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## FORTUNE IN BOTTOM-OF-THE-PYRAMID SOCIETY ERADICATION OF POVERTY THROUGH ENTREPRENEURSHIP AND PROFITABILITY

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**Resumen:** La pobreza siempre ha acompañado a la humanidad y es una de las preocupaciones fundamentales y omnipresentes de las comunidades humanas. A partir de ahora, con un ingreso diario de menos de 4 USD, más de 4 mil millones de personas viven en la parte inferior de la pirámide de la riqueza. A la vista del público, debido a la incapacidad financiera, los pobres son reconocidos como personas privadas y lamentables; En consecuencia, se ha considerado siempre el enfoque estereotipado de pagar subsidios estatales directos y / o donaciones individuales, que surgen de emociones y sentimientos humanitarios para erradicar la pobreza y atender las necesidades de estas personas. Entender la importancia del capital social, modificar la visión dominante de la pobreza e identificar los potenciales existentes dentro de las sociedades, se puede reconocer la naturaleza del mercado en la parte inferior de la pirámide para ofrecer al mercado productos y servicios apropiados basados en enfoques innovadores - Enfoques completos que abarcan a una gran mayoría de interesados en la sociedad de la parte inferior de la pirámide con una amplia gama de culturas, idiomas y niveles de educación. Por otro lado, la cooperación entre los pobres, las ONGs, los gobiernos estatales y las empresas grandes y multinacionales puede desarrollar el mayor mercado con la tasa máxima de crecimiento en el mundo, en el que no sólo se pueden lograr beneficios, sino también objetivos humanitarios.

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Por último, hay esperanzas de que, con la participación activa de los pobres y el liderazgo audaz y responsable del sector privado, se creen no sólo puestos de trabajo innovadores y se genere riqueza, sino que se alcancen metas estables para todas las partes, Una base para la erradicación de la pobreza.

**Palabras clave:** Sociedad de la pirámide, capital social, normas sociales, solución omnipresente

**Abstract:** Poverty has always accompanied mankind and serves as one of the fundamental and pervasive concerns of human communities. As of now, with a per day income of less than 4 USD, more than 4 billion individuals are living at the bottom of the wealth pyramid. In public view, due to financial inability, poor people are recognized as deprived and pitiful people; accordingly, the stereotypical approach to pay direct state subsidies and/or individual donations, which arise humanitarian emotions and feelings toward eradicating poverty and addressing needs of these people, has been always considered. Understanding the importance of social capital, modifying dominant view to poverty, and identifying existing potentials within the societies, one can recognize nature of the market at the bottom of the pyramid to provide the market with appropriate products and services based on innovative approaches – comprehensive and complete approaches which encompass a vast majority of stakeholders in the bottom-of-the-pyramid society with a wide range of cultures, languages, and education levels. On the other hand, the cooperation among poor people, NGOs, state governments, and large and multinational companies can develop the largest market with maximum growth rate in the world, wherein not only profit, but also humanitarian goals can be achieved. Finally, there are hopes that, with active participation of poor people and bold and responsible leadership of private sector, not only jobs are created innovatively and wealth is generated, but also stable win-win goals are realized for all parties, so as to provide a basis for eradication of poverty.

**Keywords:** bottom-of-the-pyramid society, social capital, social norms, pervasive solution

## 1. INTRODUCTION

"Successful people are always looking for opportunities to help others. Unsuccessful people are always asking, 'What's in it for me?'"

- Brian Tracy

From an economic point of view, it is very important to consider people's livelihood and focus on poverty and the ever increasing growth in the number of poor people. Of course, it should be noted that, poor people are found not only in the Third World and underdeveloped states, but also in well-developed countries, so that USA alone hosts a poor population of more than 40 million individual. However, poverty is particularly more manifested in some countries. In Haiti, for example, 77% of the residents are poor. That is, 8 million Haitians earn 1-2 USD per day.

The presence of absolute poverty is usually associated with drastic problems such as resource limitations, diseases, drought, and wars. Poorest countries in the world have been ranked based on different criteria such as economic stability, health status, and education level. Such countries are normally very weak in all of these aspects.

