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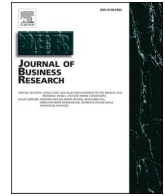
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Creating social value at the bottom of the pyramid: Elaborating resource orchestration via social intermediaries

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ABSTRACT

Overcoming constrained resources and enabling social, environmental, and economic value creation for stakeholders remains a managerial challenge. Small enterprises in the bottom of the pyramid (BoP) context offer an opportunity to extract insights into orchestration of resources amidst such challenges. Extensive qualitative data collected via text analysis, field visits, and expert interviews with two social intermediaries and managers of eleven small enterprises operating in BoP markets were analyzed to understand how small enterprises engage with stakeholders to structure, bundle, and leverage resources, as well as how they address environmental contingencies and social challenges in poverty settings. The findings highlight that companies must move beyond an economic resource focus and engage a diverse stakeholder network, leveraging social intermediaries for resource orchestration throughout lifecycle stages. The emergent framework elaborates on Resource Orchestration Theory (ROT), with propositions related to resource management mechanisms, capabilities offered by social intermediaries, and contingencies for social value creation.

1. Introduction

Organizations often lack the capabilities needed to develop and manage value chains that account for the particularities of deep poverty settings (Parmigiani & Rivera-Santos, 2015). Extreme poverty can be seen in BoP (bottom of the pyramid) contexts.¹ These contexts are often characterized by informal structures, dysfunctional institutions, lack of investment capital, subsistence entrepreneurship with little growth

opportunity, corruption, undermined property rights, and locally established social and cultural norms (Khavul & Bruton, 2013). Unfortunately, these characteristics tend to reinforce each other, creating a vicious cycle of poverty that enables its persistence (Khavul & Bruton, 2013).

Research shows that several BoP initiatives have either failed, have been converted to philanthropic programs, or have achieved only modest success at a very high cost (Hart, Sharma, & Halme, 2016).

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¹ When defining BoP markets, the income-based approach is primarily used in previous literature because of the inherent assumption that “monetary metrics either capture the essence of deprivation, or proxies all other deprivations” (Ruggeri, Saith, & Stewart, 2003, p. 5). For example, Prahalad and Hart (2002), who initiated discussions on the BoP approach, estimated that 4 billion people lived in BoP with an annual per capita income of less than US\$1,500 at purchasing power parity (PPP). Some researchers used the World Bank classification, defining BoP consumers as those living on less than US\$1 a day (Chikweche & Fletcher, 2011). While using income metrics implies certain geographical boundaries to define poverty, BoP markets do not correspond to country boundaries but depend on market characteristics (Webb, Kistruck, Ireland, & Ketchen, 2010). What BoP markets have in common is that BoP network ties involve a multiplicity of domains and are less formal (Rivera-Santos & Ruffin, 2010a). Beyond the monetary metrics and market characteristics, a more multidimensional approach to define poverty is the capabilities approach of Sen (1999) perceives poverty as a lack of capabilities which are defined as “the ability to satisfy certain crucially important functions up to minimally adequate levels” (Sen, 1993, p. 41). In defining BoP, this research follows the notion that “rather than using a specific income level [...], the base of the pyramid [BoP] can be viewed as the low-income socioeconomic segment that lives primarily in the informal sector” (London et al., 2010, p. 583) and lacks basic capabilities needed for their functioning (Sen, 1999).

Specific examples include the case of CleanTech Mozambique, as described by [Caneque and Hart \(2017\)](#), as well as the study of 439 African ventures by [Koh, Karamchandani, and Katz \(2012\)](#), wherein only 13% of those ventures achieved the needed scale. The value co-creation literature highlights that being successful in these challenging settings first requires innovative mechanisms that incorporate a variety of stakeholders, then the ability to integrate these mechanisms into supply chain operations to ensure viable delivery of products and services to these markets ([Calton, Werhane, Hartman, & Bevan, 2013](#)). BoP-relevant business models need help succeeding in these markets, particularly if they cannot develop strong partnerships in host countries to build mutual value ([Dahan, Doh, Oetzel, & Yaziji, 2010](#)). Scholars have advocated for moving beyond a consumption perspective and encompassing additional views such as those of producers, including cross-sectoral collaboration and partnerships with non-business actors ([Calton et al., 2013](#); [Hahn & Gold, 2014](#); [Kumar, Kumra, & Singh, 2022](#); [London, Anupindi, & Sheth, 2010](#); [Tate, Bals, & Marshall, 2019](#)).

These issues highlight how the management of resources plays an essential role in developing BoP-relevant business models, which depend upon collaboration and partnerships with other stakeholders, including cross-sector and non-business actors. From their literature review, [Lashitew, Narayan, Rosca, and Bals \(2022\)](#) concluded that the extant value co-creation literature underlines the necessity of boundary-spanning approaches for successful value creation, emphasizing the essential function of external partnerships in accessing resources outside the firm boundaries and the critical role of nurturing social relationships ([Yunus, Moingeon, & Lehmann-Ortega, 2010](#); [London & Hart, 2011](#); [Tate & Bals, 2018](#)).

The resource orchestration literature offers an opportunity to examine boundary-spanning approaches with a dynamic extension of the resource-based view (RBV) ([Zeng, Tavalaei, & Khan, 2021](#)) that incorporates aspects of where firms stand in their lifecycles and their environmental contingencies, all while incorporating the management of necessary resources ([Miao, Coombs, Qian, & Sirmon, 2017](#); [Morrow, Sirmon, Hitt, & Holcomb, 2007](#); [Sirmon, Hitt, & Ireland, 2007](#)). Furthermore, by working with additional stakeholders to deliver products and services to BoP consumers, small enterprises² employ resource management mechanisms to ensure financial viability and value creation for all parties involved ([Calton et al., 2013](#); [Tracey, Phillips, & Jarvis, 2011](#)). In terms of who could facilitate these processes, the previous literature has outlined the role of social intermediaries who address institutional gaps between formal and informal markets and create mutual value by addressing environmental, social, and economic issues in a local area ([Alvarez & Barney, 2008](#); [Heuer, Khalid, & Seuring, 2020](#)).

The overarching purpose of this manuscript is to elaborate on ROT and develop propositions that suggest a social resource orchestration theory (SROT) to provide an enhanced perspective on resource management. The central research questions of this manuscript are: 1) *How do small enterprises create social value in BoP contexts via social intermediaries?*; and 2) *What resource orchestration capabilities do social intermediaries offer small enterprises in BoP contexts for social value creation?* The goal is to better understand how small enterprises in BoP poverty settings interact with social intermediaries to orchestrate resources to balance economic and social value creation. This research draws on qualitative data collection from two social intermediaries, eleven small enterprises operating in the BoP linked to the two intermediaries, and an analysis of ten inclusive business reports.

Settings of extreme poverty such as the BoP are suitable for the

² There is no universal definition of small enterprise. The definition even varies in different industries within the same country. However, a common defining criterion is the number of employees, and the threshold range in many countries across industries is between 20 and 50 ([Zevallos Vallejos, 2003](#)). Therefore, that is the definition adopted in this research.

elaboration of ROT toward an SROT because current evidence suggests that small enterprises operating in this context face multiple challenges, both internally and externally. Because of these challenges, they need to harness resources existing in the local structures, or they need to leverage expertise – including social intermediaries with competencies and local legitimacy – at the global, regional, and local levels ([Fawcett & Waller, 2015](#); [Heuer et al., 2020](#); [Parmigiani & Rivera-Santos, 2015](#)).

2. Theoretical framework

2.1. Theoretical Background

Originally, ROT was termed resource management (RM), but simply possessing resources does not guarantee the development of competitive advantages or the creation of value. To realize value creation, firms must take action to capitalize on their resource endowments ([Ketchen, Wowak, & Craighead, 2014](#); [Sirmon & Hitt, 2003](#)). ROT argues that “what a firm *does* with its resources is at least as important as *which* resources it possesses” ([Hansen, Perry, & Reese, 2004](#), p. 1280). ROT is focused on how firms transform resources to create value, extending resource management theories like RBV by proposing managerial actions to utilize resources in ways that help firms create a competitive advantage ([Sirmon, Hitt, & Ireland, 2007](#)).

ROT highlights the manager’s role in overseeing and organizing resources ([Sirmon, Hitt, Ireland, & Gilbert, 2011](#)). [Sirmon et al. \(2007\)](#) developed a resource management framework that defined resource management as the comprehensive process of structuring, bundling, and leveraging the firm’s resources to create customer value and competitive advantage. Synchronizing these processes is essential for creating value and developing competitive advantages ([Chadwick, Super, & Kwon, 2015](#); [Sirmon, Gove, & Hitt, 2008](#)).

[Sirmon et al. \(2011\)](#) developed a comprehensive ROT framework that focuses on the three resource orchestration processes and sub-processes developed in resource management theory – structuring, bundling, and leveraging (see [Appendix A](#)). Structuring is the process of developing and managing the resource portfolio, whereas bundling refers to forming capabilities using that resource portfolio, and leveraging focuses on applying capabilities for value creation ([Sirmon et al., 2007](#); [Sirmon et al., 2011](#)). By looking at which factors influence how firms orchestrate their resources, ROT adds breadth, the firm’s lifecycle, and environmental contingencies to complement the picture of resource management with a dynamic perspective ([Carnes, Chirico, Hitt, Huh, & Pisano, 2017](#); [Ketchen et al., 2014](#); [Sirmon et al., 2007](#); [Sirmon et al., 2011](#)).

ROT has been used to investigate how resources can be managed to result in better performance ([Ketchen et al., 2014](#)). For example, [Carnes et al. \(2017\)](#) suggested that growth and maturity stage firms use different bundling and structuring actions to achieve innovation. In addition, [Davis-Sramek, Germain, and Krotov \(2015\)](#) studied knowledge resources and indicated that process R&D intensity improves firm performance by increasing internal knowledge application and reducing the process variance in supply chain operations.

In addition to studying the role of resource orchestration, ROT researchers also explore specific mechanisms used to orchestrate resources. [Zeng et al. \(2021\)](#) identified three mechanisms within sharing economy platform companies’ processes of orchestrating external resources for value creation, namely, constructing on-demand resource adaptation, building data-driven network effects, and enabling ecosystem resource coordination. [Cui and Pan \(2015\)](#) presented a three-stage process model for e-commerce adoption by uncovering resource management actions used in various stages, including acquiring and deploying, enriching and integrating, and converting and coordinating.

Regarding ROT’s application in emerging markets, [Cui, Pan, and Cui \(2019\)](#) extended the theory beyond a single-firm context to a community context, investigating how to develop a community capability for e-commerce development in rural villages. The authors showed that

community capability is created through the resource interactions of lead users and other stakeholders, including rural community members and the local government (Cui et al., 2019). Temouri, Shen, Pereira, and Xie (2022) surveyed SMEs in an emerging market and indicated that SMEs are driven to pursue exploratory growth strategies because of their high environmental uncertainty. They also found that SMEs rely primarily on intangible resources, such as human capital and social capital, to support growth.

The literature review shows that ROT is an invaluable tool for understanding how to manage resources or address process questions (Davis-Sramek et al., 2015). Examining a phenomenon through the lens of ROT can yield a theoretically rich understanding of resource management. ROT can also be used to investigate the value creation process beyond the focal firm's boundaries (Cui et al., 2019). Therefore, it fits as a theoretical lens for BoP markets, where companies should leverage the resources of stakeholders in the operating environment (Calton et al., 2013).

