

## **SOLUTION REVOLUTION** *by Michele Buono*

### **MILENA GABANELLI IN THE STUDIO**

To start, businesses that have a social impact. Tonight's episode is really interesting because it will offer plenty of ideas to the political world, which doesn't have any, and also to a few entrepreneurs.

Let's take a broad overview: in today's world 4 billion people have a decent standard of living while 3 billion people have nothing.

But these 4 billion people live in a saturated market and so their standard of living will deteriorate in the future, while the other 3 billion need everything.

In Italy, in the next 4 years an extra 90 billion euro will be needed to cover healthcare spending and social needs.

Until now only the State has taken care of the public good. Of course there are also private entities that operate in the field of healthcare, training, social wellbeing, but they don't risk their own money and many use public money and so if the model isn't 100% efficient it is the State's money that is wasted. The demand for such services is growing all over the world but the ability of states to meet it is diminishing. So what do we do? We aren't talking about privatisation, the State still has a key role and deals the cards. What we are talking about is a new category of entrepreneurs and financiers who have taken a new approach in the last few years, showing that you can create social wellbeing and make a profit without cheating anyone. Michele Buono.

### **MICHELE BUONO OFF-CAMERA.**

Gerald Pawson, from Boston, could never have imagined that one day he would be telling someone his story.

### **GERALD PAWSON**

I'm better, yes I'm much better and I'm happy now. I hit rock bottom in 1984. I ended up on the streets. I don't know why I thought it was all because of Connecticut. So I came to Massachusetts. I was on the streets for 32 years. I counted them for the first time three months ago.

### **JOE FINN - PRESIDENT MHSA BOSTON**

If at the beginning of this story someone had told me that the easiest part would have been involving private investors I wouldn't have believed them.

### **MICHELE BUONO OFF-CAMERA.**

This isn't about charity and it isn't a story about public aid. It is about a new breed of entrepreneurs: social entrepreneurs. They solve problems; they don't ask the State for money; they launch new markets and create jobs. Not just in the US but everywhere, and the condition is that everyone's a winner.

### **MICHELE BUONO OFF-CAMERA.**

Milan. Santagostino Healthcare Clinic. It is International Women's Day and this is how patients are welcomed.

### **LUCIANO BALBO - CHAIRMAN OLTRE VENTURE**

We seek to provide far more effective and efficient services at the same prices as the public sector.

### **MICHELE BUONO OFF-CAMERA.**

For all healthcare activities that can be carried out in outpatient clinics, orthodontics and psychotherapy included. Do you receive public money?

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

We have never taken even a euro from the Region of Lombardy.

**CALL CENTRE OPERATOR**

Santagostino Healthcare Clinic, good morning. My name is Raffaella.

**CALL CENTRE OPERATOR**

The first slot I have this week is at 3 p.m. on Friday.

**CALL CENTRE OPERATOR**

A check-up costs 50 euro.

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

We charge 60 euro for an appointment with a consultant. Part of that 60 euro goes towards paying the doctor, part goes to paying the structure, salaries and all of the quality infrastructure needed to make this place work.

**PATIENT SANTAGOSTINO HEALTHCARE CLINIC**

Booking, two, three days and I have an appointment right away. I choose the times that work best for me because I have twin girls, two granddaughters to look after, to take to school.

**PATIENT SANTAGOSTINO HEALTHCARE CLINIC**

You can read, you can go on the Internet, there is a Wi-Fi connection. But in reality you don't even have time to sit down because the waiting times are very, very short.

**MICHELE BUONO**

Who invested the money?

**LUCIANO BALBO - CHAIRMAN OLTRE VENTURE**

Us, first of all. We were the promoters with our little social venture capital fund. We aren't looking for huge returns, we are seeking to distribute the value that a company produces right along its production chain: the user, the employees and the shareholders.

**MICHELE BUONO**

Do you think that your salary is fair, appropriate?

**DANIELA CALLEGARI – PAEDIATRICIAN**

Yes. I'm happy with it, happy. For the work I do I'm happy.

**DANIELA MOSCA - ORTHODONTIST**

The machines that I am able to work with are high-performance and cutting-edge. Yes, they certainly allow me to do my job properly.

**PATIENT SANTAGOSTINO HEALTHCARE CLINIC**

The nice thing is that you can immediately provide some feedback on your experience with the Centre. So you can click on a little face and say how you found the experience in real time.

**MARIANNA IACOBUCCI - QUALITY SPECIALIST**

I see that "red" was clicked, I receive an alert and through our computer systems I have the name of the patient, their level of satisfaction, dissatisfied in this case, "red", their phone number...

**MICHELE BUONO**

And so?

**CRISTINA MODICA - HEAD OF QUALITY SCREENING**

All information that isn't exactly positive triggers an internal investigation with all persons and all departments of the medical centre that were involved.

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

So the market becomes increasingly bigger, because the patients are satisfied, and we have fewer errors and therefore lower costs.

**MICHELE BUONO**

Patients pay the national medical visit fee and the Centre does not receive any reimbursement. How do you stay afloat?

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

For example we can offer a pap test, a mammography, an ultrasound. We put them together, providing them as a single service, we lower the cost, it will cost women less than the state medical visit fee and they will be able to do it in a reasonable amount of time, all in one go. This is an example of how we manage to do what a private supplier that has an agreement with the public sector would not be able to.

**MICHELE BUONO**

Even if they wanted to...

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

Even if they wanted to.