Moreover, health status and associated policies are also critical in poor countries. For instance, the 10 poorest countries suffer from very high rates of AIDS. This indicates the necessity of formulating solutions to control the disease across the countries, so as to prevent outbreak of the disease.

Following the World War I, liberalism was implemented in the form of governmental intervention into economic affairs. Accordingly, with the rise of demands, improvement in public services and welfare, and alleviation of unemployment while actuating potential economic sectors, a great deal of success was achieved. In this way, governments had their scopes of ownership well extended, with numerous industries and economic actives in Europe being announced as national assets. In As such, many of investment banks and associated industries in Italia, banks, coal industries, railway, airlines, and gas companies in England, and insurance institutions, banks, weaponry, and aircraft manufacturing industries, etc. were announced as national assets.

Considering the liberalization policies at international level and admitting the fact that governmental firms have been proved not be adequately efficient, privatization presents a practical solution to modify management structure of firms and handover some of governmental affairs to private sector.

Following a gradual trend, cooperation of governments and private sector provided a basis for economic growth and attracted a great deal of trust in this sector. However, as private sector increasingly stepped into international arena in the form of multinational firms, a large deal of worry and fear encompasses economists, because the multinational companies tend to settle and operate wherever they found favorable, and this issue made governors worried. However, in practice, according to existing evidences, the way multinational companies and their activities and influences were viewed also changed. Even in some cases, experts went to extremes to such an extent that, in contrary to Vernon's opinion, recognized the multinational companies as a manifestation of modernism, productivity, and prosperity. As a result, some governments were also affected by this theoretical change and went for attracting the companies.

Some of objectives persuaded in privatization include shrinking government's scope of activity, handing over ownership and economic control, enhancing efficiency of economic units, properly distributing revenues, reducing budget deficiency and national debts, adjusting subsidiaries and price variations, developing capital market, financing the consumers, and providing access to technological capital and foreign resources. This is while continuation of the presence of large private companies in poor countries has developed numerous challenges for the companies, among which one can refer to the followings:

- Ensuring that increased capacity of activities of firm will not result in reduced quality of provided services.
- Focusing on key opportunities (appropriate prioritization).
- Addressing challenges and long processes of selling services to government.
- Developing profitable business models.
- Managing a diverse group and continuing with innovation. The presence of individuals with different expertise including: doctors, software experts, sociologists, development experts, communication experts, management advisors and financial experts.

Social capital development can contribute into eradication of poverty in a fundamental and effective way. Social capital relies mainly on cultural and social factors. Various aspects of social capital including links, cooperation, mutual trust and communications among members of a network result in the realization of the members' objectives. In addition, social capital is an

essential element of successful development plans. The presence of social capital provides a suitable basis for productivity of human, economic, and physical assets. In contrary, lack of social capital inhibits effectiveness of other assets in achieving development, so that without social capital, it becomes very difficult to step in the route toward development in terms of cultural and economic evolution. In total, social capitals are composed of several resources including trust, norms of reciprocal interaction, and horizontal interaction networks, which possess internal, self-strengthening, and self-enhancing connections.

Social trust may come from either of two sources, namely norms of reciprocal interaction and civil participation networks. Trust tends to facilitate collaboration; the further the extent of trust across a society, the higher the probability of collaboration in the society. Also, collaboration builds trust. Accordingly, as social capital is further used, it further rises rather than being decreased or depreciated. That is, the further the interactions among individuals, the greater the deal of information they gain about one another and the further they are motivated to build trust. Therefore, the reproductive nature of social capital develops into social interaction together with a high level of cooperation, trust, reciprocal treatment, civil participation, and social welfare. Moreover, lack of this nature in some of societies is manifested in terms of unfaithfulness, distrust, fraud, cunning and exploitation, isolation, disorderliness, and depression.