2.2. Resources, capabilities, and orchestration in BoP markets

BoP businesses aim to combine profit and social value creation (Kolk, Rivera-Santos, & Rufin, 2014). If these businesses focus on profits at the expense of social outcomes, they can significantly impact the normative grounding and results (both direct and indirect) for local BoP communities (Osorio-Vega, 2019). Therefore, value creation in BoP contexts requires capabilities and stakeholders that can manage a wide range of social issues while generating internal revenue to break even.

These capabilities can be developed within firms through deep reflection and learning to anticipate any indirect and undesired effects arising from local business operations (Lashitew, Bals, & van Tulder, 2020). Alternatively, firms can strengthen the capabilities they need to manage sustainability and ethics in BoP markets by leveraging partnerships with non-business actors who have a strong social orientation (Kistruck, Beamish, Qureshi, & Sutter, 2013). Sinkovics, Sinkovics, and Yamin (2014) identified employee identification and training, as well as networking, as the critical capabilities to compensate for lacking know-how or market acceptance in such a context.

Previous literature has emphasized the role of social intermediaries as actors who could facilitate these processes (Alvarez & Barney, 2008; Heuer et al., 2020). In the area of sustainability, intermediaries facilitate the adoption and diffusion of sustainability initiatives through various mechanisms such as knowledge sharing and dissemination (Caldwell & Karri, 2005; Heuer et al., 2020; Rosca, Tate, Bals, Huang, & Ciulli, 2022). In the social business context, the role of intermediaries has been noted as "instrumental for providing certain information to the focal business" (Bals & Tate, 2018, p. 73) and for advocating the needs of more vulnerable stakeholders (Varga & Rosca, 2019).

The use of resources in achieving value creation, specifically as it relates to the BoP context, has started to receive attention. For example, Zeng, Glaister, and Darwish (2019) focused on the resource of external knowledge, exploring how managers of multinational companies' subsidiaries in emerging economies assimilate and adapt local knowledge, highlighting interactions with the external context. De Silva, Khan, Vorley, and Zeng (2020) identified social opportunities in BoP, highlighting how social enterprises worked with strategic partners to commercialize these opportunities across different institutional contexts for value co-creation by, as an example, selling goods produced in BoP contexts to consumers in the top of the pyramid (ToP) markets.

Looking at the extant body of knowledge on value co-creation, the BoP literature built on previous research that defined co-creation as interaction, which integrates various partners' expertise and capabilities, but places additional emphasis on iterative processes (Nahi, 2016). The BoP literature suggests a twofold link between co-creation and interaction: first, co-creation includes interaction (e.g., Simanis et al., 2008; Arora & Romijn, 2012); then, interaction builds personal relationships, holding together co-creative partnerships that employ

informal governance mechanisms, especially at the BoP (Calton et al., 2013; Hahn & Gold, 2014; Rivera-Santos & Rufin, 2010b; Sánchez & Ricart, 2010).

In her review of the literature, Nahi (2016) classified extant research according to two axes: "width of co-creation" (who is involved) and "depth of co-creation" (the scope of the involvement of partners). Considering the emphasis on interaction and relationship as essential characteristics of value co-creation, this research seeks to shed light on the role of social intermediaries as a particularly interesting and valuable subgroup of "other business partners" (Nahi, 2016), who interact with small enterprises in BoP contexts to help them integrate their knowledge and capabilities.

The networks of stakeholders for businesses operating in BoP contexts are vast and open, and the resource orchestration process involves a community of diverse stakeholders that can drive social value generation in BoP markets (Rivera-Santos & Rufin, 2010a). Research into institutional entrepreneurship and systemic change underlines how important social resources are for galvanizing collective action to successfully orchestrate and legitimize social change. Moreover, collaborative approaches can mobilize a broad spectrum of resources, coordinate action among diverse actors, and enable systemic change that overcomes institutional and market barriers (Le Ber & Branzei 2010; Stephan, Patterson, Kelly, & Mair, 2016). Therefore, ROT provides an appropriate lens to explore how BoP enterprises manage resources to create value while handling interactions with diverse stakeholders (Zeng et al., 2021).

3. Methodological approach

3.1. Research design and sampling strategy

This research uses a theory elaboration approach. It builds on and elaborates ROT with empirical data from interviews and text analysis. The theory elaboration, based on abductive reasoning, emphasizes the interplay between empirical data and the theory (Dubois & Gibbert, 2010). The data itself helps to illustrate and elaborate the theory (Ketokivi & Choi, 2014). There were multiple stages of sampling and data collection for this research. First, a list of social intermediaries supporting small enterprises operating in resource-constrained BoP settings was developed. The social intermediaries on this list have close contacts with small enterprises operating in BoP markets; therefore, they leveraged their links and relationships with multiple small enterprises, as well as their experience and knowledge. Social intermediaries provide numerous services for small enterprises operating in BoP markets and have repositories of valuable knowledge regarding the needs, barriers, and activities of such small enterprises. Fig. 1 outlines the theory elaboration process used for this research.

The initial list was developed using extensive desk research and looking at relevant supporting organizations (e.g., Ashden Awards and Global Innovation Funds). Ultimately, two social intermediaries (BoP Emerging Market Initiative, termed social intermediary I; Yunus Social Business Funds gGmbH, termed social intermediary II) and eleven small enterprises associated with the two social intermediaries were chosen for more in-depth study. Appendix B contains additional information on the two social intermediaries.

The Emerging Market Initiative (EMI) and Yunus Social Business (YSB) were selected because they focus on connecting different stakeholders in the BoP landscape, bringing them together for several activities. The location of the intermediary and the enterprises for EMI is Colombia, a key country in South America for BoP market development efforts. The second intermediary, YSB (headquartered in Germany), was selected because it has a long history of supporting social businesses, particularly in Bangladesh and Haiti. It acts as a mediator connecting social business with many other actors in the ecosystem, as well as providing initial funding. The two social intermediaries offer support services for social enterprises, but one focuses on short to medium-term

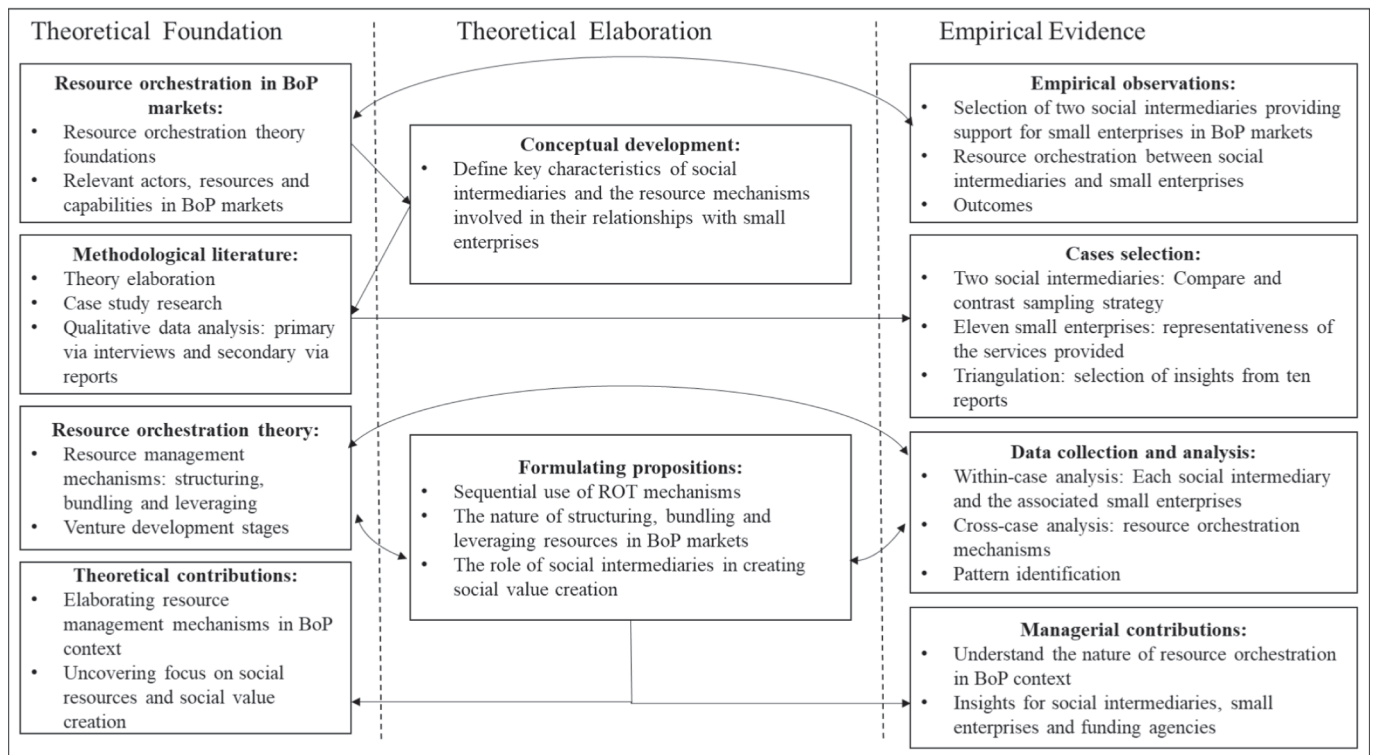


Fig. 1. The theory elaboration approach (adapted from DuHadway, Mena, and Elram, 2022).

services, while the other focuses on medium to long-term services. In addition, several small enterprises were selected in collaboration with each social intermediary to illustrate the relationships and types of firms the social intermediaries usually support.

3.2. Data collection and analysis

Interviews and field visits were conducted with social intermediaries I and II and the eleven small enterprises for in-depth analysis. An overview of the data collection and small enterprises associated with each of the two social intermediaries can be found in Table 1.

All coding was performed with the qualitative data analysis software ATLAS v.8. Two independent researchers coded the transcribed interviews to enhance the validity and reliability of the findings (Gibbert, Ruigrok, & Wicki, 2008; Yin, 2017).

The data analysis strategy for this research followed an iterative dialogue between theory and data (Ragin, 1994). First, a within-case analysis was conducted by evaluating each social intermediary and small enterprise given a set of characteristics. The characteristics of the social intermediary were capabilities, services, and beneficiaries; for small enterprises, they were service/product, resources, capabilities, needs and barriers at different lifecycle stages, and relevant partners. During this step, we analyzed the data from each small enterprise and identified all instances of external partnerships, the lifecycle stage, purposes of the partnership, and (expected) outcomes. These emerging pieces helped us identify the relevant resource management mechanisms adopted in each case by the small enterprises with the social intermediaries at different lifecycle stages. This was followed by a cross-case analysis to identify emerging patterns related to the resource management mechanisms employed, capabilities of the social intermediaries, barriers and enablers faced by the small enterprises, and environmental contingencies (Miles & Huberman, 1994). To better understand resource orchestration mechanisms, the analytical constructs from ROT served as ex-ante nodes (see Appendix A), such as “coordinating” (integrating mobilized capabilities in an effective yet efficient

manner to create capability configurations) when analyzing how the small enterprises leverage resources in their business model.

In addition to these ex-ante nodes, nodes for the respective parties were also realized (social intermediaries versus small enterprises). These were later used to analyze whether and how the social intermediaries were involved with these mechanisms. Open coding was then applied to inductively identify social intermediary capabilities exhibited during these mechanisms to capture the specific capabilities that were structured, bundled, and leveraged via the social intermediaries (Gioia, 2019; Gioia, Corley, & Hamilton, 2013). Fig. 2 illustrates how the social intermediary capabilities were extracted from the data. From there, six second-order themes, such as “avoid mission drift” and “push social and environmental goals on top of the agenda,” were aggregated into four capabilities, such as “ethical stewardship.”