**PAOLO PEZZALI - OSTEOPATH**

Being able to access a service with lower costs, people come more readily and more often for treatment.

**MICHELE BUONO**

In numbers?

**LUCA FORESTI – CEO SANTAGOSTINO HEALTHCARE CLINIC**

To give you an idea, in 2009 our turnover was €600,000. Now it's 2016 and we finished 2015 with a turnover of around €11 million.

**MICHELE BUONO**

The effect on the national economy?

**LUCIANO BALBO - CHAIRMAN OLTRE VENTURE**

If we can provide these more effective solutions at lower costs we are easing both the costs for citizens and the public contribution.

**MICHELE BUONO OFF-CAMERA.**

The provision of efficient health services does not weigh on the pockets of the general public, does not increase public spending and enables investors to find other capital to enter the microcredit sector. In other words, support those that want to do business but only have a good idea and nothing else.

**LUCIANO BALBO - CHAIRMAN OLTRE VENTURE**

With this project we are seeking to plug a gap in the market. In other words, there is no supply for a young man or woman that needs 5-10,000 euro to open a shop, start up a little transport company.

**MICHELE BUONO**

Her?

**ANDREA LIMONE - CEO PERMICRO**

She has a little cake and bread shop, let's say, in the Ligurian hinterland.

**MICHELE BUONO**

Him?

**ANDREA LIMONE - CEO PERMICRO**

He is a young architect...

**MICHELE BUONO OFF-CAMERA.**

Milan, Sempione area. A hostel that is also a literary cafe and a meeting place for travellers and people from the neighbourhood.

**ASLI HADDAS – GOGOL' OSTELLO HOSTEL MILAN**

At the moment we hold a tai chi course every Wednesday at 12.45 p.m.

**MICHELE BUONO OFF-CAMERA.**

Asli was a computer technician then the company she worked for began struggling and she decided to become an entrepreneur. She needed money but she couldn't offer any guarantees.

**MICHELE BUONO**

How did you convince investors?

**ASLI HADDAS – GOGOL' OSTELLO HOSTEL MILAN**

Ladies and gentlemen, this is my project. Here are the analytical data. But don't only focus on the numbers because I also have some people that will support me on this project. They are non-values for a bank. But for Permico this human aspect was fundamental.

**ASLI HADDAS – GOGOL' OSTELLO HOSTEL MILAN**

But it was like a car key, it enabled me to get up and running because after that I was able to request additional financing.

**MICHELE BUONO**

Do they manage to pay the money back afterwards?

**ANDREA LIMONE - CEO PERMICRO**

These people pay the money back because they believe in what they do and because we help them to get their businesses up and running.

**MICHELE BUONO**

The problem isn't money, the money is there.

**LUCIANO BALBO - CHAIRMAN OLTRE VENTURE**

It is definitely not the money. There has never been so much liquidity in the history of mankind. Liquidity continues to move from one investment to another creating speculative bubbles, one day it is houses, then shares, then treasury bills or bonds, later generating the crashes that follow. We have to develop new businesses.

**MICHELE BUONO**

What would be the effect if part of this liquidity went towards social entrepreneurship?

**MARIO CALDERINI - SOCIAL INNOVATION MANAGEMENT, POLYTECHNIC UNIVERSITY OF MILAN**

If we reached a level of around 1% of the assets managed by traditional finance, in Italy, for example, by 2020 we could reach a total managed amount of 30 billion euro. As part of a system capable of generating enterprise and development, this figure could represent a rather large slice of our economy.

**MICHELE BUONO OFF-CAMERA.**

Milan: a group of social enterprises makes investments to offer homes to those that are too rich for a council house, but their salaries are not sufficient to pay a rent at market prices.

**MICHELE BUONO**

What is the effect on the economy?

**SERGIO URBANI - SECRETARY FONDAZIONE CARIPLO**

If I can attract workers to Milan offering them a house where the rent costs 500 euro a month rather than 1,000, it is easier for them to leave the city they live in and come and rent a place and live in Milan.

**MICHELE BUONO OFF-CAMERA.**

Chiara is from Trento, she graduated in Padua in Psychology and was offered work in Milan.

**MICHELE BUONO**

How much does it cost to rent this flat?

**CHIARA FRIZZERA - TEACHER**

450 euro. For this money here in Milan it is difficult to find a single room that isn't a studio flat. It is 4 stops to the Duomo. But above all I can say "I'm going to live on my own and find a job in Milan"...

**MICHELE BUONO OFF-CAMERA.**

So Chiara is not unemployed and can pay a rent and her taxes.

**DAVIDE INVERNIZZI - DIRECTOR OF PERSONAL SERVICES FONDAZIONE CARIPLO**

We bought it and completely redeveloped it thanks to a property fund, the FIL, the Lombardy Property Fund...

**MICHELE BUONO**

The tenants?

**DAVIDE INVERNIZZI - DIRECTOR OF PERSONAL SERVICES FONDAZIONE CARIPLO**

Around 50% are the previous tenants and for the other 50% SM issued a public notice to find young couples, families and single-parent families.

**MICHELE BUONO**

What other types of investors did you partner with?

**SERGIO URBANI - SECRETARY FONDAZIONE CARIPLO**

There are banks, insurance companies, pension funds and, above all, the Cassa Depositi e Prestiti bank. Out of a 3 billion euro project, Cassa invested 1 billion.

**MICHELE BUONO**

And if someone can't pay the rent, do they receive public assistance?

