



Saïd Business School teaching notes

OCTOBER 2011

Pampers and UNICEF Part 2: Delivering the Vaccine

Linda Scott – Mary Johnstone-Louis – Catherine Dolan – with Caitlin Ryus

This note was prepared by Dr. Linda Scott, Mary Johnstone-Louis, and Dr. Catherine Dolan with Caitlin Ryus. Linda Scott is DP World Chair for Entrepreneurship and Innovation at the Saïd Business School. Mary Johnstone-Louis is a DPhil Candidate, Saïd Business School. Catherine Dolan is a Fellow of Green Templeton College. Caitlin Ryus is a Research Assistant in Healthcare Studies and Innovation at the Oxford Centre for Entrepreneurship and Innovation, Saïd Business School. All authors are at the University of Oxford.

© University of Oxford 2011

The University of Oxford makes no warranties or representations of any kind concerning the accuracy or suitability of the information contained herein for any purpose. All such information is provided "as is" and with specific disclaimer of any warranties of merchantability, fitness for purpose, title and/or non-infringement. The views expressed are those of the contributors and are not necessarily endorsed by the University of Oxford.

Pampers and UNICEF Teaching Note

Part 2: Delivering the Vaccine

Part 2 of this case is intended to direct students toward the basic differences between public and private organizations that need to be considered in constructing these alliances. As a team, we have experience observing these kinds of partnerships, so we have focused on those issues that we believe haunt most of them.

Organizational Structure and the Locus of Control

Often, private companies expect not-for-profit partners to mirror their own organizations in nearly every particular. Beyond a superficial understanding of the difference between profit and not-for-profit aims, the private partners very seldom grasp that the difference in remit will filter down to different departmental structures, different points and means of contact with the outside world, different knowledge and priorities, and so on. At the same time, nonprofit partners expect that the private companies will have a different agenda, but do not necessarily expect to be involved directly in the execution of that agenda and they are often overwhelmed by the number and variety of functions that are brought to bear. In order to bring off a complex global promotion like the Pampers and UNICEF campaign, both sides should begin by becoming as familiar as possible with the partner organization and preliminary, but detailed maps and timetables for executing the partnership should be agreed from the outset. That way, even if plans must be changed (as they inevitably will) at least both partners have some sense of what to expect and can plan the required interface.

Corporate partners normally expect the not-for-profit to have much more control over their environments and constituencies than it is reasonable to think possible. In this case, Procter & Gamble, as a large MNC with established commercial relationships and considerable negotiating power, has quite a lot more control over things like materials costs and delivery timetables than does UNICEF. Once you understand that UNICEF must work through governments to deliver vaccination programs—and that this particular vaccine must be administered through some of the least responsive governments in the world—it becomes much clearer why goals are not as easily met as they may be in the corporate environment.

We find that one aspect of not-for-profit organizational structure is consistently surprising to private sector players: the major international nonprofits nearly always work as a kind of federation, with country offices that have a great deal of autonomy only loosely affiliated with the headquarters. Private sector representatives often expect an inter-governmental organization like UNICEF or nonprofit such as CARE to be able to simply give an order, then wait for the resulting trickle-down of obedience. They are then amazed by the perceived lack of control when the not-for-profit partner must coax and cajole participation from multiple country offices. In our experience, the decentralized nature of the major nonprofits, inter-governmental organizations, and humanitarian agencies is mostly attributable to the history of those organizations' emergence, but the same structure also provides flexibility to respond to national or regional demands, which can be urgent.

Priorities and Timetables

An aspect of this case that resurfaced often was the difference in expectations about time and priorities. While we think most private sector personnel realize, at least conceptually, that the nonprofit or humanitarian organization has other priorities that must be met as they emerge—such as disaster relief, for instance—it is often the case that these higher priorities are forgotten when the private partner expects the not-for-profit to produce on a market-oriented timetable. The outcome is frequently that the nonprofit is said to be sloppy or slow or lazy, when in truth this partner simply has other tasks to accomplish that are more central to its mission. It should be remembered that the entire world expects UNICEF and other organizations like it to move instantly in the event of large-scale emergencies—and they do it. Charging such organizations with being slow or sloppy because they do not easily fit with a marketing plan is neither accurate nor fair.

Interestingly, while the not-for-profit partner may be seen as slow to respond to demands, the opposite desire among multinational corporations to “set in stone” arrangements for marketing materials long in advance was a problem for UNICEF. For instance, in order to design publicity materials, Pampers needed estimates of the number of women who would be reached by UNICEF a year in advance. This was not something UNICEF was comfortable providing. “UNICEF works through national ministries of health. We cannot tell a ministry of health in an African country what to do,” commented a UNICEF staffer, “If there is a polio outbreak in their country, then whatever funding they may have put aside for tetanus will be taken away and put towards addressing the polio outbreak.”