To account for potential biases in the expert interviews and field visits, the data was expanded through a systematic analysis of relevant reports published by the social intermediaries in the initial list. The selection of reports was guided by a publication database regularly updated by the Inclusive Business Action Network (Inclusive Business Action Network [IBAN], 2019), which is a global initiative supporting the scaling and replication of inclusive business models and includes more than 2000 reports published in the last decade. The selection criteria included a focus on a specific stakeholder group, such as last mile distributors, multinational enterprises (MNEs), NGOs, and consulting organizations, or a focus on BoP-related phenomena, such as the role of technology and door-to-door distribution (see Appendix D for a detailed overview of the reports). The analysis of reports complemented the perspective of small enterprises with several cases of MNEs.

Text analysis of the reports was conducted via QDA Miner (Provalis Research). Two trained researchers jointly coded the reports, discussing all disagreements discussed until a consensus was reached. The findings from the text analysis were compared and contrasted with the results emerging from the primary data collected. The findings from the secondary data were discussed among the research team multiple times to incorporate various perspectives and enhance reliability.

Table 1
Overview of small enterprises associated with the two social intermediaries.

Social Intermediary	Small Enterprise Acronyms	Product/Service	Location
Social intermediary I (EMI)	BACRIB	A social business which makes baby cribs in corrugated cardboard and donate them to a vulnerable population. They also educate mothers.	Bogota, Colombia
	RECHA	A social business that has developed a portable and modular chair that allows parents to stimulate their children in three moments: feeding, resting and exercising. It is used for the rehabilitation of children with cerebral palsy.	Bogota, Colombia
	KNBOOT	A social business that produces and sells knitted boots whilst making a social impact by recycling materials and helping vulnerable women get a job by knitting the boots.	Bogota, Colombia
		PLAT	A marketplace/platform where they try to put small retailers in rural areas. The goal is to offer products and services that are not easy to find in those areas through the internet and with a platform.
	REAPP	A for-profit start-up providing an app-based recycling service and linking various stakeholders in an innovative ecosystem.	Bogota, Colombia
	SPOBI	A social business employing sports and bikes as a concept to empower women and young girls from vulnerable communities.	Bogota, Colombia
	WASAV	A for-profit start-up providing a device that saves water usage once installed.	Bogota, Colombia
Social intermediary II (YSB)	EPRO	A social business avoiding deforestation and improving health and education by providing clean energy (solar lamps, cooking stoves)	Haiti
	CLEAPRO	A social business reducing waste (packaging) for and access to cleaning products	Haiti
	CHIFA	A social business running a chicken farm (avoiding chemicals, producing organic fertilizer) that provides funding for a local school	Haiti
	COSMO	A social business employing disadvantaged women, producing sustainable vegetable cosmetics for export	Haiti

The multi-stage research design ensured validity and reliability and helped make the findings more robust. For additional tactics used to ensure the reliability and validity of this research, please see [Appendix C](#). Overall, using multiple sources of qualitative data enabled a more nuanced understanding of processes, mechanisms, motivations, and outcomes related to resource orchestration activities in which the social intermediaries and the social businesses engage. This approach is suitable for theory elaboration in a novel and less understood empirical context such as BoP.

4. Empirical results

First, the within-case results are discussed. The discussion of these results is followed by a cross-case comparison that aims to synthesize the main findings into propositions.

4.1. Within-case results

4.1.1. Social intermediary I – Emerging market Initiative (EMI)

The EMI BoP Challenge program was set up in 2014 as a special program to drive social impact in the urban slums of Bogota through the provision of specialized consulting services to focal firms targeting BoP markets. The program has advised more than 45 firms since its inception with the support of an extensive network of partners ([Fig. 3](#)).

EMI provides its services for free since many of these firms are vulnerable and need more resources. The program aims to support the firms to achieve economic and social viability while serving BoP consumers. More specifically, the firms receive in-depth consultancy from a team of faculty and students, both local and international, regarding changes to the value chain and revenue model, which are necessary for becoming economically viable while also creating a social impact in BoP communities. Specific challenges the focal firms face regarding social and economic viability include high distribution costs to reach remote BoP consumers, high production costs, balancing customized solutions with standardization, and acquiring legitimacy to operate in the local BoP markets.

Knowledge institutions provide a safe environment for creating partnerships and provide a platform for companies to connect by showcasing opportunities in social entrepreneurship. Seven small enterprises were investigated in relation to social intermediary I. Each firm

also receives in-depth consulting advice as part of the program managed by EMI. Each consulting report is based on a diagnostic performed in advance for each firm to map the current situation and its main challenges, various rounds of meetings and interviews with the firm founders and employees, and final report presentations and discussions attended by the entire program team. The assessment and improvement proposal follows themes of innovation, costs (overhead), production and capacity, associativity (memberships in associations, networks), and marketing. The program combines local and international expertise via its participants, bringing together multiple stakeholders to push the social impact agenda in Colombia by supporting small enterprises.

4.1.2. Social intermediary II – Yunus social business

YSB acts as a social investor and provides capital, support, and training activities for small enterprises. They have a tiered structure, with the overall headquarters in Germany and local subsidiaries in the countries where they support social businesses. This local presence is valued highly: “YSB is proud of having the local incubators, not being a central incubator. There are not copy and paste solutions [...] there is adaptation to the market” (YSB Haiti country manager).

Headquarters mainly focuses on gaining funds for its social impact investment, recruiting, and managing and disseminating knowledge across its network. Beyond providing funding, they contribute non-financial support by providing a mentor network, strategic consulting (on HR, marketing, and digitalization), organizing CEO forums (to connect social business entrepreneurs from around the world to share best practices and learnings), and offering best practices on impact measurement and management.

The respective country managers make sure to offer local training and support. The training and support activities can be internally oriented (developing a business model, scaling strategies, how to measure performance/impact), linked to the specific entrepreneurs (coaching programs, expert services), or externally oriented with a focus on social impact creation, measurement, and long-term monitoring. Like other social investors, they are also actively engaged in the replication of tested business models.

The country managers are not only intermediating and linking partners; they also do the “preparation work” for these partnerships to be effective. They align expectations, manage conflicts, mediate partnerships, and align the capabilities necessary to seamlessly integrate

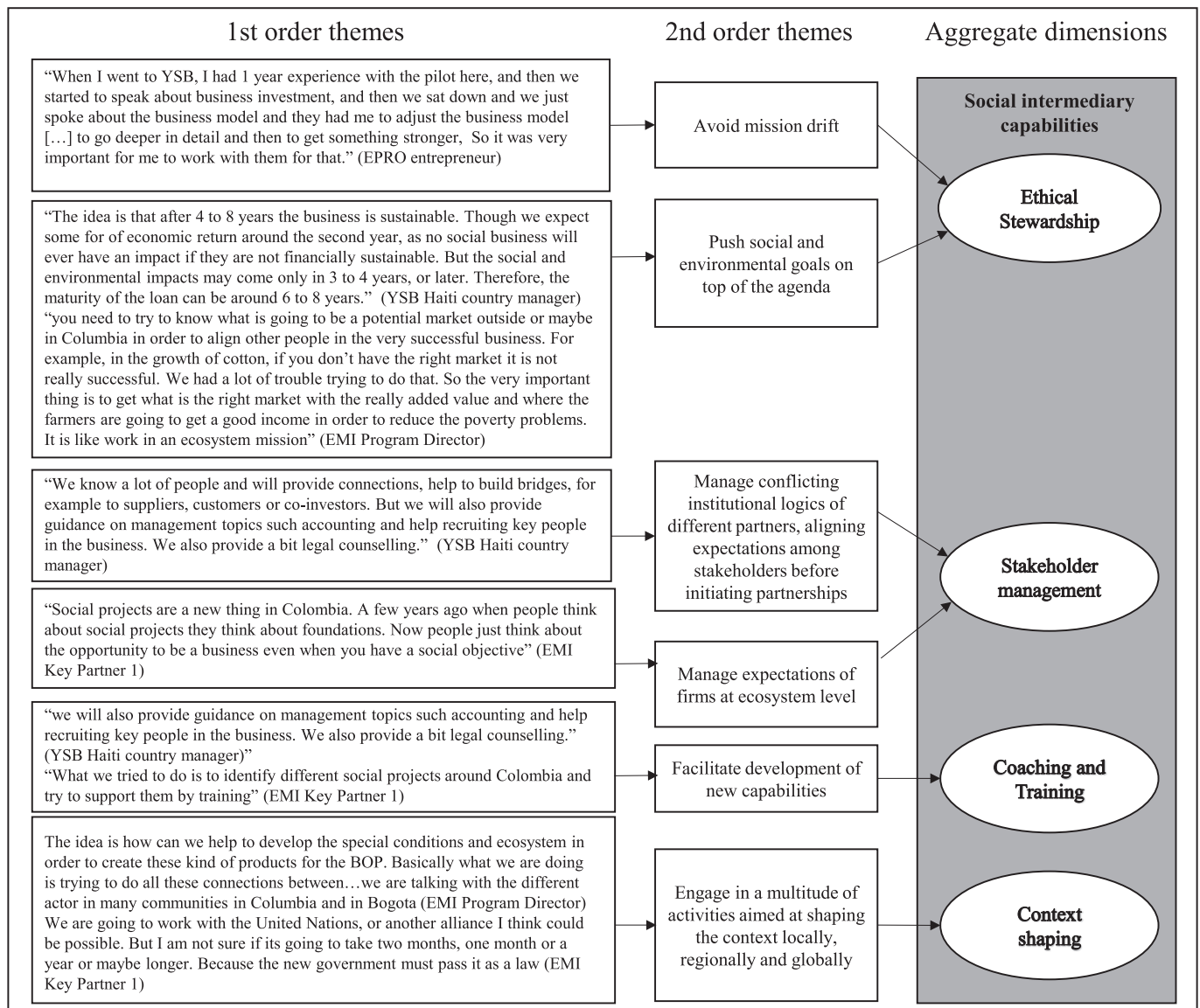


Fig. 2. Exemplary aggregation for the social intermediary capabilities (adapted from Corley and Gioia, 2004; Rovanto and Finne, 2023).

economic, social, and environmental goals. They also try to facilitate network building amongst the social businesses and their local stakeholder network by organizing dedicated events and making introductions. Since the BoP context entails a wide variety of stakeholders with differing motivations and expectations, this role of social intermediaries is highly appreciated by the social enterprises. Four small enterprises were investigated related to social intermediary II. All of them are based in Haiti, with assorted products and business models. They all were funded by YSB and received business plan counseling and networking opportunities via YSB overall as well as the country network. Fig. 4 shows the stakeholder network from EPRO’s perspective, illustrating the typical breadth of a stakeholder network and YSB’s position in it.

4.2. Cross-case results

4.2.1. Cross-case findings on resource orchestration mechanisms

The cross-case findings are summarized in Table 2. These findings are discussed in the following subsections.

4.2.1.1. Structuring resources for social value creation. In terms of

structuring, social intermediaries can help small enterprises to acquire new resources (finance from partners, human capital, specialized knowledge) and accumulate new capabilities aligned with their mission/innovation. As the founder of a small enterprise part of the BoP EMI program recalls, for example: “We participated in a lot of competitions, so we won in [the] university [competition] a small [amount of] capital, and then with a development bank as well, we have been selected..., and they helped us for one year with [the] business model, the website design, the communication, trading, etc.” (Founder and Director, BACRIB). Similarly, more evidence emerged from the text analysis: “[A] platform like GAIN Nordic is great to develop ideas for joint initiatives. You can just incubate different ideas out of the platform with the most suitable partners” (NGO DanChurchAid, from Endeava, 2019).