**MARCO GEREVINI - SOCIAL HOUSING FOUNDATION MILAN**

No, it is a structured market. As part of their rent the tenant also pays to have the right to an insurance policy that covers the risk of them losing their job and, in the case of freelancers or self-employed people, illnesses that prevent them from working.

**MICHELE BUONO OFF-CAMERA.**

If the project works and its prospects are good, other investors with new ideas come along.

**STEFANO GRANATA - CHAIRMAN ABITARE SOCIALE MILAN**

Knowing that we cannot apply high rental costs to our tenants, we know where to regenerate the economy, regenerate wealth.

**MICHELE BUONO OFF-CAMERA.**

Creating business on the premises: here a bar with fair trade products and a regenerated clothes shop do well.

**MANAGER**

A part of these flats is also financed by part of the shop's takings.

**SHOP ASSISTANT**

There are four of us, my boss Monica, myself and two other guys that help us. The two guys come from complicated backgrounds, from communities and so on, and we have helped integrate them in the working world.

**MICHELE BUONO OFF-CAMERA.**

When they build new houses there is a pact of steel with the constructors: 1,400 euro per m<sup>2</sup> all-inclusive, for houses with an A+ energy class, otherwise it's goodbye to low rent. Crema, province of Cremona. 90 flats, common areas, businesses and crèches.

**SERGIO URBANI - SECRETARY FONDAZIONE CARIPLO**

It requires discipline, professionalism and work on all of the access conditions of the areas, on the efficiency of the project, on the efficiency of the construction techniques. In Italy we underestimate the fact that errors account for around 30% of the final cost of construction projects.

**MICHELE BUONO OFF-CAMERA.**

The G8 social impact investment task force has calculated that for the period 2014-2020, 150 billion euro of public spending is required for social needs. If social enterprises were to invest, a 250 billion euro market would be created.

**MARIO CALDERINI - SOCIAL INNOVATION MANAGEMENT, POLYTECHNIC UNIVERSITY OF MILAN**

It is worth millions of jobs.

**MICHELE BUONO**

So taxes will go up.

**MARIO CALDERINI - SOCIAL INNOVATION MANAGEMENT, POLYTECHNIC UNIVERSITY OF MILAN**

Without a doubt.

**MICHELE BUONO**

Let's suppose everything is done well.

**MARIO CALDERINI - SOCIAL INNOVATION MANAGEMENT, POLYTECHNIC UNIVERSITY OF MILAN**

If we were able to go down this path, I believe that it would be a great public investment, a great public effort in terms of favourable tax treatment, in terms of infrastructure, in terms of contributing to the growth and training of these new types of businesses...

**BILL DE BLASIO - MAYOR OF NEW YORK**

This is the time of a new economy for New York! There are over 4.2 million jobs in our city. 220,000 in the last two years alone, this has never happened before! And do you know who we have to thank? Our small businesses, which are making our neighbourhoods great. What is our role? To smooth the way.

**MICHELE BUONO OFF-CAMERA.**

Best for New York is a project run by the city's administration: supporting the best businesses not in New York but for New York.

**ELENI D. JANIS - VICE PRESIDENT NYCEDC**

When in a city or country it is not just the Government or philanthropists that strive to make a positive social and economic impact but also private enterprise, the number of opportunities for everyone increases and social problems are reduced.

**MICHELE BUONO OFF-CAMERA.**

We are talking about benefit corporations and how New York is making the most of them. It is a movement that began in the US and which in less than 10 years has changed the DNA of businesses.

**ANDREW KASSOY - B CORPORATION COFOUNDER**

We needed to change the rules and the law so that an entrepreneur that refuses to work in the interests of the shareholders, if workers and the social environment are penalised, is protected by the law.

**MICHELE BUONO OFF-CAMERA.**

And many businesses have seized the opportunity, thanks to the new law, to set their mission in stone: profit and social good cannot be separated and no director or shareholder will ever be able to throw a spanner in the works if, for example, a company decides that the salary of a CEO cannot be more than five or six times that of an office worker.

**MICHELE BUONO**

Why is New York supporting you?

**ANDREW KASSOY - B CORPORATION COFOUNDER**

It asked us to create a team to involve and stimulate the thousands of New York companies and to improve the conditions of workers.

**MICHELE BUONO OFF-CAMERA.**

Impact Hub is a coworking network, the only benefit corporation-certified one of its kind in New York. What kind of social impact can a workspace have?

**SAM UTNE - IMPACT HUB NEW YORK**

Our customers all share in the principle of social responsibility. Our mission is to create a suitable system around organisations so that they can grow.

**MICHELE BUONO**

What do you do exactly?

**EWAN WALDEN - REWORK NEW YORK**

We help companies that address social and environmental problems to hire the right kind of people.

**MICHELE BUONO OFF-CAMERA.**

They are headhunters.

**EWAN WALDEN - REWORK NEW YORK**

In 3 years we have created tens of thousands of contacts between all those that are looking for work in this sector.

**MICHELE BUONO OFF-CAMERA.**

Crave Fishbar, a restaurant that only serves fish and seafood. They show us how you can make money, pay your employees well and use excellent and sustainable raw materials without bleeding your customers dry.

**BRIAN OWENS - CRAVE FISHBAR NEW YORK**

Nowadays people are more interested in the provenance of the food on their plates and the behaviour of entrepreneurs. Basically people want to be sure that the company they work with or for is not only concerned about filling their pockets.

**MICHELE BUONO**

How is business?

**BRIAN OWENS - CRAVE FISHBAR NEW YORK**

Very good. A month and a half ago we opened another bar in the Upper West Side and we hired another 50 people.