The followings are the most significant actions that can be taken by governments to boost social capitals:

- Encouraging and promoting the establishment of civil institutions,
- Promotion and enrichment of public trainings,
- Providing citizens with security to motivate them to voluntarily participate in social institutions,
- avoiding governmental dominance over different economic, cultural, and social sectors, and
- Handing over corresponding activities to NGOs, so as to attain their participation in other activities and providing a basis for establishing and boosting social institutions and trust networks across general public.

In the present research, an attempt is made to consider potentials of market at the bottom-of-the-pyramid society and use social capital to undertake actions toward alleviating poverty across the society and promote entrepreneurship.

Following with the paper, explanations are given on market features at the bottom-of-the-pyramid society, products and services for the bottom-of-the-pyramid society, and available opportunities in this market.

## 1. MARKET AT THE BOTTOM OF THE PYRAMID

In general, distribution of wealth and revenue generation capacity across the world can be represented in the form of a pyramid with rich people enjoying numerous opportunities for revenue generation at the top and more than 4 billion individuals with per day incomes of less than 2 USD at the bottom of the pyramid. The present research aims to change the dominant perception and attitude toward poverty and understand existing potentials across these societies. That is to express the fact that, many of poor people are indeed intelligent consumers and competent entrepreneurs. Appropriate approaches and methodologies to pay attention to poor people should be studied – methods where the poor people actively participate to realize sustainable win-win goals while companies provide them with their products and services in a profitable way.

The market at the bottom of pyramid provides distinctive features. Collaboration among poor people, NGOs, governments, and large companies can develop a market of maximum growth rate around the world. In examples to be presented in this paper, you will find companies which tend to combat diseases relying on some of training services and new products. There are organizations which help disabled people, or those having their focus on price of goods to improve livelihood of farmers; a group of banks particularly work to address financial needs of poor people; or special power companies who aim to provide poor people's energy demands; some construction companies are developed to construct cheap houses for poor people, providing them with an opportunity to live with their heads up; and finally, a chain of shops which have aligned their activities with poor people's needs and offer them their required products.

Each member of the group of entities focusing on poverty alleviation (e.g. World Bank, rich countries, charities, national states and private sectors) act as per its own governing rationality. Private sector and multinational companies, in particular, have suffered from the line of thinking which tends to restrict them in employing opportunities in the bottom-of-the-pyramid market – i.e. poor people are not their end-users and are not used to consume their products (products designed for developed societies), and the line of thinking which believes that only developed societies will welcome technical innovations and pays its cost, etc.

In order to eradicate poverty, one should break preceding beliefs and fully engage private sector in providing the bottom-of-the-pyramid society with its needs. One of the common presumptions about the bottom-of-the-pyramid market is that poor people lack purchasing power, so that they cannot constitute any market of value. To reject this assumption, consider developing countries such as China, India, Mexico, Russia, Indonesia, Turkey, Thailand, and Brazil (as a representative of South American countries). According to the forecast of International Monetary Fund in 2016, Purchasing Power Parity (PPP)-based Gross Domestic Product (GDP) of USA and EU equal to 18,561,1934,000,000 USD and 19,973,035,000,000 USD, respectively. These are while the corresponding value in China alone is 21,269,017,000,000 USD, positioning the China at top of the list in this regard. According to the following table, corresponding values of the parameter to developing countries sums up to about 45,026,316,000,000 USD. Considering total world's population of 7,432,663,275 individuals, about half of the world's population live in the mentioned countries which together comprise 70% of total population living in developing countries. Upon this basis, one may see that this 45 trillion USD-market is not one to neglect.

Another dominant theory indicates that access to the bottom-of-the-pyramid market is as difficult as it raises fundamental challenges for the large and multinational companies who are willing to participate in the market. This is while, in 2015, more than 368 cities across developing countries have hosted a population of more than 1 million individuals and provided a suitable distribution opportunity with a population density of about 15,000 individuals per acre of land. However, the issue of distribution in villages is associated with problems which seem to be solvable.