On the other hand, the nonprofit partner often has trouble grasping the driving factors and lead times in executing a complex marketing effort. Unless these factors are explained and the impact on timing exemplified, the not-for-profit may experience the marketing effort as a continual, but random barrage of “need it now” demands. One UNICEF staffer explained: “When we started working on [the campaign] concretely, we started getting [P&G] people coming around and asking for different things that they needed. We sort of realized we couldn’t just stay at the stage where we said, ‘listen, use our logo, here are the claims that you can make, full stop. We’ll cash the check once you send it to us.’ We had to bring more to that to help them actually sail through in-store. . .the logo and the claim on the package was not sufficient. We had to provide the whole context around tetanus, we had to provide the whole human interest story that went along with it; we had to provide a lot of the credibility.”

The Procter & Gamble people, recognizing that their timetables were causing distress and confusion among UNICEF staffers, instituted a periodic status meeting at the global level to go over progress and next steps. They did this, not because they needed it themselves nor because they wanted to “boss” their partner, but because they felt it would reduce anxiety about timetables that otherwise seemed arbitrary or incomprehensible.

In this case, the various UNICEF “Natcoms” (or country-level fundraising offices usually based in OECD nations) were also very resistant to the demands of local P&G employees—and because the money did not reach them for a while, they were unhappy about the partnership for a long time. Once the cash started flowing, they were much more inclined to cooperate. Still, a

great deal of demoralization and friction could have been avoided by just bringing the Natcoms up to speed on expectations, as well as dealing with them softly at the point of execution.

Roles and Power

Each side in such partnerships brings expectations rooted in its historical relationships with other organizations. These expectations often cause confusion and misunderstanding. For instance, many UNICEF personnel continued throughout the campaign to see Procter & Gamble as “a donor” rather than “a partner.” This tendency to see all corporations as donors (and even refer to them as “the donor”), regardless of the actual program involved, is something we have seen in other instances. It leads to disappointment and disrespect: the corporation is expected to write a check and then walk away; requests for cooperation then are seen as something inappropriate to the normal one-way funnel of gift-giving.

Conversely, corporations often see not-for-profit organizations in a role similar to their own suppliers and, especially, their distributors. They lose sight of the not-for-profit as an independent entity, with its own priorities, audiences, ethics, and constraints. Corporates in such a mental mode often give orders, as if the not-for-profit personnel worked for them in a dependent relationship, rather than treat the other side as a true partner. We were told by UNICEF personnel in this case that they often felt they were “not heard” in dialogue with P&G.

Having said all that, we also think that the negative expectations on both sides of such partnerships are often unwarranted. Despite ample evidence of occasional friction and a series of daunting obstacles, we observed the individuals on both sides of this case were willing not only to negotiate until solutions were reached, but to learn, to explain, to compromise—and just generally to reach across the table. This willingness, more than anything else, is what gave the partnership the ability to achieve what it did.

Sources and Reliability of Funding

Procter & Gamble, like other private companies with well-established and diversified consumer product lines, has a stable stream of revenue compared to most not-for-profit organizations. International nonprofits and humanitarian organizations work at the mercy of policy changes, government failures, natural disasters, and even fashion trends when it comes to funding. Thus, when planning a campaign such as this one, it is crucial to anticipate and plan for the withdrawal of other funders. Even funders who have supported extensive programs for long periods of time can suddenly decide not to renew, as GAVI did in this case. It is also important for private sector partners to be mindful that costs can vary a great deal by location and over time—contracts should stipulate up front what will be covered and to what extent. At the same time, the accountability that comes with massive media exposure should be confronted realistically: once a promise has been heavily advertised to the public, it is difficult for a private company to withdraw its commitment. “Exit strategies” and back-up plans are important.

Promises, Legalities, and Reciprocity

It is essential the students understand that, even though both of these organizations have made important contributions to the campaign, the real donors are the consumers of Pampers. Thus, the promise that forms the basis of the campaign must be honored. We believe one of the

reasons that consumers were willing to engage with this promotion was their belief that, by virtue of being parties who could withdraw their support at any moment by simply buying a different brand, they had some leverage over Procter & Gamble to make sure the vaccines were, in fact, bought and delivered. This perception is an accurate one. While individual donors making small gifts to charitable drives may not feel they have much control over what is done with the money once it has been given, consumers today expect the manufacturers of frequently-bought items to be mindful of the reciprocity that is implicit in each repeat purchase. Procter & Gamble's Pampers team was, in fact, very mindful of this reciprocity and this mindfulness, along with a belief in the persuasive power of the exact wording of the campaign promise, is what motivated them to be so strict in the interpretation of what was allowable in funding the vaccine program.