**MICHELE BUONO OFF-CAMERA.**

The Best for New York programme encourages participants to involve as many companies connected with their network as possible. It is a challenge.

**ELENI D. JANIS - VICE PRESIDENT NYCEDC**

I would point out that businesses are not interested in their positive impact just because it is the right thing to do, but because they see that with social and environmental sustainability their profits grow too.

**MICHELE BUONO OFF-CAMERA.**

After Maryland one state after the next has approved the law that introduces a new type of company, the Benefit Corporation. 32 states so far and, outside the US, the first one in the world is Italy. Nativa of Milan opened the way and gave the Government the idea.

**PAOLO DI CESARE - NATIVA**

For once a law has not been written to administer or to prevent negative behaviour but rather to foster positive actions.

**MICHELE BUONO**

What did you say to the Government?

**ERIC EZECHIELI - NATIVA**

Businesses and enterprise are the strongest forces on the planet nowadays. On a level with the force of nature, some say. If we are able to ensure that business systematically becomes a regenerating force we really can start to picture a prosperous future.

**MICHELE BUONO OFF-CAMERA.**

Their work, according to the presentation, is to help other companies redesign enterprise and products for the future.

**PAOLO DI CESARE - NATIVA**

They are companies whose managers are already managers of a new class because they have understood that there is an element of total convenience and that they function better. And functioning better in an organisation means being more productive, being more innovative and therefore competing better on the market.

**MICHELE BUONO OFF-CAMERA.**

Lomazzo, province of Como. D-Orbit is a benefit corporation, one of the first in Italy. Luca Rossetini studied to be an astronaut. At the training centre in Cologne two veterans told him about the time they had to take shelter in the LES pod because they were in danger of colliding with fragments of satellites. Space detritus in orbit at 30,000 km an hour. Impact, a chain reaction and goodbye to telecommunications on Earth: transport, GPS, meteorology. Chaos in other words, and it mustn't be allowed to happen. His mission today is to clean up space and bring satellites at the end of their lives back to Earth using a smart propulsion system.

**LUCA ROSSETTINI – FOUNDER AND CEO D-ORBIT**

Once installed, the satellite goes into orbit, does what it has to do. When the satellite comes to the end of its life or if it becomes faulty for any reason, from Earth it is possible to directly control our device which turns the satellite into the correct position, turns on and moves the satellite either towards this recycling cemetery orbit or towards Earth in a completely controlled and safe way.

**MICHELE BUONO**

And how does it work here with your workers?

**LUCA ROSSETTINI – FOUNDER AND CEO D-ORBIT**

Here we don't have fixed hours, we focus more closely on our goals so people have maximum flexibility in choosing when to come in and when not to. Of course freedom equals responsibility.

**MICHELE BUONO**

Does all this impact on salaries?

**LUCA ROSSETTINI – FOUNDER AND CEO D-ORBIT**

No, no. It doesn't impact on salaries. In fact, salaries at D-Orbit go up by 5% each year. The eventual aim is, with the growth of the company, to have salaries that are on average the same as those in the rest of Europe.

**MICHELE BUONO OFF-CAMERA.**

A system that attracts and retains talent. Lorenzo: degree from Princeton and straight to D-Orbit as a specialist in orbital mechanics, then head of satellite guidance. Now he is technical director. Age: 26. If things had gone differently?

**LORENZO FERRARIO - TECHNICAL DIRECTOR D-ORBIT**

I'd probably have accepted an offer that I received in the US just after graduating.

**MICHELE BUONO OFF-CAMERA.**

Ah, you received one?

**LORENZO FERRARIO - TECHNICAL DIRECTOR D-ORBIT**

Yes I received one. And I turned it down to come here.

**MILENA GABANELLI IN THE STUDIO**

So, general partnerships, limited companies and joint-stock companies have been joined by a new kind of business, the Benefit Corporation. What is different about it? Its mission. In other words if, for example, I take decisions that improve the environment or increase workers' salaries the board of directors cannot block them because they reduce the profits of the shareholders, and there are two reasons for this: firstly because the model is legally binding and doesn't change with a change of CEO and secondly because the shareholders themselves are different. They aren't short-term speculators and they understand that, in the long run, behaviour that doesn't meet with the expectations of customers will penalise you because they will no longer buy your products or services. The mechanism is quite similar to that of the organic food sector. There were people that wanted a healthier, more environmentally-friendly product. Initially it was a niche segment but now it is a full-blown market. Then of course there are those that take you for a ride, that happens everywhere. This is one thing. Then there is the big vacuum of social needs, about which there is plenty of talk but in the end there are always other priorities because

the money isn't there. OK, as we will see the money is there and there is lots of it. After the break.

## **BREAK**

### **MILENA GABANELLI IN THE STUDIO**

OK let's resume with what appears to be a really banal discussion. But perhaps not. Out of work people notoriously don't produce any income for the State, which in turn has to cater for all their needs. If things go wrong and they break the law, the costs rise. Meanwhile those that work generate income for the State by paying their taxes, creating wealth for themselves and their company. Now, there are areas and sections of the population that are only regarded as a burden on the State in terms of assistance, and then the culture of excessive state aid is created and everything stops there. What does this change in mentality consist of? In considering people in need, having little means, as a customer: if today nobody is interested in you because you only have 5 to spend, I'll see that you are able to spend 10 without however giving you the money. In this regard the municipality of Milan and New York are already exportable models: what have they done? They have laid the foundations for economic development, they have supported entrepreneurs who by investing their own money are creating work in places people would never have imagined. And then we'll also look at the role of governments, which are looking at a new financial instrument: the social impact bond, where businesses are paid after the results have been achieved, not before.