Country	Population <sup>1</sup>	PPP-based GDP <sup>2</sup>
China	1,379,660,000	21,269,017,000,000
India	1,330,780,000	8,720,514,000,000
Mexico	128,632,000	2,306,668,000,000
Russia	146,691,020	3,745,084,000,000
Indonesia	260,581,000	3,027,827,000,000
Turkey	78,741,053	1,669,893,000,000
Thailand	68,145,000	1,152,421,000,000
Brazil	206,894,000	3,134,892,000,000
<b>Total</b>	<b>3,600,124,073</b>	<b>45,026,316,000,000</b>

Another false notion is that poor people are not intelligent about the quality of the product they consume. This while the opposite of this statement is

true, indicating that poor people act well intelligently when it comes to product quality. Consumers of the bottom-of-the-pyramid society pay a very special attention to quality; they are valuable purchasers who expect products of adequate quality at prices affordable for them.

In contrary to another common assumption, consumers of the bottom-of-the-pyramid society are connected via an integrated network. They seeking their benefits via information networks. Development of wireless equipment among poor people has proved the presence of market at the bottom-of-the-pyramid. For example, by October 2014, 1,276,660,000 cell phones have been installed in China, vie the corresponding figure to India by April 2016 has been 1,034,253,328. In contrary to this late belief, consumers at the bottom-of-the-pyramid tend to admit high technologies. Development of wireless equipment and public bases of PCs and tablets in the bottom-of-the-pyramid society have already surprised managers and researchers. These and similar facts have influenced the bottom-of-the-pyramid market, so that in order to step in this well-profitable market, it seems necessary to get familiar with existing potentials and properly analyze different aspects by putting aside traditional views and presenting innovative methods.

## 2. PRODUCTS AND SERVICES FOR THE BOTTOM-OF-THE-PYRAMID SOCIETY

As was mentioned previously, the bottom-of-the-pyramid society can serve as a rapidly growing and valuable market. Many of multinational companies are well interested in stepping into the market; however, with their products been specifically developed for markets at developed countries, their prices are set according to those markets, making them out of affordance of potential consumers in the bottom-of-the-pyramid markets. Even more important is that, the products' features are not properly arranged for the bottom-of-the-pyramid society, in one hand, and lack of required infrastructures inhibits product development. This is while multinational companies can easily combine the top-of-the pyramid-biased economy with that of the countries such as China, India and Brazil to develop an alternative market whose goal is cover a larger population – i.e. the population at the bottom of the pyramid.

Fundamentals of the bottom-of-the-pyramid market economy are based upon small packages, low profit margins, large volumes of sale, and high rates of return

<sup>1</sup> Estimates for 2016

<sup>2</sup> List of countries GDP (PPP) by the International Monetary Fund (Estimates for 2016)

on investment (ROI), which are obviously different from a market based on large packages, high profit margins, large volumes of sale, and reasonable ROI.

Regarding infrastructure in market at developed countries, one can presume access to refrigerators, phone, transportation vehicles, credits, and a minimum level of education. In this market, the choice of technologies is not restricted because of infrastructures; while the bottom-of-the-pyramid markets may come with infrastructures of different qualities, especially for geographically extended countries such as China, Brazil, and India which together rule over an area of 21,255,000 km<sup>2</sup>. Providing such a vast area with power becomes very irregular, so that full blackout is very common across the network. Also known as 72-nation state, India has 15 official languages which are spoken with 500 different accents, with 30% of the country's population being illiterate. In a bottom-of-the-pyramid market, considering these conditions, one should develop interfaces for products which can be understood and consumed by poor and illiterate people. In the following, 12 essential principles associated with innovation at the bottom-of-the-pyramid society which can address the provision of services and products in such a market:

1. “Principle of performance vs. price”: Serving at the bottom-of-the-pyramid market does not only require low prices. In such a market, one should accurately recognize the role and functionality of the offered product and services in relation to their prices. This relationship is different from that experienced in developed countries. Based on this principle, traditional approaches in markets at developed countries where prices are reduced by 10-20% may not work in markets in the bottom-of-the-pyramid societies where a drop of 10-100 times as large as those in developed countries is expected. The important point is that, in the shadow of these innovations, price reduction is achieved while adhering to adequate quality of services and products. For example, in India, a cataract surgery at a very good quality costs the patient as low as about 50 USD while still benefiting medical centers<sup>3</sup>. This is while the same surgery costs about 2500-3000 USD in USA.
2. “Principle of innovation-dual application”: Existing opportunities within the bottom-of-the-pyramid markets may not be grabbed using traditional obsolete technologies commonly used in well-developed markets. The bottom-of-the-pyramid can be developed with the highest technologies

innovatively incorporated into existing and growing infrastructures. In India, a company<sup>4</sup> looked into local people's customs and living conditions and used a high-tech method called molecular encapsulation to produce iodized salt to combat iodine deficiency by which more than 200 million Indians are faced. The company has also found its way to step in markets in such countries as Ghana, Ivory Coast, and Kenya.

3. “Principle of scope and operation scale”: It is easy to be successful in limited and small markets; but covering a population of 4-5 billion individuals, the bottom-of-the-pyramid market requires experiences and innovations which are commercially viable. Since the bottom-of-the-pyramid markets are vastly large, respective solutions should be largely extendible across countries of different cultures and languages. The interaction between multinational companies in one hand and NGOs and local communities on the other hand well be useful in this regard.
4. “Principle of sustainable development”: Markets at developed countries are used to loss of resources. This is while all innovations should be focused on saving resources (through cutting consumption, reducing consumption, or recycling). If consumers in the bottom-of-the-pyramid society consume in the same manner practiced by the consumers in countries like USA and Japan, the world will no more be able to provide required resources, making the reduction in consumption intensity an essential resource. Water consumption per capita<sup>5</sup> is 1600, 415, and 585 m<sup>3</sup> per year in USA, China, and India, respectively. Many areas in the world suffer from lack of required water to address primary needs. In many other areas, water is accessible but with very unpleasant quality for poor people. As such, paying attention to resource preservation and saving represents one of pillars of innovation in bottom-of-the-pyramid markets.
5. “Principle of feature determination and identification”: In product development, it is necessary to deeply recognize needs and their natures regardless of their manifestations. Small modifications in the products designed for rich American and Japanese consumers may not end up with products appropriately suited to people in the bottom-of-the-pyramid society. More than 70 million individuals are engaged with disabilities in India. Accordingly, the country has succeeded to innovatively design a artificial lower limbs commercially called “Jaipur” wherein not only technical and common needs of disabled people