Differences in legal requirements for truth in advertising are worth noting here. In some countries, the requirements are literal—the advertiser must adhere to the exact wording of the promise. In other countries—the United States, for instance—the test of truth is what a “reasonable person” might take away from the message. So, in this case, one might argue that a consumer seeing this campaign could reasonably expect that the promise was to deliver one “vaccination” for each package purchased versus one “vaccine.” The interpretation that allowed freeing of the funds for delivery costs was probably more in keeping with the spirit of the promise, while the narrow reading, though closer to a literal translation, might have stood in contradiction to what consumers expected.

The accountability for the promise made to consumers was, we felt, one area of potential misunderstanding between the partners in this case. If one views P&G merely as a donor who should write a check, it might seem as if greed or stubbornness is behind their hesitancy to release funds for the delivery costs. Once the situation of reciprocity between P&G and its consumers is grasped, the importance of finding a way to work around the bottleneck in a way that honors the spirit of the consumer promise is more intelligible. Few not-for-profit personnel understand, it seems to us, the centrality of the consumer relationship for marketing companies like Procter & Gamble.

Conventional Wisdom

There were several points in this case where conventional wisdom was a problem. For example, the response of consumers in the initial UK study seemed to speak from a conventional wisdom that said international charities couldn't be trusted to manage their money, that waste was too typical of aid programs. We feel that accepting this apparent attitude led to an undervaluing of the UNICEF brand that was not understood until later. Students should be asked to compare the reliability of the judgment of UNICEF suggested by the focus groups with the judgment reported through the larger sample study of the UNICEF brand. These two seem to stand in direct opposition. The source of information, as well as the implications for action, should be discussed.

The consumer enthusiasm for the “1 pack = 1 vaccine” promise, learned also through focus groups, entered the conventional wisdom at Procter & Gamble as a “must have” that should be executed literally. The campaign's ultimate success was attributed almost exclusively to this phrase by the Pampers team, which probably in turn undervalued the power UNICEF 's brand

brought to the promotion and overvalued how literally the promise needed to be executed. Remember that the actual words on the package did not have to be changed to support the delivery expenditure: it was the Pampers team's interpretation of the promise that caused the bottleneck, not the actual legal requirement.

The Big Picture

Innovations like the Pampers/UNICEF campaign present new possibilities for fighting suffering. However, it is important to keep perspective on what is being accomplished. The number of deaths that are directly attributable to tetanus in childbirth is small as compared to other causes for both mothers and children. As mentioned, there are many more conditions that can lead to the death of a newborn; in the first few years of life, pneumonia and diarrhea pose a much bigger risk. Maternal death is a major problem, especially in Africa, where mothers may bleed to death, even in a hospital, because there are insufficient supplies or staff. Again, compared to all the other things that can and do cause a woman to die from childbirth, the number of maternal deaths that come from tetanus is small. Thus, the contribution made by a tetanus campaign is important, but is dwarfed by the magnitude of other challenges. The money raised by this campaign is significant, but also tiny compared to the funds provided through government aid programs. So, the key point going forward is about potential: by having shown that such a program can be done sustainably through everyday consumer purchases, Pampers and UNICEF have also provided an example for others to follow. If a trend toward this kind of program were to form, it is possible that much more could be achieved.

Going Forward

The Pampers/UNICEF campaign demonstrates the power of a new means for fighting global problems. Students should be encouraged to consider what other advantages this arrangement brings to the world's toolbox. We have found that students often object to the idea that a charity would sully itself by engaging with a diaper promotion or feel that consumers should be willing to donate without buying a product. Discussing their reasons for feeling this way, as well as the reasons why these traditional solutions are limited, will provide an important backdrop for the case. At the same time, we suggest that students be asked to look for unexpected advantages in this kind of arrangement. For instance, international aid mostly comes from national governments and religious charities that have their own agendas and often demand, implicitly or explicitly, a quid pro quo for the money. Strings are attached for the recipients. One strong advantage of the Pampers/UNICEF arrangement is that the donations are drawn from people of many different countries and many different faiths. To be sure, the donors have to buy a diaper pack, but the recipients on the ground only have to be willing to be vaccinated. This nation- and faith-blindness could be interpreted as a significant potential advantage for this kind of donation channel.