### **MICHELE BUONO OFF-CAMERA.**

New York. Agency for economic development: it supports the administration and organises the growth of the city.

### **GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

We report directly to the deputy mayor for economic development and the mayor appoints the board.

### **MICHELE BUONO OFF-CAMERA.**

Their approach is the following. The city is the most important economic infrastructure. If we work to make it efficient and private parties invest their own money and provide ideas, in the end everyone is a winner. The plan is to exchange business with the world's biggest cities. Paris is the first.

### **NADINE CINO**

We make reusable plastic boxes for shipments and relocations and we equip them with a geolocation system.

### **JASON DASILVA**

I am the cofounder of the first database that indicates places in the world that can be accessed by people in wheelchairs.

### **GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

The sectors are very disparate. From those that produce a translation engine to fashion, tech, innovative manufacturing...

### **MICHELE BUONO OFF-CAMERA.**

If the New York administration invests together with businesses, what does the city gain?

**GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

For us it is important that they grow, if they go to Paris now and manage to increase their business volume, hire people here, because if they grow they will hire people here, for us this is our profit.

**MICHELE BUONO OFF-CAMERA.**

The same thing happens in Milan. The project: to create new businesses and launch them on the condition that they also invest their own money.

**CRISTINA TAJANI- COUNCILLOR FOR EMPLOYMENT POLICIES, MUNICIPALITY OF MILAN**

We have made space, resources and platforms available to people in the area to allow them, with their skills and desire, to construct their own futures.

**MICHELE BUONO OFF-CAMERA.**

The supervision and a part of the money is public, but only at the start, the rest is invested by private parties in businesses that will have to stand on their own two feet. What does the city get out of it?

**RENATO GALLIANO - DIRECTOR ECONOMIC INNOVATION, MUNICIPALITY OF MILAN**

It is not only a short-term investment but also a long-term investment. We count the number of new hires, we count the level of turnover, the recovery of public spaces. It becomes a key element of urban redevelopment.

**MICHELE BUONO OFF-CAMERA.**

Once upon a time they called it the Bronx, now they have stopped. The Municipality chose this place and young entrepreneurs have to come here, live in the neighbourhood, foster exchange and give the projects a commercial form. As well as the property what else do you provide them?

**MATTEO BINA – FABRIQ MILAN**

They are assigned a mentor, an expert that supports them. We add these businesses to a network of professionals, services... everything they need in order to develop.

**MICHELE BUONO OFF-CAMERA.**

This is a platform for bringing together those with good ideas and those who might be able to use them.

**CORRADO PRIMIER - FLYTHEGAP**

You can work on education, the environment, and so also on renewable energies, social impact. Whatever might require feedback from the community.

**MICHELE BUONO OFF-CAMERA.**

The experts must read the markets and turn ideas into business.

**ROMEO GERLI - MENTOR FABRIQ**

For example, the work I'm doing with them is to clearly define the type of entity with whom they have to speak. Why? Because speaking with the Municipality of Milan is completely different to presenting it to a company that produces oil.

**MICHELE BUONO OFF-CAMERA.**

OnFire puts its lessons online and allows students and teachers to share and enrich them.

**MICHELE BUONO**

How old are you?

**GABRIELE DE ROSA/MATTEO MOSCONI – ONFIRE**

19.

**MICHELE BUONO**

How did you persuade the Municipality of Milan to support you?

**GABRIELE DE ROSA/MATTEO MOSCONI – ONFIRE**

We wanted to create a tool that could be replicated in many schools. We develop On Fire just once and we can apply it to an infinite number of schools.

**DEBORA GRECO - FONDAZIONE BRODOLINI**

We put together business plans, we help to create, to launch start-ups here and the most natural thing for us was to introduce these guys to what is essentially a strange world for them. You either come from a slightly better-off family or a more favourable ecosystem or you are frozen out by certain dynamics.

**MATTEO BINA – FABRIQ MILAN**

The financing by the Municipality is designed exclusively for this phase. After this, start-ups take off and stand on their own two feet.

**MICHELE BUONO OFF-CAMERA.**

The guys at Xmetrics took the plunge with this device, basically a virtual trainer for swimmers that speaks into your cap and provides data: from the number of strokes you have made to your heartbeat. An instrument that is suitable both for athletes and for rehabilitation in the swimming pool.

**ANDREA RINALDO - CEO XMETRICS**

At the start of 2015 we received backing from a venture capitalist who acquired 30% of our company. And in fact...

**MICHELE BUONO**

How much did they give you?

**ANDREA RINALDO - CEO XMETRICS**

A million. Thanks to this we went from prototypes, what was an idea, a dream, to having two products on the market.

**CRISTINA TAJANI - COUNCILLOR FOR EMPLOYMENT POLICIES, MUNICIPALITY OF MILAN**

The Chambers of Commerce data tell us that the new jobs created in the Milan area are generated by new businesses. Conversely, the already-established businesses are reducing their staff rather than investing in new human resources. It is start-ups that are creating more jobs.

**MICHELE BUONO**

At the end of the programme, business exchange between Milan and New York.

**GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

Because we want these businesses to come here for six months and ours to go there, and we provide a whole range of support services to understand how things work, how you do business here, how the market works, who the investors are, who the main players are, and this accelerates your time to market.