<sup>3</sup> Aravind Eye Hospitals

<sup>4</sup> HLL Unilever

<sup>5</sup> The World Fact Book, accessed in June 2008

- were considered, but also attentions were paid to special features and affordable price of the final product.
6. “Innovative methods”: In the bottom-of-the-pyramid markets, not only innovation in services and products is important, but also innovation in processes and development of innovative methods are equally important. The innovation may not be limited to the form and appearance of the products only; it may rather be based on a suitable procurement infrastructure in terms of foundation and methodology. As of now, the largest dairy company in India<sup>6</sup> has established an integrated network to collect raw milk from 500,000 cattlemen before transporting the milk and having it processes, practically connecting cattlemen with only 2 buffalos to international market; the company processes 6.5 million tons of raw milk per year<sup>7</sup>.
  7. “Principle of unskilling the jobs”: In most of the bottom-of-the-pyramid markets, people further suffer from low levels of skill and expertise. As such, in designing products and services, one should account for the skill level of poor people, available infrastructures and problems in accessing services at remote areas. Since the number of well-educated people is low in these societies, provisions should be considered to establish a chain of management and experience transmission to different levels and unskill jobs. In Peru, for example, by implementing a mechanism composed of wireless or cable connection lines and establishment of some sort of diagnosis card for different stages of diseases diagnosis, the process of remote diagnoses and inspection are unskilled.
  8. “Principle of customer training”: Innovation in the bottom-of-the-pyramid markets requires huge investments in customer training, so that they can take advantages of the provided products and services properly. In such societies, due to weaknesses in infrastructures and lack of easy access to customers, innovation in training processes are among important points. In India, 2 million kids die because of outbreak of diarrhea. This is while the number can be considerably required by washing hands with soap prior to feeding. Accordingly, an Indian company<sup>8</sup> established an extensive network of people (particularly kids) to promote the use of soap, so as to have the people trained in multiple ways. In this way, not only air pollution-resulted fatalities are reduced in number, the company has attained a large deal of profit by selling the product.
  9. “Principle of designing per existing infrastructures”: In contrary to developed countries, poor countries at the bottom-of-the-pyramid suffer from inadequate infrastructures to desirably use provided services and products. In fact, in these countries, it is pretty common to be in short of quality in required infrastructures such as power (voltage fluctuations and number blackouts) and water (lack of water resources and quality). As such, the products to be released in such markets should be resistant against noises, dust, unhealthy conditions, and inappropriate use.
  10. “Principle of communication”: Research on consumers’ commonalities and type is very important. Variation of consumers in terms of language, culture, skill level, and prior familiarity with functionality of machineries serve as a fundamental challenge for innovators. Most of consumers in the bottom-of-the-pyramid are new to services and products; however, training process should be as brief and simple as possible.
  11. “Principle of distribution”: Innovations should be received by consumers. In the bottom-of-the-pyramid society, either of two markets, namely well-distributed village market and well-dense urban market, represent opportunities to innovate in terms of good distribution. Design of methods through which poor people find access to goods at very low prices is very important. Distribution systems serving customers in the bottom-of-the-pyramid society are very important for developing this market. Indeed, to same extent as innovation is important in methodology and manufacturing, it is well of significance in distribution as well. For example, a small Indian bank<sup>9</sup>, rather than increasing number of its physical branches, went for innovations wherein customers could access banking services via multiple channels including PCs and ATMs. Relying on this innovation, the bank is now the second largest bank in India and enjoyed a revenue of more than 10.3 billion USDs in 2016.
  12. “Principle of challenging traditional insight”: In most of the above-mentioned innovative principles in the bottom-of-the-pyramid society, traditional line of thinking was challenged. The bottom-of-the-pyramid markets have broken traditional lines of thinking and acting. This is the highest and largest value they succeeded to build. As long as we do not change our obsolete minds, existing opportunities within this market remain invisible and unattractive.

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<sup>6</sup> Amul Dairy

<sup>7</sup> Dairy Reporter report in 2016

<sup>8</sup> VOXIVA

<sup>9</sup> ICICI Bank

In order to obtain an appropriate mix of scale and market scope, required technologies, fair and acceptable price, sustainability and usability, managers should start innovations in the bottom-of-the-pyramid market right from the base. The mentioned principles are minimums which define innovation philosophy in the bottom-of-the-pyramid market. This complex is very important and the necessity to implement them should be well understood.

### 3. THE BOTTOM OF THE PYRAMID, A GLOBAL OPPORTUNITY

As was mentioned before, participation and interaction of private sector in developing and flourishing the bottom-of-the-pyramid societies can bring about profits not only for stakeholders at the bottom-of-the-pyramid, but also for the private companies themselves. As such, four sources of investment opportunities for large companies in the bottom-of-the-pyramid markets can be defined as follows:

1. Some of the bottom-of-the-pyramid markets are adequately large, comprehensive, and attractive.
2. Many of local innovations can be generalized and localized for other bottom-of-the-pyramid markets. As such, one can imagine global marketing for local innovations.
3. Some of the innovations introduced into bottom-of-the-pyramid markets are capable of being further presented to other markets such as those of developed countries.
4. Many of the feedbacks obtained from bottom-of-the-pyramid markets can affect the way large companies are managed.

In order to introduce private companies to bottom-of-the-pyramid markets, one can consider either of two methods. The first method relies on using the interaction model developed in markets of developed countries. In this method, companies try to intrude into bottom-of-the-pyramid markets with accepting little changes. However, as was mentioned before, probability of success in such markets is low when following such a traditional approach. Indeed, large and multinational companies should capture a deep understanding of the nature and needs of the bottom-of-the-pyramid societies to be able to step in their markets. These companies should raise innovation to provide a basis for presenting their products and services. In many cases, development of bottom-of-the-pyramid markets can ultimately render profitable for markets at developed countries as well, because

the required levels of quality, capacity, and usability in the products to be offered to bottom-of-the-pyramid societies exceed, in some cases, those of the products to be offered to developed countries.