Structuring capabilities by creating and disseminating knowledge, as well as by training and support provided by social intermediaries, can be beneficial for small enterprises, particularly during the initial stages of a firm’s lifecycle when the idea requires significant work and business model development support. As an interviewee from CHIFA shared: “[YSB has] technical assistance in terms of allowing us to sit down and discuss different aspects of the business, and they provide tools, and I personally think that the tools provided by YSB are very good tools, for

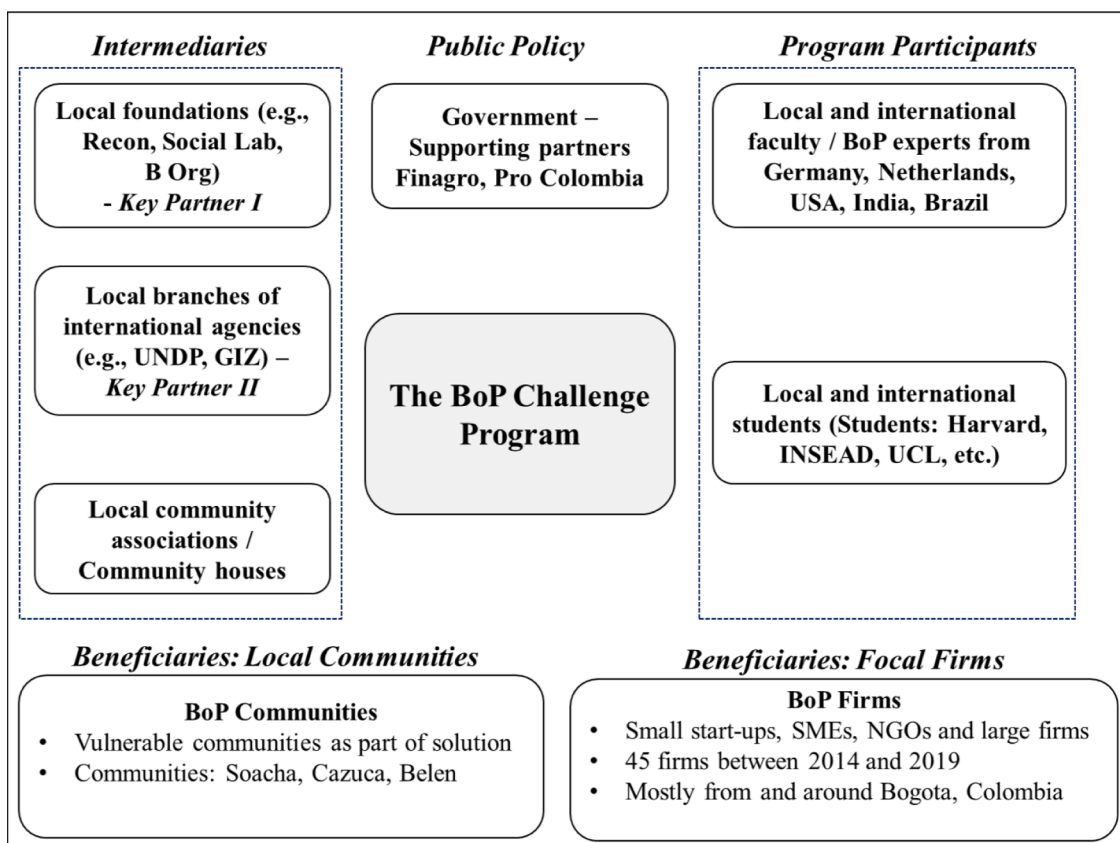


Fig. 3. The EMI BoP Challenge Program – An overview of key stakeholders from the social intermediary perspective.

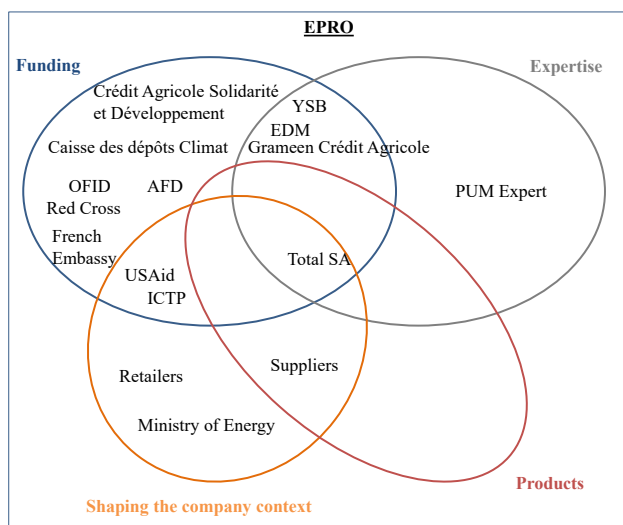


Fig. 4. An overview of key stakeholders (incl. YSB) from the small enterprise perspective, source: EPRO.

budgeting, for reporting, for doing business management, and also personally, I think they have a wonderful staff. People who know what they are doing and people who like what they are doing also, and that is very important. They provide a lot of technical assistance, funding, [...] listen and they facilitate a meeting with other social businesses and also answering questions.”.

Social intermediaries can also play a significant role when firms need to scale up to achieve economic viability in the later stages. Social intermediaries can enable small enterprises to structure their capabilities through specialized mentorship support. A last mile distributor

participated in the accelerator program of the Miller Center for Social Entrepreneurship and benefited from the 12-module course, saying that “What I am finding most valuable about the LMD [last mile distributor] Playbook course is the hands-on mentorship; it’s unlike other training courses out there and has really enabled us to improve our core structure, which we had not changed since we ran our initial pilot. As a result, we are now much better placed to scale” (Farm on Wheels, from Global Distributors Collective, 2019).

Often, social intermediaries partner with each other to help small enterprises obtain needed resources from various sources. For instance, in 2017, EMI partnered with a major local foundation with broad access to small enterprises in BoP markets across Colombia. Through coordinated joint efforts, the small enterprises benefiting from both EMI and the local foundation were able to acquire resources from different stakeholders. An example in Ethiopia is DanChurchAid, which facilitated links to the local civil society organizations that helped mobilize communities and provide technical assistance to dairy farmers. DanChurchAid also forged links with a local milk processor interested in sourcing from smallholder farmers (Endeva, 2019). As such, the following is proposed:

Proposition 1. Resource structuring mechanisms drive social value creation, where small enterprises acquire resources (e.g., technical know-how, financing) from social intermediaries and via the extended network of social intermediaries in the early lifecycle stages for creating a business case and in the later stages for enabling scaling.

4.2.1.2. Bundling resources for social value creation. Small enterprises can enrich their capabilities by accessing resources in social intermediaries’ extended networks, which entails actively engaging in coordination and mobilization activities, brokering between the multiple stakeholders and small enterprises involved. This can be in the form of training and coaching, moderation and mediation, addressing

Table 2
Main cross-case findings along the resource orchestration mechanisms.

	EMI	YSB
Social resource orchestration	The resource structuring, bundling, and leveraging processes that include the acquisition of external resources, integration of internal and external resources, and application of resources for social value creation.	
Structuring – acquiring resources from social intermediaries and via the extended network of social intermediaries	<p>Social Intermediary Practices: mediating the development of new partnerships, provision of technical know-how and expertise in different areas (business management, impact creation), or financing. “First, we identify the companies: they had to have proof of market and they need to be on the market and have sales.”</p> <p>(EMI Program Director) “We have around five or four criteria like impact, participation, innovation, social impact, and creativity. We give a grade from 1 to 5 on these topics and when we totalize the numbers, we try to see which project is first and which is last.”</p> <p>(EMI Key Partner 1)</p> <p>Small Enterprise Practices:</p> <p>Acquiring new resources from the social intermediaries or their extended network.</p> <p>Insight 1:</p> <p>Small Enterprises gain access to new resources via the social intermediaries.</p>	<p>Social Intermediary Practices: collecting and assessing business plans for both new products and services as well as replication of prior social business models (catering to a different local community); networking with investors, NGOs, and governmental agencies; actively scout models for potential replication within their portfolio of social businesses. “We receive around 100 business plans each year [then] look at a number of things for selection: The entrepreneur, the social model and the impact.”</p> <p>(YSB Haiti country manager)</p>
Bundling – integrating acquired resources to enrich or develop capabilities for economic and social activities	<p>Social Intermediary Practices: formalization of an informal business, creation of new products and services, new value propositions, revising impact tactics. “And what we do is we are trying to exploit the assets that are not used in a community. Also, knowledge that is not used in the community. And we ask the people to bring the assets and the knowledge together and we add microfinance. With these three services, we help entrepreneurs scale their businesses.”</p> <p>(EMI Key Partner 2)</p> <p>Small Enterprise Outcomes:</p> <p>Transitioning from informal to formal business, scaling the business, and creating more/different impact for BoP.</p> <p>Insight 2: Small Enterprises are helped with bundling resources into new capabilities (e.g., for formalization, new products, etc.) via the social intermediaries.</p> <p>Small Enterprise Practices: gaining informal knowledge and embeddedness of local stakeholders, access to new markets and new customer groups, stakeholder management and collaboration. “It is a new service that we offer where with the help of volunteers we go to schools and organizations to give them 5 talks to educate them about the environment. The problem is that we need to make people become more conscious and change their mentality. So, teaching people about the importance of taking care of the environment and by doing so being able to attract them to become our clients.”</p> <p>(Co-founder, WASAV) “Every three months we are organizing talks and workshops with the parents or caretakers. We are aware that these are girls that are not always living with their parents but sometimes with their aunts or grandparents. We are trying to create awareness about the program among the parents and caretakers, and that is why we give these workshops now and then. In giving these workshops we are assisted by the community leader as she has a direct connection with the community and she knows how to approach them to ensure their attendance.”</p> <p>(Founder, SPOBI)</p> <p>Drivers of Social Value: Understanding of the local context and the problem, local embeddedness (a necessary condition for social value), consumer loyalty and ties with BoP consumers, financial viability (a necessary condition for social value), and legitimacy in BoP markets (a necessary condition of social value)</p> <p>Insight 3:</p> <p>Small Enterprises employ the new capabilities to create social value, with the social intermediaries exerting less pronounced influence.</p>	<p>Social Intermediary Practices: offering initial funding; providing access to training (e.g., on business plan development) and network (e.g., suppliers, customers, additional sources of funding); impact investors’ funding channeled via intermediary headquarter, training, and stakeholder connections via country office and extended network of the social intermediary. “We know a lot of people and will provide connections, help to build bridges, for example to suppliers, customers, or co-investors. But we will also provide guidance on management topics such as accounting and help recruit key people in the business. We also provide a bit of legal counseling.”</p> <p>(YSB Haiti country manager)</p> <p>Small Enterprise Practices: receiving coaching for successful market entry/scaling and impact measurement. “[Social impact for us is] that people feel part of something. They feel part of what’s going on. The community knows that the business belongs to them, and [...] the goal is to do what there is to do, which is helping them with providing full education for their kids.”</p> <p>(CHIFA consultant)</p>
Leveraging – employing enriched or developed capabilities to create social value		

potential conflicts/tensions, and facilitating solutions.

