition to a target customer.

- **Hybrid**: Partnership involving different type of organizations including impact enterprises, corporations, NGOs, or governments.

- **Impact-driven**: Partnership initiated with the purpose to generate positive economic, environmental or social changes for underserved populations.

- **Inclusive**: Partnership where all involved partners are considered of equal rights and importance, and the value generated is fairly distributed among participating stakeholders.
What will P.ACT help you achieve?

This toolkit enables two or more partners to co-design inclusive partnerships, by:

• Facilitating negotiation between partners

• Building relationships and empathy within the partnership group

• Accelerating the partnership development process

• Achieving contract readiness

• Increasing the partnership success rate

While primarily designed to be used collaboratively by a group of partners, this toolkit content can also be leveraged in a role-play mode by a single organization to:

• Prepare for partnership negotiations or critical discussions

• Build the capacity of staff to engage in hybrid partnerships
What is unique about P.ACT?

This toolkit was designed with four unique attributes to maximize partnership success:

**Co-Design process:** It follows a disciplined four stage co-design framework that ensures inclusive participation and continuous engagement of all partners, improving buy-in and commitment.

**Value focus:** It puts emphasis on defining both the value created and the value captured through the partnership. It focuses the partners attention on generating value for their customers and beneficiaries as well as for their organizations.

**Collaborative approach:** It fosters individual self-assessment and reflection alongside collective problem solving, constructive dialogue, decision making, and action planning.

**Modular use:** It enables users to diagnose their partnership needs and helps them identify the right tools to move their partnership forward.
When should you use P.ACT?

This toolkit should be used during the initiation phase to help partners get ready to engage in a collaboration. More specifically:

**After partners have been identified:**
The core group of partners should be selected. The toolkit will engage representatives from each partner organizations in co-designing the partnership model.

**Before a contract is signed:** After a partnership contract is signed, the opportunities for negotiation and co-design become more limited.
What is inside the P.ACT toolkit?

4 Co-design stages
P.ACT introduces partners to four stages of co-design, each building on the previous, to bring partners closer to developing a complete partnership model and get ready to commit.

- **Learn**: Explore and clarify the partners respective motivations, capabilities and cultures
- **Imagine**: Converge on the partnership value proposition, impact and type
- **Create**: Define the partnership activities, roles, and governance structure
- **Evaluate**: Establish the distribution of value and costs and define the monitoring metrics

Each tool contains:
- Step-by-step instructions
- Illustrative examples
- Worksheets to document outputs
- Facilitator tips
- Mural templates
**P.ACT Needs Assessment**

Do you **have clear and coherent** answers to the following questions?
If not, check-out the corresponding PACT tool.

<table>
<thead>
<tr>
<th>Page</th>
<th>15</th>
<th><strong>Drivers Pyramid</strong></th>
<th>Why do we want to engage in this partnership?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24</td>
<td><strong>Capability Match</strong></td>
<td>Why are we the right group of partners?</td>
</tr>
<tr>
<td></td>
<td>32</td>
<td><strong>Cultural Fit</strong></td>
<td>Do we have enough cultural alignment to make this partnership work?</td>
</tr>
<tr>
<td></td>
<td>44</td>
<td><strong>Value Proposition</strong></td>
<td>What value will we deliver together? To whom?</td>
</tr>
<tr>
<td></td>
<td>53</td>
<td><strong>Impact Target</strong></td>
<td>What impact will we generate together? For whom?</td>
</tr>
<tr>
<td></td>
<td>63</td>
<td><strong>Typology Compass</strong></td>
<td>What type of partnership should we build?</td>
</tr>
<tr>
<td></td>
<td>73</td>
<td><strong>Value Chain Map</strong></td>
<td>How will we deliver the value proposition of the partnership?</td>
</tr>
<tr>
<td></td>
<td>83</td>
<td><strong>Partnership Canvas</strong></td>
<td>How will we capture value from the partnership?</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td><strong>Governance Charter</strong></td>
<td>How will we oversee the partnership?</td>
</tr>
<tr>
<td></td>
<td>107</td>
<td><strong>Balance Sheet</strong></td>
<td>How much value and cost will we capture/incur?</td>
</tr>
<tr>
<td></td>
<td>115</td>
<td><strong>Monitoring Dashboard</strong></td>
<td>How will we monitor the performance and risks of our partnership?</td>
</tr>
<tr>
<td></td>
<td>127</td>
<td><strong>Readiness Checklist</strong></td>
<td>How ready are we to initiate the partnership?</td>
</tr>
</tbody>
</table>
About the partners

About MIT D-Lab
D-Lab works with people around the world to develop and advance collaborative approaches and practical solutions to global poverty challenges. The program’s mission is pursued through interdisciplinary courses, research in collaboration with global partners, technology development, and community initiatives — all of which emphasize experiential learning, real-world projects, community-led development, and scalability. www.d-lab.mit.edu

About SEED
SEED, founded in 2002, is a global partnership for action on sustainable development and the green economy through supporting eco-inclusive entrepreneurship with toolified business development support. Its complementary ecosystem programmes focus on policy, financing and collaboration instruments that multiply the social, environmental and economic impacts of entrepreneurship. www.seed.uno

About the Inclusive Partnerships Learning Lab
Co-led by Saida Benhayoune of MITD-Lab and Magdalena Kloibhofer of SEED, the learning lab convened a group of inclusive business practitioners over a 12-month period to explore key questions related to partnership co-design and co-create the tools developed for this toolkit. The lab participants included members of the MIT Practical Impact Alliance, as well as the 2019-20 cohort of the D-Lab Scale-Ups social enterprise accelerator. With a regional focus on East Africa, the lab examined and distilled lessons learned from a series of case studies. The case studies focused on social businesses partnering with corporations, NGOs or government to establish new or enhanced value chains for impact products or services in BoP markets. The insights gathered from the lab’s 10 monthly online sessions and two in-person meetings informed the content development of the present P.ACT toolkit.

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