One of the opportunities with which large companies are provided in bottom-of-the-pyramid markets is the advantage of accessing to a large population of purchasers. Regardless of annual income, consider a society of more than 4 billion consumers. Companies will be able to identify growing contexts in different societies to develop a large and growing market for presenting their products and services.

Bottom-of-the-pyramid can break apart temporal frameworks governing traditional markets. It takes only 3-4 years to realize the same changes that took more 15 years to realize in developed markets. This provides companies with an opportunity to match with the trend of rapid changes in bottom-of-the-pyramid market to keep and even boost competitiveness of their products and services in different markets. Another opportunity provided by bottom-of-the-pyramid markets is the use of local innovations and extension and development of the innovations to other bottom-of-the-pyramid markets or particular markets in developed countries.

The most important experience gained by giant multinational companies as they participate in bottom-of-the-pyramid markets is that in the scope of cost management. Since one of the primary philosophies of innovation in bottom-of-the-pyramid markets is the principle of performance – price, this can provide companies with a good opportunity to focus on price components and take required actions to enhance their investment efficiency.

In the following, examples of entrepreneurship toward eradication of poverty within the scope of different business in the world together with the corresponding scopes of activity are presented.

#### *1. Casas Bahia Company*

● Location:	Brazil
● Business	Retailing
● Annual income	2.4 billion real
● Number of shops	30
● Number of customers	10 million
● Number of employees	20,000
● Share of Brazilian market	20%
●	

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- Providing credit to bottom-of-the-pyramid consumers, most of whom did not have even a permanent job.
- Developing of a basis for analyzing credit and undertaking risk management to take advantage of low income of the consumers to enhance their quality of life while building profit for the company.
- Investing on well-known manufacturing companies to procure equipment of the best quality.
- Re-crediting the consumers once 50% of their outstanding purchases was repaid and applying low interest rates.

## *2. Samex Company*

- Location: Mexico
- Business Cement Manufacturing
- Annual income 6.5 billion USD
- Number of plants 235 cement manufacturing units in Mexico, 600 units in USA, 85 units in Spain, 45 units in Venezuela, 4 units in Indonesia, and 4 units in Egypt
- Profit margin 44.1%

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- Changing the sale policy to selling comprehensive solutions.
- Investing on information technology to enhance production capability.
- Large-scale house construction for the bottom-of-the-pyramid society at Mexico.
- Affecting economic, cultural, and social aspects of poor people by incorporating innovation and meeting customers with satisfaction.
- Regulating small savings of the bottom-of-the-pyramid society and using the resulting funds to undertake cash payments for construction materials, so as to accelerate house construction and improve finished quality of the houses.
- Transferring income of Mexican workers who work in USA to construct houses for the workers' families.

## *3. HLL Company*

- Location: India

• Business	Food and health stuff production
• Annual income	100 billion USD
• Profit margin	18%
• Number of employees	40,000
• Share of market	14%

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- Considering the presence of 70 million individuals engaged with goiter (iodine deficiency) in India, the company succeeded to control the diseases by developing "Annapurna" iodized salt which was produced via an innovative process which made the salt release its iodine content only when it was within a human's digestive system.
- Making innovations in transportation via railway and constructing salt treatment centers near farms which ended up with cost reductions.
- Knowing that 50% of people in India have no access to any media, the company defined a project called Shakti where rural women were employed to establish direct connection between the company and its customers. In this way, the company succeeded to boost its sales while creating jobs for rural women.
- Knowing that only 30% of Indians use soap on a daily basis and this has resulted in outbreak of various diseases and numerous fatalities, the company designed a comprehensive plan to enhance Indians' health status by advertising the use of soap on a daily basis. The following headlines were focused in this plan:
  - Advertising activities through media
  - Direct communication when people refer to health centers and social institutions
  - Presenting materials in schools and villages
  - Holding training workshops for managing different diseases
  - Establishing a health club
  - Producing high-quality soaps at low prices which were affordable for general public.