These orchestration mechanisms can be essential during the scaling phases of a firm’s lifecycle, where social intermediaries can enable small enterprises to develop necessary capabilities. For example, Dev Solaire, a company selling solar home systems in Congo, has learned the importance of after-sales service from the trainings and workshops organized by social intermediaries with impressive results from improved after-sales, explaining that “I appointed a really talented after-sales service manager and have been making customers fill in a maintenance sales card. We have really kept our word on the one-year guarantee

and replaced the product in case of a defect, which has allowed for a great word-of-mouth promotion. From only selling 300 lamps per month, we have reached around 2,000 lamps and the sales keep increasing every month” (from Global Distributors Collective, 2019). Take also the example of Zonful Energy in Zimbabwe, which reduces default risks by setting aside a percentage of the money collected from customers for community projects, meaning that “If you don’t pay, your neighbors lose too.” This has helped the company reach an almost 100 percent repayment rate (Global Distributors Collective, 2019).

Social intermediaries directly linked to various organizations enable

small enterprises to bundle resources by enriching and pioneering their capability base for the specific poverty context and the associated social value creation. For example, “[B]y working together to develop a great quality and affordable product, BoPInc helped us to achieve our goal of combating malnutrition among the BoP population.” (Shalem Investments, from BoPInc, 2018). By having a great awareness of locally available resources and assets, gatekeepers such as local NGOs can help small enterprises identify local resources that can be used, as the founder of EPRO shared: “USAid organized joint workshops for different stakeholders of the value chain and now everybody knows everybody in that area.”

Small enterprises can bundle the external resources of social intermediaries to develop critical capabilities for managing social value creation in BoP markets throughout their lifecycle stages. First, in the early stages of enterprise development, small enterprises need to develop viable business models while incorporating the needs of vulnerable BoP actors and actively engaging them in the operations. Some social intermediaries, in this case, a consulting firm on BoP issues, announce the following as their goal: “We support start-ups, SMEs [small and medium-sized enterprises], and multinationals in creating commercially and socially viable business models, that include the people in the BoP as consumers, producers and entrepreneurs” (BoPInc, from BoPInc, 2018).

By leveraging the resources, expertise, and extended network of social intermediaries, small enterprises can develop affordable products and significantly impact BoP markets. From the perspective of the small enterprise: “[Social intermediary] had a competition where a total of 800 companies were divided into six categories. We were the winners in the category of social impact. Winning the competition resulted in a lot of benefits like participating in this program, receiving a financial incentive, and contacts with the town council. So, in every fair organized by the town council, [we] would be allocated a stand so they can also participate in the fair” (manager, RECHA).

Additionally, social intermediaries can enable small enterprises to develop a deeper understanding of incentive structures and the needs of the BoP community. This mechanism also applies to larger companies, as shown by the analysis of reports. For example, Danone, while working with the local NGO World Vision in Brazil, recognized that women also benefit from their business model. Thus, Danone actively developed specific benefits to address the needs and motivations of women who were part of their door-to-door distribution model (Danone-World Vision, from Practical Impact Alliance, 2016).

Incorporating social intermediaries in the decision-making process can be valuable for advocating the needs of the BoP communities, as shown by some cases from the analyzed reports. For instance, “Unilever has been working with BoPInc since 2015 and I am proud that I found this ‘diamond’. They are one of the most efficient partners I have worked with. Their first focus is on improving the lives of people living at the BoP, they are doing this through true understanding unlocking the potential of cross-sector collaboration. Their success brokering different partnerships comes from true technical expertise in social business modeling, their strong and innovative facilitation capabilities and all of this done by purpose-driven people” (Unilever, from BoPInc, 2018).

Both aspects are very important, especially during the later lifecycle stages after which the enterprise has reached scale, to ensure that the risk of emphasizing economic goals over social welfare is monitored and reduced. EMI’s BoP program, for example, enables small enterprises and other program participants to develop empathy for BoP actors by arranging meetings with local small enterprises, suppliers, workers, and distributors in community houses, or directly in the urban slums where small enterprises are operating. Furthermore, the program aims to allow the employees of small enterprises to develop empathy and understanding of local problems by creating direct connections between these employees and the BoP beneficiaries and sharing stories. This can then serve as a guiding ethical principle for making decisions in critical situations. Therefore, the following is proposed:

Proposition 2. *Resource bundling mechanisms drive social value creation,*

where small enterprises integrate acquired resources to enrich or develop capabilities for economic (e.g., new product development) and social activities (e.g., a better understanding of BoP communities) to balance scaling and social value emphasis in the later lifecycle stages.

4.2.1.3. Leveraging resources for social value creation. Considering the resource management mechanisms from the perspective of small enterprises as described above, these small enterprises strongly leverage the resources of local gatekeepers, thereby accessing resources in those extended local networks. Leveraging strategies are relevant in firms’ early lifecycle stages, while they are establishing their business models. They relate mainly to small enterprises aiming to tap local BoP markets and their need to leverage local knowledge and competencies for distribution, promotion, marketing, and awareness creation. Small enterprises create most of the actual social value during this leveraging stage.

Mobilizing local knowledge is essential for delivering value in various communities. Frequently, the local facilitator on the ground is an NGO with sufficient legitimacy in the community. As highlighted in one of the reports, “[I]t is key what community members think of us as an organization. If they have respect for us because we positively contribute to the community, this determines the perception they have of the company. And this makes a big difference. For example, the farmers clearly see the difference between Symrise and other buyers” (Symrise, from Endeava, 2019). Finding the right local facilitator is often challenging, so having social intermediaries help make the link is invaluable.

A second important mechanism for leveraging resource management involves deploying locally existing social systems for distribution and marketing. This mechanism is especially relevant during the second stage of the enterprise lifecycle when the firm aims to develop a viable value chain with minimum expenditures as well as a local understanding of BoP consumers. Using locally established small enterprises, for example, is a common practice for both small enterprises as well as larger companies. Furthermore, local social intermediaries can enable firms in their early stages to initiate business models by linking them with the right partners. For example, Novos Horizontes, a private company in Mozambique dedicated to chicken production and processing, needed help scaling; with the help of BoPInc, the company has built closer ties with resellers (middlemen) who have an enormous reach in distribution to BoP markets. This collaboration led to increased market shares as a result (BoPInc, from BoPInc, 2018).

Using locally embedded door-to-door systems is common for raising awareness and marketing in BoP settings. In other words, “We are looking to partner with some water kiosks in Haiti to try to distribute through their network [...] we don’t want to work with the government water system” (CLEAPRO, CFO).

Leveraging already existing resources, such as health workers, is a good practice in many communities: “SPRING and Sehat Kahani designed a hub-and-spoke model that relieved patients from having to directly access health clinics with at-home female doctors accessed digitally through a network of on-the-ground community health workers” (SPRING, from Spring, 2019). Identifying participants to be part of the model and managing conflicting interests in this collaboration is crucial for the social intermediaries. To use Danone as an example once again, the firm experienced difficulties recruiting and retaining local women in a door-to-door delivery channel while trying to establish its BoP operations in Brazil. In response, they used the expertise and legitimacy of a local NGO, World Vision, which has been instrumental in leveraging “the robust local community trust network to identify and evaluate potential candidates” (Danone-World Vision, from Practical Impact Alliance, 2016).

In addition to individuals or local communities, small enterprises leverage the whole ecosystem in value creation. Drinkwell is a market-leading water technology company operating in India and Bangladesh. It has a breakthrough water filtration technology with the potential to solve an urgent public health crisis, but its business model was a limiting

factor. Rather than focusing solely on individual distributors, SPRING helped Drinkwell design a new business-to-business model that leveraged the existing water delivery infrastructure and ecosystem and enabled the company to work with the government's water utility services, which were already servicing a significant population of local consumers (SPRING, from Spring, 2019).

These leverage mechanisms are also visible in other BoP contexts, such as Colombia. To enter BoP markets in urban slums or remote locations, for example, SPOBI has employed a locally respected woman who serves as an ambassador for the firm and provides a link with the families of young girls who are the target beneficiaries in the local community. Similarly, BACRIB, together with government officials, organized campaigns and workshops for rural communities to help with their distribution of the baby box, always visiting target communities with employees from the Ministry of Health. In both cases, social intermediaries were essential in identifying these local actors. Therefore, the following is proposed:

Proposition 3. *Resource leveraging mechanisms drive social value creation, where small enterprises employ the enriched or developed capabilities to acquire local embeddedness and legitimacy in BoP markets, access local systems for distribution and marketing purposes, and develop products/services aligned with local needs in the early and middle lifecycle stages.*

4.2.2. Cross-case findings on capabilities

The main capabilities regarding social intermediaries are stakeholder management, coaching and training, and context shaping guided by ethical stewardship capabilities. The activities of social intermediaries are strongly influenced by their ethical stewardship capabilities in this ecosystem. For example, they frequently place social and environmental goals at the top of the agenda in their collaborations. This highlights how intermediaries with a strong normative orientation can foster a demanding and expansive human rights interpretation (Wettstein, 2012). Moreover, they facilitate the management of typical issues social businesses struggle with, namely divergent goals, values, norms, and identities (Smith, Gonin, & Besharov, 2013).

Social intermediaries display three other significant capabilities. First, regarding stakeholder management, social intermediaries mediate and moderate partnerships by managing the conflicting institutional logics of different partners, aligning expectations among stakeholders before initiating partnerships (early-stage small enterprises need counseling and funding, impact investors look for potential small enterprises with growth already) and manage the expectations of firms at an ecosystem level beyond merely linking small enterprises with relevant stakeholders. Second, social intermediaries organize trainings or workshops to disseminate knowledge (e.g., business models and business operations) and provide coaching services to small enterprises. Third, social intermediaries engage in a multitude of activities aimed at shaping the context locally, regionally, and globally. In this context, the following is proposed:

Proposition 4. *The ethical stewardship capabilities of the social intermediaries serve as a key enabler of social value creation by small enterprises, guiding stakeholder management, coaching and training as well as context shaping.*

4.2.3. Cross-case findings on internal barriers and needs of small enterprises at different stages of lifecycle development

The needs and barriers faced by small enterprises differ depending on their stage of development (Table 3). In their early stages, small enterprises start with a social problem/technology and need help designing a viable business model. At this stage, they need guidance on developing an economically viable business model and revenue stream, as well as on who will pay for their products/services.

More established small enterprises with an incoming revenue stream need to fill in the capital gap – they need capital to scale and guidance on balancing their social orientation and economic challenges. While a

strong economic orientation can lead to exploitation and a legitimacy crisis in local BoP communities, a strong focus on social issues can also hinder small enterprises from developing viable social businesses. In the later stages, small enterprises need capital and support for scaling their operations. Here, relevant partners are investors, multinationals, or government agencies.

As a result of their urgent needs, small enterprises must engage with external stakeholders to access new resources and capabilities, which can help them create economic, social, and environmental impact. Given the lack of sufficient support structures, many small enterprises in BoP markets either exit the market or are converted into non-profits, as is the case for PLAT (see Table 3). PLAT did not manage to acquire a deep understanding of how local remote communities operate, which incentive structures they needed to stimulate demand, and the function of local shop owners as brokers. This example highlights that developing local embeddedness in BoP markets and legitimacy to operate successfully is a real challenge, and firms need extensive support systems to manage that challenge. Building on this context, the following is proposed:

Proposition 5. *The stage in the lifecycle determines the resource needs of small enterprises, required resource mechanisms, and relevant social intermediary capabilities.*

4.2.4. Cross-case findings on environmental context

A closer analysis of the environmental contingencies in this poverty-stricken context reveals a dynamic setting with unstable market demand, a high probability of environmental shocks, and resource scarcity (Appendix E). Moreover, social/sustainable businesses set in poverty contexts are in the infancy stages of development and can be characterized by high institutional, socio-cultural, and legal uncertainty. In such a setting, many stakeholders emerge, but their roles sometimes need to be clarified.