**MICHELE BUONO**

And the social goal?

**GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

Look: why are we pushing hi-tech so much? Not just because it creates wealth, the future etc., all this stuff. Someone who has the same skills, particularly those with basic skills, who is employed in the hi-tech segment, will earn 50-60% more than the same person in a non hi-tech sector. And so it is also a way to create social mobility.

**MICHELE BUONO**

Because to implement redistribution policies you need "the means".

**GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

Yes, you need "the means".

**MICHELE BUONO**

You see?

**GIANLUCA GALLETTO - DIRECTOR INTERNATIONAL AFFAIRS NYCEDC**

Yes but the entrepreneurs that have "the means" must also contribute.

**MICHELE BUONO OFF-CAMERA.**

By "the means" we refer to the money needed to solve problems and not weigh on the shoulders of public spending.

**GERALD PAWSON**

While I spent my nights in a public dormitory I would say to myself: "You'll see, in one or two weeks things will sort themselves out". I was on the streets for 32 years, at a certain point you don't notice it anymore. You never sleep in the dormitories, during the night there are people that insult you, that provoke you, because in the end they want a fight just so they can calm down a bit. And the next day you start walking again without knowing where to go.

**MICHELE BUONO OFF-CAMERA.**

For a government Mr. Pawson is a social problem.

**JOE FINN - PRESIDENT MHSA BOSTON**

And the public answer has always been to build shelters and dormitories. The result? The number of homeless people has risen.

**MICHELE BUONO OFF-CAMERA.**

Social entrepreneurs have another vision and they tell the State: "I have the solution, if I succeed you pay me otherwise you won't have to spend anything". The model is business efficiency, the financial instrument is the Social Impact Bond. At Harvard they teach you how.

**JEFFREY B. LIEBMAN - JOHN F. KENNEDY SCHOOL OF GOVERNMENT, HARVARD UNIVERSITY**

It is a contract based on results. The Government says: "We will pay you for every person you manage to keep out of prison, for every child you enrol at school or for every homeless person that you house". The innovation of these instruments lies in the fact that it is private investors that assume the risks.

**MICHELE BUONO**

How does the community benefit?

**JEFFREY B. LIEBMAN - JOHN F. KENNEDY SCHOOL OF GOVERNMENT HARVARD UNIVERSITY**

Taxpayers do not pay for programmes that don't work and governments make savings. In this way they can focus on prevention, avoiding undoubtedly higher social and economic costs.

**MICHELE BUONO OFF-CAMERA.**

The Government of Massachusetts launches an assistance programme for the homeless. A group of private businesses propose a plan, Banca Santander gets involved and they invest in Social Impact Bonds. They will get their money back and receive remuneration only if their work is effective.

**JEFFERY J. HAYWARD - UNITED WAY BOSTON**

We have invested a million dollars and we are the chief backers of the operation.

**JOE FINN - PRESIDENT MHSA BOSTON**

Our plan is first of all to give them a home and to enable them to pay for it. How can homeless people stay clean, sober and make life plans if they have to queue up every night somewhere to find shelter or, even worse, stay on the streets? It's impossible.

**GERALD PAWSON**

It happened in December 2014. I was in Long Island, doing nothing. Someone comes up to me, in a friendly way, and says "Perhaps you need a hand, you are talking to yourself, you are always angry". They found me a job in a launderette. I just wanted to put some money aside and head to California, to the warm, but he was insistent, he found me a bedsit and so I stayed in Boston. Now I pay a rent, I still can't believe it! It's nice my house, clean, look! There is even a kitchen. Getting used to a bed? Give me time.

**MICHELE BUONO**

How do you make an earning from this operation?

**JEFFERY J. HAYWARD - UNITED WAY BOSTON**

If we achieve 90% of the targeted results, our return will be 5.33%. A bit more than a bond.

**GERALD PAWSON**

Now I earn around \$1200 a month and I pay a rent of \$330. I have enough left over to buy clothes, food and even to save a little.

**MICHELE BUONO**

What plans do you have for the future?

**GERALD PAWSON**

Nothing special. I just want to lead a dignified life.

**MICHELE BUONO OFF-CAMERA.**

Mr. Pawson is no longer marginalised, social entrepreneurs and investors make a profit. Arlington, Virginia. Ashoka was founded here. For them it was immediately clear that charity was the wrong word. Ashoka is a non-profit association financed by foundations and anyone that really wants to see a social impact being made. Like Pierre Omidyar, founder of eBay, or the Bill & Melinda Gates Foundation.

**DIANA WELLS - PRESIDENT ASHOKA**

We think that the best way to initiate social change is through people with ideas that can transform the system.

**MICHELE BUONO OFF-CAMERA.**

Arnoud Raskin, a Belgian social entrepreneur, thought to himself: "If street children don't go to school perhaps the school could go to them".

**ARNOUD RASKIN - STREETWIZE MOBILE SCHOOL**

This is how it works: in every Mobile School there are over 300 games designed to develop their talent in their environment.

**MICHELE BUONO**

What are the benefits?

**ARNOUD RASKIN - STREETWIZE MOBILE SCHOOL**

Self-esteem. It isn't like a traditional school: we don't limit ourselves to teaching reading and writing or holding maths lessons. The main goal is to make children aware of their abilities and to make them independent.

**MICHELE BUONO OFF-CAMERA.**

50,000 activities so far in Africa, Asia, South America and Europe. To construct the materials Raskin proposed a swap with a technical school: school carts in exchange for new knowledge.

