

How Multinationals Should Fight the War on HIV/AIDS

by John Larkin, Ellen Knebel, and Joshua Trevino

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Companies must join the fight against the spread of HIV/AIDS not just because it is socially responsible, but because their businesses are at risk.

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HIV/AIDS is a human tragedy unparalleled in the sheer scope of the physical and emotional pain it inflicts on sufferers and on those who take care of them. The disease is also a global crisis that weighs heavily on corporations and governments worldwide — and it is getting worse. While HIV/AIDS epidemics in poor countries (many of them in Africa) are well known, the danger of HIV/AIDS spreading at the same speed through poverty-stricken and health-care-challenged places such as China, Russia, or India is looming. Fearing the effects this would have on sales, labor resources, and suppliers in these emerging economies, more multinationals are engaging in local efforts to fight HIV/AIDS in countries where they operate, not just because it is socially responsible, but because their businesses are at risk.

In March 2004, the Global Business Coalition on HIV/AIDS and the U.S. Department of Commerce sponsored a forum on leveraging the power of industry to fight HIV/AIDS. In preparation for that forum, Booz Allen Hamilton conducted interviews with key members of the international business community to gain a deeper understanding of current corporate

HIV/AIDS initiatives, and to identify the best practices of multinational corporations in the fight against HIV/AIDS. A prime finding was that company efforts worldwide to conquer HIV/AIDS can have an even greater impact when organizations apply their core capabilities to the problem locally — in essence, using their leadership, expertise, and resources to address specific community needs in the countries where they operate.

It's no surprise that pharmaceutical companies, whose entire business is linked to curing and preventing disease, have been among the most active in using their competencies to combat HIV/AIDS, offering research expertise, clinical training, and critical health-care products. But increasingly, corporations from an array of non-health-related sectors are more aware of how HIV/AIDS can affect their businesses, and they are bringing their own capabilities to bear on the problem.

For instance, the media and entertainment industry is uniquely positioned to harness media access, messaging, programming, networking, and use of celebrities to deliver local HIV/AIDS awareness and education programs. And they're finding creative ways to get the message out. For example, Black Enter-

tainment Television sends street teams to U.S. urban areas to educate youth about safe sex practices and the importance of getting tested for HIV. MTV administers sexual behavior polls to its employees to better analyze and understand HIV risk among certain age groups. Such practices could easily be adapted for other countries and cultures.

For manufacturers with operations or large work forces in regions affected by HIV/AIDS, the disease is directly linked to reduced productivity, high absenteeism, and increased demand for workers to replace stricken colleagues. In a 2003 study of the economic impact of HIV/AIDS in South Africa, conducted by the South Africa Bureau for Economic Research and the South African Business Coalition on HIV/AIDS, more than half of the manufacturers surveyed said the disease had led to lower labor productivity or increased absenteeism. Forty percent of manufacturers reported that HIV/AIDS had reduced their profits.

Manufacturers are highly integrated into the economic and social fabric of the communities where their plants are located. As a result, we found that they are well positioned to piggyback on existing in-country relationships and networks to provide

health-care services and comprehensive prevention, testing, and treatment programs. In India, Tata Steel is utilizing its existing infrastructure of medical programs to mobilize resources to fight the pandemic. Tata Steel also developed a “Safe Highway” project to establish HIV/AIDS clinics targeted at truck drivers.

In our interviews, executives from consumer goods companies consistently stressed the long-term implications of HIV/AIDS on their global performance. These executives expressed fears that HIV/AIDS could reduce future product sales in emerging economies they have targeted for growth if the pandemic significantly erodes purchasing power in those locations. They also noted the mounting negative impact of HIV/AIDS on worker productivity among local supplier partners, as well as among in-country sales agents and workers in retail shops.

These growing risks are good reasons for consumer goods companies to tackle HIV/AIDS where the disease is doing the most harm. But there is another motive we learned about during our interviews: With competition among companies, brands, products, and marketing messages becoming more intense, increased involvement in the fight against HIV/AIDS is seen as a way to drive sales among the growing segment of consumers in the U.S. and Europe who are inclined to purchase products from companies active in supporting social causes.

Our interviews revealed that consumer products companies are applying a mix of marketing, advertising, messaging, and brand promotion capabilities to the creation of local campaigns for HIV/AIDS

public awareness and education as well as to workplace programs for employee education, testing, and treatment. These companies are also using their power over the supply chain to enlist the help of channel partners. For instance, Coca-Cola Africa has enlisted Coca-Cola Bottlers of Egypt to join its employee health-care benefits program, which includes targeted HIV/AIDS services, such as coverage for anti-retroviral drugs, for workers and their dependents.

Although the model initiatives discussed here are a hopeful sign that businesses are becoming more active leaders in the global and local fight against HIV/AIDS, there is much more companies can do. Because many companies don't know where to begin and don't have the skills to manage ongoing social issues campaigns, greater coordination is needed across industries to help engage companies in integrated HIV/AIDS programs involving corporations, governments, and NGOs.

It is equally critical that companies not view financial investments as the sole means of contributing to the battle against this disease. Leveraging their products, services, and assets to combat HIV/AIDS through co-investment strategies, in-kind donations, or other approaches that promote of public-private partnerships is just as important.

One of our most essential findings is the importance of executive leadership in the success of partnerships and in sustaining HIV/AIDS programs in the workplace. Direct interaction among top executives working in HIV/AIDS-impacted regions and their colleagues at the home office, and more integration

of leadership-training programs with strategic HIV/AIDS initiatives need to occur. Executives from outside the region must visit subsidiaries and hospitals and other health-care support facilities to learn first-hand about the devastation of HIV/AIDS and to inspire leadership to do more to actively develop policies on HIV/AIDS and provide resources, education, and care services for their employees and the communities they serve.

Confronting the HIV/AIDS makes good business sense, and our research shows companies are becoming more proactive and innovative in leveraging their resources in the global fight against HIV/AIDS. Their strategies offer models for others to join this fight, too. +

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