The informal nature of BoP markets and weak regulatory frameworks aggravate the negative impact of high uncertainty. Other confounding factors are those of affordability, accessibility, local cultural stigmas, and vulnerability of BoP consumers, which determine the high instability of market demand.

Poverty settings can be characterized as dynamic environments with resource scarcity. The characteristics of environmental contingencies have important implications on how small enterprises engage in partnerships with various stakeholders to address gaps in the environment, expand their base of capabilities, and leverage the capabilities of other stakeholders to be financially viable and create sustainable value. Thus, the following is proposed:

Proposition 6. *The environmental contingencies determine the resource needs of small enterprises, required resource mechanisms, and relevant social intermediary capabilities at different lifecycle stages.*

5. Discussion: Moving toward a social resource orchestration theory

This manuscript aimed to elaborate on resource-oriented theories to develop propositions toward resource mechanisms for creating social value. It specifically focused on the two research questions: 1) *How do small enterprises create social value in BoP contexts via social intermediaries?*; and 2) *What resource orchestration capabilities do social intermediaries offer small enterprises in BoP contexts for social value creation?* Fig. 5 summarizes the main findings regarding the resource orchestration mechanisms for social value creation and illustrates the interrelationships between all developed propositions.

5.1. Theoretical implications

Concerning the first research question, the results suggest that social intermediaries are central actors for SROT in poverty contexts on an

Table 3
Overview of small enterprises and their lifecycle stages: Needs, barriers, external contingencies, and relevant stakeholders.

Stage of lifecycle	Stage description	Small enterprises	Internal needs and barriers	External contingencies	Relevant partners
Initial (Early stages)	Product/service defined but at early stages of incoming revenue stream.	REAPP, WASAV	Capital, large initial investments. Acceptance of novel ideas by customers and other supply chain actors.	Corruption – existing (informal) arrangements between municipalities and waste firms.	Local foundations, universities (both local and international), and award schemes for entrepreneurs.
Established	Firm operating and generating revenue but at a small scale.	BACRIB, RECHA, KNBOOT, SPOBI, EPRO, CLEAPRO, CHIFA, COSMO	Capital for scaling. International certifications for expansion. Strong social orientation and lack of business knowledge.	Expensive delivery channels (accessibility constraints). Lack of regulatory framework for social businesses. Too much reliance on personal networks.	Local NGOs, universities, local large companies (insurance, hospitals, multinationals), government agencies, social investors, and associations.
Failed	Business converted to an NGO or exited the market.	PLAT	High initial investments. Low customer demand. Non-transferability of assets and solutions.	Overcoming cultural differences and gaining a local license to operate. Lack of local agents of the firm on the ground. Outsourced service providers insufficiently motivated.	NGOs, local entrepreneurs, and local shop owners.

ecosystem level and their ethical stewardship capabilities are essential for helping small enterprises balance economic and social goals. During resource orchestration, social intermediaries work together with different actors, align expectations, change mindsets, and enable different stakeholders to develop new capabilities for integrated economic, social, and environmental value creation by enriching their current capability base or leveraging the capabilities of different actors in the network. Small enterprises profit from structuring and bundling resources with the help of social intermediaries, but they create most of the actual social value during leveraging. This research proposes new capabilities and mechanisms to better manage structuring, bundling, and leveraging in resource-constrained settings.

Regarding the second research question, this research identified three sets of specific capabilities related to stakeholder management, coaching and training, and context shaping, all of which are guided by

social intermediaries' ethical stewardship capability. Small enterprises entail unique resources and capabilities, a strong sustainability mission/mindset, and innovation (technology, products/services), but they alone cannot address the unique challenges of the BoP context. Small enterprises engage with social intermediaries to structure and bundle the social and economic resources of (local) social intermediaries, leveraging capabilities to seamlessly integrate social, economic, and environmental goals along all lifecycle stages. This allows for the integration of the small enterprise to add innovative solutions to these resource-constrained markets.

The main theoretical contribution of this study is advancing the understanding of social value co-creation in BoP contexts (e.g., Lashitew et al., 2019; Nahi, 2016) by analyzing two social intermediaries operating in Central and South America and several enterprises linked to them. Our findings uncover how the capabilities of the social

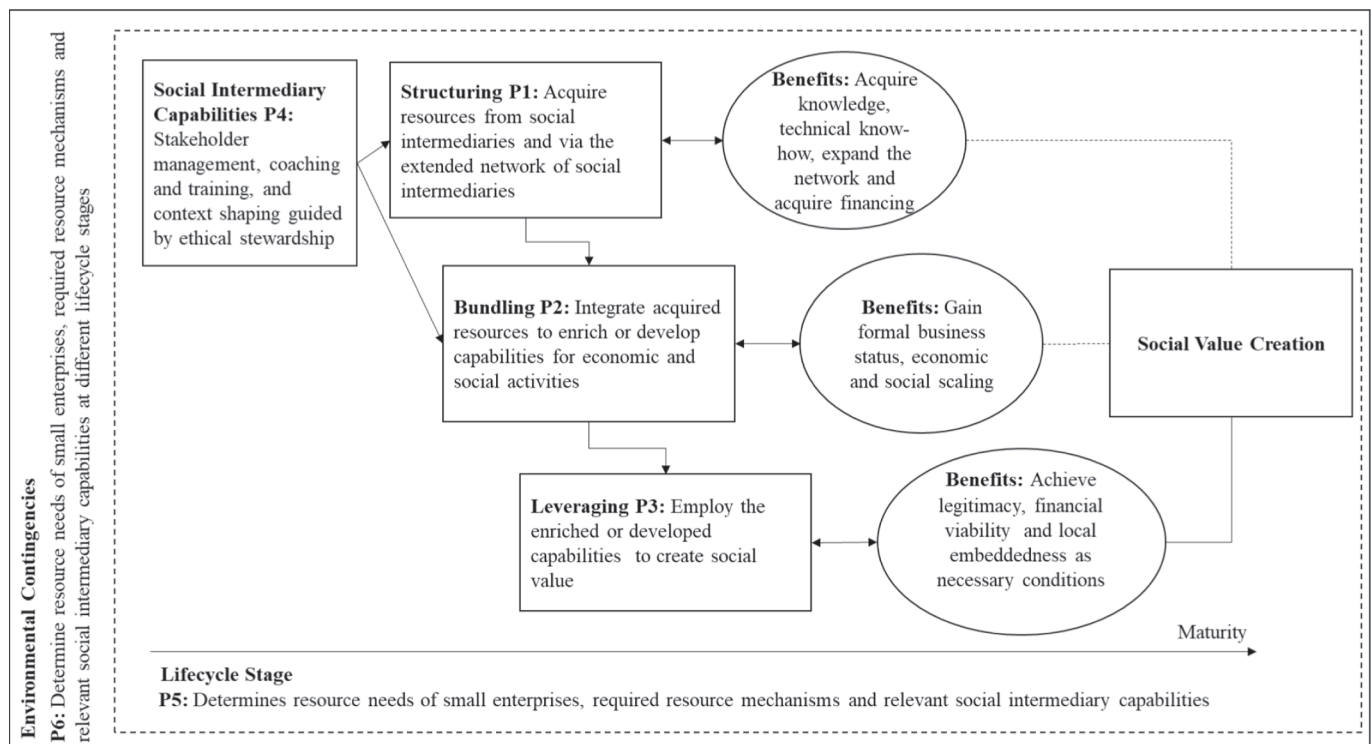


Fig. 5. Main findings on social value creation involving social intermediaries.

intermediaries play different roles in the lifecycle of the small enterprises and that the ethical stewardship capabilities of the social intermediaries are essential to help small enterprises balance viability with social value goals. Moreover, our findings outline that social intermediaries play a critical role in resource management for small enterprises, both upstream and downstream. With this, we propose that the BoP context broadens the resource orchestration scope to include management (structuring, bundling, and leveraging) within a diverse stakeholder ecosystem, toward a social resource orchestration theory (SROT). In fact, these small enterprises move beyond the typical consumption perspective model, incorporating the producer's perspective as well. The benefit of the SROT is that these small enterprises engage in different forms of interaction with social intermediaries to ensure that the structuring, bundling, and leveraging mechanisms are employed at the right lifecycle stages and thereby for the respective needs of the enterprise. As a result, economic value is created by aligning consumption with supply and social value is created by leveraging local knowledge and developing locally relevant solutions, all by utilizing the capabilities of the social intermediaries.

This research used an abductive theory elaboration approach. This approach is less common than others but is very effective in its capacity to look at a particular context, iterate between theory and data, and propose relationships. In addition, this study presented a process model for abductive theory elaboration, offering opportunities for future research.

5.2. Practical and public policy implications

Social intermediaries can be important in supporting small enterprises in developing capabilities to manage sustainability and ethics in BoP markets. While this is indirectly done by several social intermediaries working toward the social well-being of BoP communities, publicly funded social intermediaries can develop specialized training for BoP businesses on how to manage ethical issues. In addition, other public agencies could leverage social intermediaries' networks for positive impact. Furthermore, since many BoP enterprises rely on funding from public agencies, criteria related to the identified SROT capabilities could be used in screening and selection procedures. For both MNEs and small enterprises, clarity on the capabilities required on their side, as well as regarding social intermediaries' potential to advance their goals, is highlighted by this research.

Previous research has pointed out that MNEs need to develop network connections at the BoP to succeed, and the lengthy process requiring long-term commitment that it entails is a challenge (Sinkovics et al., 2014). Compared to ToP networks, BoP networks will be broader in scope and involve more domains than the business or professional domain, increasing the degree of challenge they face (Rivera-Santos & Ruffin, 2010a). Leveraging social intermediaries as part of resource orchestration may provide a route to address this challenge. The move toward SROT with a critical role for social intermediaries goes beyond the multiple firm-centric BoP models in the literature, providing a valuable alternative for BoP businesses to achieve combined scale and social impact by working with various social intermediaries.

6. Conclusions, limitations and future research opportunities

This research sought to elaborate resource orchestration theory based on empirical insights from constrained, poverty-stricken contexts. The findings of this research highlight that social intermediaries affect resource orchestration and provide instrumental capabilities for both MNEs and small enterprises, but the efforts of such social intermediaries are still underrepresented in practice (Rosca & Bendul, 2019). For example, social intermediaries entail essential stakeholder management capabilities, which are necessary for effective resource orchestration in BoP contexts. Knowledge sharing is also an essential capability for other intermediaries. Building on Heuer et al. (2020), this research highlights

the BoP context as a fertile ground for social resource orchestration, where social intermediaries enable BoP firms at different stages of development to structure, bundle, and leverage resources and capabilities aimed at social value creation.

The main limitation of this research relates to the geographical scope covered by the data collection. Future research could broaden and diversify the empirical base. While the qualitative approach suited the explorative nature of the research question, the potential reach of the findings warrants further elaboration and testing. Therefore, beyond broadening data collection, future research could focus on developing the propositions further and empirically testing the insights offered in this paper.