**DANNY VAN DE VOORDE – HEAD OF BILZEN PROVINCIAL TECHNICAL SCHOOL**

It is an excellent opportunity for the students because they are attracted by the possibility of improving the world.

**STUDENT**

The idea of making myself useful for children that can't afford to go to school drives me to invent new things.

**STUDENT**

I feel that the teaching we receive is also improving.

**MICHELE BUONO OFF-CAMERA.**

Raskin got the idea for finding the money to support the business by observing street children.

### **ARNOUD RASKIN - STREETWIZE MOBILE SCHOOL**

If you manage to survive the streets of Bogotá aged 8 then you aren't just needy! I realised that these kids have skills! They manage to deal with the worse possible situations and keep getting up again, like boxers, and they understand immediately when to go it alone or when to work together to achieve a result.

### **MICHELE BUONO OFF-CAMERA.**

So Raskin decided to turn the world upside down, with the managers of major companies schooled by street children. Basically a business strategy course based on their lives, to learn how to take a positive view and make quick and effective decisions.

### **ARNOUD RASKIN - STREETWIZE MOBILE SCHOOL**

Nike and Ikea were the first to buy the training programme for company managers. We work with Belgocontrol, air traffic safety, and with Coca-Cola, BNP Paribas, Deloitte, Accenture and many others.

### **MICHELE BUONO OFF-CAMERA.**

Do they pay for everything?

### **ARNOUD RASKIN - STREETWIZE MOBILE SCHOOL**

Yes, and we reinvest all our earnings in the Mobile School project. Twenty employees of our organisation have a salary, no public subsidies and we contribute to our country's GDP.

### **DIANA WELLS - PRESIDENT ASHOKA**

We are expanding from Europe to the Far East, and the Bosch Foundation helped us come to Italy.

### **MICHELE BUONO OFF-CAMERA.**

Rome. Italian social entrepreneurs are being chosen. The project of a cooperative from Calabria is to bring together farms in a single chain. The goal? To grow and to not have to face the threats of the 'ndrangheta alone.

### **MICHELE BUONO**

What do you request from Ashoka?

### **VINCENZO LINARELLO - CHAIRMAN GOEL COOPERATIVE**

Connections, network, especially at international level.

### **ALESSANDRO VALERA - DIRECTOR ASHOKA ITALIA**

In some cases what we offer is economic support, if necessary. The chance to be part of a network of 3300 social entrepreneurs at global level. We are interested in people that manage to involve tens and hundreds of people. Thanks to our help they can become thousands or tens of thousands.

### **MICHELE BUONO OFF-CAMERA.**

To bring together food producers, sellers and consumers, for example.

### **PAOLA TAMMA - L'ALVEARE CHE DICE SÌ**

You connect to an existing 'hive' in your area where every week you can find genuine agri-food products, and not only, and then when the week-long online sales are finished you go to your local 'hive' to pick up the products directly from the hands of

the producer. Anyone can open a hive, anywhere and in any place. 8% goes to the person that organises the local hive, another 8% goes to us who offer the service, i.e. the platform, and all the rest goes to the producer who is free to fix their own prices.

#### **MILENA GABANELLI IN THE STUDIO**

Now the multiplication of micro stories can be defined as the emergence of the new small business. Then, the fact remains that our market is saturated and you have to think now about transferring these mechanisms where people have nothing if you want to keep making profits, with the added bonus of also solving some of the world's problems. We have seen the conditions and we have said that they can't do it on their own. And it isn't a question of development cooperation, which is fine but a different thing. Or of giving money to dictators, but of creating economies and markets. Let's see what a Milanese social fund and a British multinational have done.

#### **MICHELE BUONO OFF-CAMERA.**

In Madhya Pradesh, in India, one morning a man leaves home walking on his hands. He leaves his village with lots of people following him and he continues on, only walking on his hands. This story begins in London. Unilever is a multinational that sells lots of things. Once it decided to sell soap to those that don't have any money in a place where there are no shops. If you don't have any money and there is no soap, you don't wash your hands and the first to die are the children. They began in India.

#### **MARCELA MANUBENS - VICE PRESIDENT SOCIAL IMPACT UNILEVER**

We are talking about disadvantaged communities in remote areas where products cannot reach in a traditional entrepreneurial and commercial way.

#### **MICHELE BUONO OFF-CAMERA.**

There is no sales network and the customers are poor. In the books that the directors studied it says that it isn't worth it.

#### **WILLIAM D. EGGERS – PUBLIC SECTOR RESEARCH DELOITTE**

What they managed to come up with is really fascinating: they created the figure of a door-to-door saleswoman, immediately involving women; at the start there were 17 saleswomen.

#### **MARCELA MANUBENS - VICE PRESIDENT SOCIAL IMPACT UNILEVER**

In a few years we involved 70,000 women. We trained them and often they had to learn how to read and write. We taught them accounting and finance. Then we also involved their brothers and husbands: they take them on motorbikes and bicycles so they can get further and widen the sales network.

#### **MICHELE BUONO OFF-CAMERA.**

It is reminiscent of the door-to-door sales of detergents in the 1960s in Italy, here there aren't any shops, it increases the income a little and improves quality of life.

#### **WILLIAM D. EGGERS – PUBLIC SECTOR RESEARCH DELOITTE**

It was one of the first examples of what we now call solution economy: creating value by finding a solution for something that seems impossible, like the deaths of children by diarrhoea - in the areas of the project they fell by 48% - and at the same time increasing your market share creating a reciprocal advantage.