## *4. Aravind Eye Hospital*

- Location: India
- Business Ophthalmology
- Established in 1976

● Number of eye surgeries per year	200,000
● Annual income million rupees	400
● Number of hospitals	5 eye hospitals

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- Given 12 million Indians are blind, with many of them losing their eyesight due to cataract, the company was established to provide patients with high-quality services at low prices to address this social problem in India.
- Using social capitals and creating jobs for more than 4,000 individuals.
- Establishing training department as well as R & D center to realize organizational development.
- Respecting humans and raising human dignity.
- Establishing eye treatment tents and camps at remote villages where rural patients can easily access to required service.

#### 5. Jaipur Foot Company

● Location:	India
● Business	Empowering equipment (artificial foot) manufacturing
● Established in	1968
● Number of branches across India	23 branches
● Number of artificial body parts manufactured and implanted per year:	16,000 pieces
● Annual revenue	3.5 million USD
● Number of disabled individuals served by the company per year:	6,500 individuals

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- Given 5.5 million Indians are disabled and the fact that, every year, 25,000 Indians lose their body parts due to accidents, diseases, etc., and knowing that most of the disabled individuals live below poverty baseline, the company set its mission to return these people back to their life, so that they can continue to persuade their dreams.
- Average cost of an artificial foot in USA is 8,000 USD. That is while Jaipur Foot Company has succeeded to employ innovative solutions and scale to serve disabled people with high-quality artificial feet at 30 USD only.

#### 6. ICICI Bank

● Location:	India
● Business	Banking
● Established in	1994
● Number of branches across India	4450 branches
● Bankroll	109 billion USD
● Annual profit	1.5 billion USD

Important actions taken by the company to alleviate poverty and improve welfare across bottom-of-the-pyramid society:

- This bank is deeply engaged with social activities and economic development in India and provides Indian farmers with small loans to empower them to buy farming lands and procure seeds, chemical fertilizers and other requirements.
- Holding training courses on banking operations for bank employees and customers which has provided the bank with enhanced efficiency.
- As part of its social commitments, this bank has institutionalized the attention to training, health, sustainable development, skill development, and economic development.

#### 4. SUMMARY AND CONCLUSION

This paper aimed at integrating main goal of companies (focusing on profit generation) into social approaches such as serving poor communities and presenting comprehensive solutions to institutionalize this type of insight and activities within the companies, indicating considerable evolutions resulted by applying this insight into societies.

The intellectual activity undertaken by the workgroup formed in this regard included a research and study on texts and other references and sharing opinions on the considered materials, and indicated obvious evidences of capabilities of some of companies to create new solutions to offer a special type of services which not only bring about profit for the company, but also realize social excellence and even solve some of social problems and enhance effectiveness and efficiency of individuals in the society. Enhancing people's quality of life and undertaking expertized trainings and presenting high-quality goods and services can raise a large evolution in economic culture of a society. The considered companies (e.g. Samex and Arvanid) were surprisingly effective in this regard. Considering some example companies and comparing their length activities suggested that, excellent and long-term goals largely contribute into lengthened activity of companies.

In Iran, also, there are similar cases (e.g. Firooz Company) where managers employed disabled people as employees to provide them with useful motivation, efficiency and effectiveness, so that they can take positive steps for both themselves and their society.

In order to improve its employees' level of livelihood, particularly in terms of pension plans, Tarasht Power Plant Operation Company (TPPOC) has boosted the spirit of team working and responsibility-taking to achieve the common goal of enhanced quality of life and promoted the formation of employees into cooperative associations where they can go for distributed power generation.

We hope that, by presenting and publishing this empirical model of communal activity in terms of constructing small-scale gas-based power generators and providing associated services by maximally exploiting the capabilities, expertise and participation of our colleagues in the company, the company can take part, though slightly, in the trend of social and economic evolution of our country.

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