Extending this study to include how social intermediaries provide capabilities to overcome constraints in BoP contexts at various levels of aggregation could also be a topic for future research (Kumar et al., 2022). From this lens, the present research highlighted context shaping (which could be related to the macro level) and stakeholder management (which may be related to both meso and macro levels). Coaching and training, as well as ethical stewardship, seem primarily associated with micro constraints (particularly related to cognitive limitations). Therefore, exploring those levels in more detail could provide a new typology of social intermediary capabilities.

Additional research must also be done to define social intermediaries and link those to the foundational literature regarding brokers in a network setting. Extending the breadth of social intermediaries analyzed in the light of the typology by Saunders, Tate, Zsidisin, and Miemczyk (2019) would be fruitful for future research to identify similarities and differences between different broker types and how they affect the social resource orchestration of small enterprises. These have been distinguished as coordinators, consultants, gatekeepers, representatives, and liaison brokers, depending on the type of exchange and link to the focal firm and targeted actors (Saunders et al., 2019).

The findings of this study highlight the role of social intermediaries as a particular subgroup of "other business partners," thus linking this study to the value co-creation literature. Considering that Nahi (2016, p. 428) suggested the definition of wide and deep co-creation to be "iterative interaction that empowers poor communities and integrates their knowledge and capabilities with those of a company and other actors throughout the process of planning and realizing novel business models and ecosystems," social intermediaries' interaction with small enterprises in the BoP context offers an exemplary case of such wide and deep co-creation. Bringing in ROT within this study provided a pronounced lens on the aspect of "iterative interaction" of that definition by incorporating the lifecycle perspective and subsequent resource orchestration mechanisms. The findings emphasized that small enterprises in BoP contexts structure and bundle specific social intermediary capabilities – herein identified as stakeholder management, coaching and training, context shaping, and ethical stewardship capabilities – but ultimately need to leverage these themselves to fulfill their social value-creation potential. Future research could further expand the dynamic perspective of iterative interaction offered in the current ROT-based propositions by studying social intermediaries as a unique form of "other business partners" (Nahi, 2016) and investigating the nature and interaction processes between the social intermediaries and the small enterprises longitudinally.

While the research context studied here allowed for insights into an extreme setting, more general insights, e.g., becoming more aware of social intermediaries' capabilities, could also prove valuable for MNEs and social enterprises in more mature contexts. For example, the role of social intermediaries might also be crucial for effective resource management when trying to establish new ventures in the context of a sharing economy or a circular economy in mature markets, combining both internal and external capabilities toward social resource orchestration.

CRedit authorship contribution statement

Lydia Bals: Writing – review & editing, Writing – original draft, Visualization, Methodology, Investigation, Formal analysis, Data curation, Conceptualization. **Feigao Huang:** Writing – review & editing, Writing – original draft, Validation, Investigation, Formal analysis. **Wendy L. Tate:** Writing – review & editing, Writing – original draft, Investigation, Data curation, Conceptualization. **Eugenia Rosca:** Writing – review & editing, Writing – original draft, Visualization, Project administration, Methodology, Investigation, Formal analysis, Data curation, Conceptualization.

Declaration of Competing Interest

The authors declare that they have no known competing financial

interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

Data will be made available on request.

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Appendix A. Resource management Processes, (adapted from Sirmon et al., 2007; Sirmon et al., 2011)

Processes/subprocesses	Description
Structuring	The process of managing resources portfolio
Acquiring	Purchasing resources from strategic factor markets
Accumulating	Internally developing the firm's resources
Divesting	Shedding firm-controlled resources
Bundling	The process by which capabilities are formed
Stabilizing	Making minor incremental improvements in existing capabilities
Enriching	Extending and elaborating a current capability
Pioneering	Creating new capabilities
Leveraging	The process of applying a firm's capabilities to create value for customers and wealth for its owners
Mobilizing	Providing a plan or vision for capabilities needed to form requisite capability configurations
Coordinating	Integrating mobilized capabilities in an effective yet efficient manner to create capability configurations
Deploying	Physically using capability configurations to support a chosen leveraging strategy

Appendix B. Additional Background on EMI AND YSB

The BoP Emerging Market Initiative has a focus on connecting different stakeholders in the BoP landscape in Colombia. These stakeholders include a local university, several local NGOs, consultants, professors, local and international students, and small enterprises operating in Colombia BoP markets. The program has a two-fold objective: first, raise awareness around poverty issues in Colombia and the important role of businesses to improve the economic conditions of BoP markets. Second, provide specialized business assessment and strategy consulting by teams of professors, experienced consultants, and students to support small enterprises which do not have access to traditional consulting services.

Yunus Social Business (YSB) was selected as one of the primary social intermediaries due to its experience and history in tackling BoP contexts and offering philanthropic venture loans to help social entrepreneurs tackle difficult issues (YSB, 2014). Discussions with YSB regarding its investments in Haiti, where it has the longest presence, were held. These discussions led to the identification of four social businesses, each in different markets, where conversations about capabilities and business needs were held with the small enterprises.

For the BoP Emerging Market Initiative, interviews were held with participants from the organizations and field visits were conducted on two separate occasions (each time lasting for about three weeks in the field). Secondary data was collected for each small enterprise, including information from the company website, business model plans, and company reports. There was much information collected from other secondary sources such as websites and press releases.

Numerous meetings were attended with the small enterprises, including presentations given by the small enterprise founders in the context of a special program aimed at providing support for these small enterprises. The secondary data and field observations were used to triangulate the findings. While interviewing representatives of social intermediaries and the small enterprises, the researchers were interested in how the small enterprises overcame the constraints in BoP markets, and which support structures were needed and provided by the social intermediaries.

The goal of the observations and interviews was to understand how small enterprises adapt their activities and business models to the local context of BoP markets in Colombia and the important role other organizations play in supporting them. Data was collected using field visits, face-to-face, via telephone and Skype, and interviews at this stage lasted between 60 and 120 min, while field meetings and observations were attended daily during a two-week timeframe. All interviews were recorded, transcribed, or extensively summarized.

The interview guides were semi-structured (Yin, 2017). Collecting qualitative data through the use of semi-structured interviews ensured that a deep understanding of the phenomenon could be obtained (Eisenhardt & Graebner, 2007). The interview guides were adapted to incorporate the particularities of each context and the stakeholder groups. For example, during the interviews with the social intermediaries, the focus was on understanding their motivation, goals, activities, and support systems for small enterprises in BoP markets, while the interviews with the small enterprises focused on understanding their needs, challenges, resources, business models and relevant collaborations and partnerships. The final set of interviewees utilized in this research represents a balanced mix of types of organizations, relevant experience (e.g., local, regional, global), and the primary investigated groups of stakeholders (Tables 3 and 4).

Appendix C. Overview of tactics used to ensure high validity and reliability of this research

Methodological Aspect	Tactic	Description
Internal validity	<ul style="list-style-type: none"> Analytical constructs derived from theory Data analysis strategy following a theory-driven approach Data triangulation and chain of evidenceTriangulation of perspectives via interviewees and discussion within the research team 	<ul style="list-style-type: none"> Extensive collection of both primary and secondary data Interview guide following specific analytical constructs from the literature on environmental contingencies and ROT resource mechanismsCompare and contrast strategies across cases at various stages of development
External validity	<ul style="list-style-type: none"> Cases studied in their context with a focus on the links with external partners Cases studied at various stages of developmentCases selected together with social intermediaries 	<ul style="list-style-type: none"> Brief description of all small enterprises and social intermediaries in the tables Background of the social intermediaries and extensive details of the other firmsCases and organizations studied in different contexts at global, regional, and local levels
Reliability	Extensive case documents, transcripts, and other secondary data	<ul style="list-style-type: none"> Findings discussed within the research team Data analysis conducted by two researchers from the authors' teamAdditional analysis conducted on published reports to triangulate the findings from the primary data collection

Appendix D. Overview of the reports included in the text analysis

#	Report name and link	Author and Year	About the author	Exemplary organizations	Resource mechanisms
1	Best Practices for BoP Door-to-Door Distribution, https://d-lab.mit.edu/resources/publications/best-practices-bop-door-door-distribution	Practical Impact Alliance (2016)	Led by MIT D-Lab, PIA is a membership group that brings together leaders from diverse organizations with aligned missions to share learning, collaborate, and develop best practices.	Companies: Danone, Living Goods, Mobile Movies NGO: World Vision BoP Intermediary: BoP Innovation Center	<ul style="list-style-type: none"> Creating capabilities for social impact through NGO partnerships Case: Danone has a door-to-door proximity sales channel and had trouble recruiting and retaining local women entrepreneurs during the expansion in Brazil. Traditional human resources processes were inadequate and resulted in high turnover and increased operational costs. In response, Danone worked with NGO partner World Vision to leverage the robust local community trust network to identify and evaluate potential candidates. Elaborating capabilities to reach customers Case: BoP Inc is working with 160 door-to-door “nutrition sales ladies”. Some of them received a lightweight and portable Mobile Movies Kit, including video and data collection equipment as well as a smartphone. The sales agents bring together people in rural communities to watch entertaining films followed by information on products and services.
2	The Journey of Multinational Corporations to Inclusive Business, https://static1.squarespace.com/static/51bef39fe4b010d205f84a92/t/5ce3d04a7c661a000118c49d/1558433917838/Hystra+report+-+The+Journey+of+multinational+corporations+to+inclusive+business.pdf	Hystra (2019)	Hystra is a global consulting firm that works with business and social sector pioneers to design and implement inclusive business approaches that are profitable, scalable, and eradicate social and environmental problems.	Multinational companies such as Danone, Cemex, Unilever, LafargeHolcim	<ul style="list-style-type: none"> Accumulating/Uniting resources within the organization by building a “platform of benefits” Case: Total program has now sold over 2.7 million solar lights through Total gas station and distribution partners and played a key role in structuring the solar lantern industry. Before the pilot was launched, the project manager Emmanuel Léger and the team spent over a year discussing with various stakeholders, who all reacted differently. They talked with Communication, HR and “Marketing and Service” departments and looked for ways to get the three units on board. They also managed to get access to the then-CEO and pitched their project. All these stakeholders proved to become valuable supporters as the program evolved because their expectations and levels of ambitions for the project had been understood and taken into account. Elaborating capabilities to understand the context and the problem Case: In 1999, Cemex launched Patrimonio Hoy, offering complete home improvement solutions to home-dwellers instead of

