

Grameen danone

Sociology



GRAMEEN DANONE FOODS LTD CASE ANALYSIS Department A social business is a different form of trade from the traditional form of business. The chief purpose of a social business is to address social needs and ensure that a society functions efficiently. The following is a case analysis to study the concept of a social business using Grameen Danone Foods Company (GDFL) as an illustration. Specifically, the paper looks to explore, if, how and to what degree such social businesses help towards social and financial uplift of the poor. The case of GDFL is critically assessed and compared with other social corporate. However, the question of its longevity keeps popping out because it is critical to the operations of the firm.

Social businesses operate in a similar manner to co-operatives, where the profits are either returned to the company or shared among members. Cooperatives are independent ventures that are mutually owned and run, by the shareholders, to meet a common goal. They are exceptional because they are controlled, owned, and created to deliver maximum profits to the owners. A social business, on the other hand, creates goods and services and sets the price at a consistent rate. Although a social business makes profits, they are not shared among investors, but rather channeled back to the corporation. However, the money invested in the company by the owners is usually paid back over a period.

Social business owners do not propose an altogether distinctive business approach to run markets; they do not believe that philanthropy alone can run the worlds capital markets. What they advocate is "illuminating" free enterprise thinking (Byerly, 2014) while attempting to look for a system that benefits all partners. GDFL has been at the forefront of the endeavor to meet its goals of providing cheap food to children in local communities and

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creating job opportunities in the local community. Since the GDFL business approach is centered on proximity, local societies have been engaged. The initiative continues to expand due to the multi-local deployment plan across the globe. Therefore, local rural populations will benefit significantly through direct and indirect involvement.

The primary goal of GDFL is to help annihilate the poverty by coming up with businesses that create job opportunities for the poor (Sardana, 2013). The co-operations that make up GDFL have come to an agreement not to share any of the profits, however, put them towards advancement and creating employment opportunities for the welfare and improvement of the locals. The company is considered a business, however, the fundamental principle of the enterprise is what that makes it unique. Franck Riboud of Groupe Danone states that " the strength of the companys prosperity lies in it business orientation, not a philanthropist, and because it is a business, it is sustainable" (Ghalib and Hossain, 2012). If GDFL upgrades to a commercial business, it may have the capacity to surpass its profitability goals by multiple rates. The fundamental concern it needs to compromise its original founding objectives. Grameen Bank is famous for its social service and the financial benefit it has brought about with the locals, while Groupe Danone has a tremendous amount of expertise and capability to offer, being a world pioneer in the food business. Both partners contribute extraordinary expertise to serve the primary goal of GDFL: social and economic benefit by selling food items that help local communities.

References

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