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#	Report name and link	Author and Year	About the author	Exemplary organizations	Resource mechanisms
3	BoP Innovation Center Annual Report 2017, https://issuu.com/bopinc/docs/0._annual_report_2017_bopinc	BoP Innovation Center (2018)	BoP Innovation Center (BoPInc) is a Dutch non-profit foundation that assists local Small and Medium Sized Enterprises (SMEs) and multinationals in the development, marketing, and distribution of their products or services to BoP.	Local SME: Shalem Investments, Novos Horizontes, small-scale fish farmers, processing cooperatives	<p>simply selling them cement. They have now helped build over 500,000 additional rooms in low-income neighborhoods of Mexico. A very effective way to “reset” a team to start an inclusive business, is for that team to spend time in the field early in the inclusive business life. For Cemex, it meant getting managers to live in poor neighborhoods for a few months.</p> <ul style="list-style-type: none"> • Creating capabilities to scale through intermediary partnerships <p>Quote: CLIENT REQUEST “I want to introduce an innovation in low-income markets but need support on how to develop it.”</p> <p>Quote: CLIENT REQUEST “I have a proposition for low-income markets but need support on how to market and distribute it.”</p> <p>Quote: CLIENT REQUEST “I want to be successful in the field of inclusive business but need support to develop the right capabilities.”</p> <p>Case: Novos Horizontes is a private company dedicated to poultry feed, and chicken production and processing. Resellers used to cut whole chickens into pieces to be sold to the customers. This intermediary step resulted in the loss of brand recognition and a potential hygienic/food safety hazard for end-consumers. BoPInc helped Novos Horizontes build a closer relationship with resellers. As a result, the relationship has improved and the sales volume increased. And producing smaller chicken portions benefited Novos on improved brand recognition among this market segment and increased sales.</p> <ul style="list-style-type: none"> • Creating capabilities for social impact through intermediary partnershipsQuote: “Working with IDH in the cassava value chain in Nigeria we have learned how to work with the private sector on building inclusive business models. The team is well respected by private sector players as they have a deep understanding of the cassava sector, have extensive experience working in the private sector coupled with knowledge of the development sector. They are therefore able to handhold private sector players to design programs that have dual impact on profit and social growth. With IDH we believe we are laying the foundation to transform the cassava value chain in Nigeria with the private sector as the engine for that growth.” - Rockefeller Foundation • Elaborating capabilities to reach customers <p>Case: Ecofiltro in Guatemala conducts demonstrations of its water filters in schools, where all parents are invited, and equips classrooms with filters for free so that the children can taste the water and tell their parents about it.</p> <ul style="list-style-type: none"> • Creating capabilities to manage customers <p>Case: Zonful Energy in Zimbabwe reduces default risks by setting aside a percentage of the money collected from customers for community projects, meaning that ‘if you</p>
4	IDH Annual Report 2018, https://www.idhsustainabletrade.com/publication/annual-report-2018/	IDH (2019)	IDH, The Sustainable Trade Initiative, brings governments, companies, CSOs, and financiers together in action-driven coalitions.	Rockefeller Foundation, Bill & Melinda Gates Foundation, Neumann Gruppe GmbH, smallholder farmers	<ul style="list-style-type: none"> • Creating capabilities for social impact through intermediary partnershipsQuote: “Working with IDH in the cassava value chain in Nigeria we have learned how to work with the private sector on building inclusive business models. The team is well respected by private sector players as they have a deep understanding of the cassava sector, have extensive experience working in the private sector coupled with knowledge of the development sector. They are therefore able to handhold private sector players to design programs that have dual impact on profit and social growth. With IDH we believe we are laying the foundation to transform the cassava value chain in Nigeria with the private sector as the engine for that growth.” - Rockefeller Foundation • Elaborating capabilities to reach customers <p>Case: Ecofiltro in Guatemala conducts demonstrations of its water filters in schools, where all parents are invited, and equips classrooms with filters for free so that the children can taste the water and tell their parents about it.</p> <ul style="list-style-type: none"> • Creating capabilities to manage customers <p>Case: Zonful Energy in Zimbabwe reduces default risks by setting aside a percentage of the money collected from customers for community projects, meaning that ‘if you</p>
5	Last Mile Distribution: State of the sector report, https://infohub.practicalaction.org/bitstream/handle/11283/622044/GDC_web%20PDF_updated.pdf?sequence=8	Global Distributors Collective (2019)	GDC is a collective of over 140 last-mile distributors who reach underserved customers with products that contribute to the Sustainable Development Goals.	Last mile distributors: Mukuru Clean Stoves, Ecofiltro, Zonful Energy, SunnyMoney, Solar Sister, ElleSolaire	<ul style="list-style-type: none"> • Elaborating capabilities to reach customers <p>Case: Ecofiltro in Guatemala conducts demonstrations of its water filters in schools, where all parents are invited, and equips classrooms with filters for free so that the children can taste the water and tell their parents about it.</p> <ul style="list-style-type: none"> • Creating capabilities to manage customers <p>Case: Zonful Energy in Zimbabwe reduces default risks by setting aside a percentage of the money collected from customers for community projects, meaning that ‘if you</p>

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#	Report name and link	Author and Year	About the author	Exemplary organizations	Resource mechanisms
6	Scaling Social Business through Design Thinking, https://www.springaccelerator.org/wp-content/uploads/2019/04/Spring-Book_031219-webFINAL.pdf	SPRING (2019)	SPRING is an accelerator for businesses seeking to innovate and make a significant positive impact on the lives of adolescent girls across East Africa and South Asia.	Social businesses: Jeeon, PayGo Energy, Fightback, Safeboda, Drinkwell	<p>don't pay, your neighbors lose too.' This has helped them reach an almost 100 percent repayment rate.</p> <ul style="list-style-type: none"> • Acquiring new resources from intermediaries <p>Case: Fightback is a sexual violence risk-reduction education program for women and girls. With only a handful of employed trainers to carry out their proprietary curriculum, it limited their ability to scale. SPRING helped Fightback leverage technology through a video-based curriculum, that aimed to complement the human trainer and build soft skills such as situational awareness. The new curriculum supported training programs for schools, ultimately reducing operational costs, lowering costs for customers, and allowing Fightback's executive team to focus resources on strategic business development.</p> <ul style="list-style-type: none"> • Creating capabilities for sustainability <p>Case: The Cambodia Partnership for Sustainable Agriculture (CPSA) – one of the Country Partnerships supported by Grow Asia – links smallholder farmers to the market to increase farmers' profits and productivity while improving the environmental sustainability of their farms. And CPSA does this by:</p> <ul style="list-style-type: none"> - Being an inclusive platform for networking and information exchange. - Prompting sectoral or market systems transformation through its Working Groups. - Providing education and advisory for SMEs, entrepreneurs, and farmer organizations. - Supporting sustainable smallholder agricultural development. <ul style="list-style-type: none"> • Creating capabilities for inclusive business through partnerships <p>Quote: "Consideration of partnership opportunities in our inclusive business efforts has a broad focus, including the ability of partnerships to address the challenges inclusive businesses face, while our non-inclusive business activities will likely have a narrower, more immediate focus. For Mastercard, successful inclusive business means cocreation." - Mastercard</p> <p>Quote: "Developing partnerships is crucial. From the design of our inclusive business models, we have actively sought to establish partnerships, which has allowed our initiatives to be successful." - CEMEX</p> <ul style="list-style-type: none"> • Creating capabilities for stakeholder management <p>Case: L'OCCITANE products range from skincare to home fragrances, and all are manufactured using natural ingredients, primarily from Provence. At the core of the company's business model is valuing the communities where it sources its shea butter – one of the key ingredients of its products. Therefore, building strong partnerships with its producers is central to L'OCCITANE's stakeholder engagement approach. It has partnered with shea butter-producing women's associations in Burkina Faso since the 1980s. L'OCCITANE now buys directly from five co-operatives, which in total have more than 10,000 women producers.</p>
7	Grow Asia: Report on Progress, https://docs.wixstatic.com/ugd/4458b1_ec1eb83dfd18466fb06cc9d42e807d43.pdf	Grow Asia (2019)	Grow Asia was established by the World Economic Forum, in collaboration with the Association of Southeast Asian Nations (ASEAN) Secretariat, to bring together farmers, governments, the private sector, NGOs and other stakeholders in Southeast Asia to convene, facilitate and help scale inclusive agriculture value chains and multi-stakeholder sectoral coordination.	No specific organizations or groups	
8	What Does it Take to Go Big? Management Practices to Bring Inclusive Business to Scale, https://www.businesscalltoaction.org/sites/default/files/resources/Report-What%20does%20it%20take-NOV19-WEB.pdf	Business Call to Action (2019)	Business Call to Action (BCtA) aims to accelerate progress towards the Sustainable Development Goals (SDGs) by challenging companies to develop inclusive business models that engage people at the base of the economic pyramid (BoP) as consumers, producers, suppliers, distributors of goods and services and employees.	Multinational companies: Essilor, Cemex, L'OCCITANE, Muji, Gap, Mastercard	

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#	Report name and link	Author and Year	About the author	Exemplary organizations	Resource mechanisms
9	NGO and Company Partnerships for Inclusive Business, https://endeava.org/wp-content/uploads/2019/06/ngo-and-company-partnerships-for-inclusive-business.pdf	Endeva (2019)	Endeva is a certified B Corporation. B Corps are a new type of company that uses the power of business to solve social and environmental problems. They aim for an enriching impact for all stakeholders and are externally verified as achieving high standards of social and environmental performance.	NGOs: Save the Children ICCO, CARE, DanChurchAid Companies: GSK, Symrise, Olvea	<ul style="list-style-type: none"> • Creating capabilities for social innovation/social impact through NGO partnerships Case: CARE, the Barclays Bank, and pharmaceutical company GlaxoSmithKline (GSK) founded the Live Well social enterprise to explore an innovative last-mile distribution model. The Zambia-based enterprise recruits and trains local health workers who earn income by selling healthcare products in rural and peri-urban areas.
10	Profiting from Parity: Unlocking the Potential of Women’s Businesses in Africa, https://openknowledge.worldbank.org/bitstream/handle/10986/31421/135420-ProfitingfromParityFullReport.pdf?sequence=1&isAllowed=y	World Bank (2019)	The World Bank’s Africa Region Gender Innovation Lab (GIL) conducts impact evaluations that assess the outcome of development interventions in Sub-Saharan Africa, to generate evidence on how to close the gender gap in earnings, productivity, assets, and agency. The World Bank Group’s Finance, Competitiveness & Innovation Global Practice (FCI) combines expertise in the financial sector with expertise in private sector development to foster private sector led growth and help create markets in client countries.	Female entrepreneurs and businesses	<ul style="list-style-type: none"> • Creating capabilities to scale through intermediary partnerships There are more than 200 entrepreneurship intermediaries across Africa as a whole, including incubators, accelerators, and tech hubs. These intermediaries are multifunctional one-stop shops that connect nascent startups with key investors and raise the overall profile of entrepreneurship in the eyes of the public.

Appendix E. Environmental contingencies

Environmental contingency	Types identified in the data
Dynamics of industry structure, boundaries, and recipes	<ul style="list-style-type: none"> • Aligning business and social objectives, tensions, and trade-offs between economic, social, and environmental objectives • High risk and uncertainty for economic returns, pressure for traditional accounting measures, high-risk industry with very high rates of failure for enterprises • Cooperation with non-traditional partners, e.g., local NGOs – misalignment of expectations (e.g., “everyone should be a volunteer” expectation), but also with traditional business partners (e.g., too focused on profits) • Misfit between supply and demand – many small enterprises have modest returns while investors demand high-growth enterprises with proven success and high returns
(In)stability of market demand	<ul style="list-style-type: none"> • Difficulties to expand and replicate due to the heterogeneous nature of BoP communities • Traditional socio-cultural structures of local communities – need for security and safety of BoP segment, local cultural “stigmas” and the need for education and awareness • High uncertainty and distrust of BoP consumers (towards external actors) – the gap between expressed intentions and actions • Accessibility, informal markets nature, lack of access to banking and formal financing mechanisms
Probability of environmental shocks	<ul style="list-style-type: none"> • Severe affordability constraints of BoP markets • Disruptive technologies, innovations, products and services • Uncertain institutional settings – high corruption and informal arrangements • A diverse range of stakeholders – unclear roles, motivations, and expectations of different groups of stakeholders • High importance of social/sustainability objectives (and neglecting of business objectives)
Environmental munificence	<ul style="list-style-type: none"> • Low economic viability of enterprises due to low margins • Lack of capital and resources for the scaling of enterprises • Lack of sufficiently qualified staff in the local communities, especially specialized (e.g., healthcare) • Lack of legal status for social business/social enterprises

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