**MICHELE BUONO OFF-CAMERA.**

It was enough to begin a process that works and a chain was created: microcredit and volunteer organisations to teach about hygiene and how to use products without polluting the environment.

**MARCELA MANUBENS - VICE PRESIDENT SOCIAL IMPACT UNILEVER**

At this point the Indian State Bank saw how it worked and extended financial services to all of the communities involved.

**WILLIAM D. EGGERS – PUBLIC SECTOR RESEARCH DELOITTE**

There was more money around now and soap wasn't difficult to find.

**MICHELE BUONO OFF-CAMERA.**

The man from Madhya Pradesh gets back on his feet. He is a father.

**CHILD'S FATHER**

Come here... Today is my son's 5th birthday!

**GIRL**

Is that it? What's special about turning five?

**MAN**

It is a wonderful thing Miss! He is my first child to reach five years old.

**MICHELE BUONO OFF-CAMERA.**

Every year two million children die of diarrhoea and pneumonia, some soap would be enough to enable them to live.

**WILLIAM D. EGGERS – PUBLIC SECTOR RESEARCH DELOITTE**

It is a much more sustainable concept than corporate social responsibility because the impact is felt right at the heart of the business.

**MICHELE BUONO OFF-CAMERA.**

At the beginning there weren't many of us. Until 1800 not even a billion. Then everything happened all at once: the industrial revolution, medicine, progress. Now there are over 7 billion of us. The projections of last few centuries forecast over twice as many and said we would all die.

**ALESSANDRO ROSINA - DEMOGRAPHER AT THE CATTOLICA UNIVERSITY OF MILAN**

If we leave everything as it is, if we freeze everything and only allow the population to grow and we consider only demographic transformations, it is obvious that the future will be much more problematic and impoverished. It is clear that everything else changes too. In other words demographics must be a challenge, a stimulus to restructure society, the relations between the generations, the possibility of contributing also to the common good that can also come from other sources.

**MICHELE BUONO OFF-CAMERA.**

By the end of the century, there will be ten billion of us. The southern hemisphere is growing, we are falling in numbers and there will be more older people and fewer younger people.

**ALESSANDRO ROSINA - DEMOGRAPHER CATTOLICA UNIVERSITY MILAN**

This means that the State has fewer resources to support and make the country's social system sustainable.

**MICHELE BUONO OFF-CAMERA.**

Meanwhile almost 3 billion people, in Asia and Africa especially, are out of the market.

**WILLIAM D. EGGERS – PUBLIC SECTOR RESEARCH DELOITTE**

The potential is enormous. Our markets are no longer big enough to absorb the goods we produce and it will get worse as the population ages.

**MICHELE BUONO OFF-CAMERA.**

Meanwhile, to start, we can stop trying to rip these people off and give them a hand improving their standard of living. Nairobi. The majority of the population lives on the edge of the city. They have little to buy or sell. They are outside the market and they would love to be involved.

**CRISPIN MURIRA - CEO COPIA**

Kenya is still developing and any business launched here could potentially make a huge impact.

**MICHELE BUONO OFF-CAMERA.**

This is Crispin Murira, he lived in the US. He studied economics and thought about transforming those that have a little shop, stall, or even nothing, into salespersons for a large store where you can find everything. Like a superstore. But you would need a large warehouse and a network to connect customers and salespersons.

**CRISPIN MURIRA - CEO COPIA**

All I had was a business plan. I went back to Nairobi and everything started in my old bedroom, where I slept as a boy.

**MICHELE BUONO OFF-CAMERA.**

Milan. Opes Fund. Elena Casolari is the chairwoman and she said "Good idea! We'll provide the money". The instruments are those of traditional finance.

**ELENA CASOLARI - CHAIRWOMAN OPES FUND**

Identical. All of the financial analysis processes, the metrics that we use, are those used in finance. In addition, the great challenge and the great complexity is that of adding reflections on the social impact and the environmental impact of our social enterprises.

**MICHELE BUONO OFF-CAMERA.**

The enterprise is called Copia. It is a network of small business owners.

**PHYLLIS THANGWA - BUSINESS OWNER**

My business volumes have increased by at least 50%. Customers come in to order Copia products and once they are in the shop they also buy my things.

**MICHELE BUONO OFF-CAMERA.**

Thanks to a tablet, a store measuring a few square metres in area can be transformed into a large supermarket. The customer chooses and orders directly from the business owner.

**CRISPIN MURIRA - CEO COPIA**

In this way demand increases and only in this way does it make sense to distribute goods in these areas. In addition, thanks to technology business owners do not need a warehouse.

**MICHELE BUONO OFF-CAMERA.**

Orders are processed and sent to a central warehouse. With the possibility of ordering large quantities of items, you can obtain good prices. The products are then sorted and delivered to the stores each day; a text message is all it takes and the customer comes to collect.

**DENNIS MOKAYA – WAREHOUSE MANAGER COPIA**

We have 169 orders to process for tomorrow morning's deliveries.

**MICHELE BUONO**

How many of you work here?

**DENNIS MOKAYA – WAREHOUSE MANAGER COPIA**

There are 15 of us and we have 5 lorries for the deliveries.

**PHYLLIS THANGWA - BUSINESS OWNER**

Customers look for food, shoes, animal feed, seed, work tools. And I am sure that it is good for the economy when people can get what they need to work straight away.

**CUSTOMER 2 JOYCE**

I earn \$20 a month, before I used to spend \$8 just on transport to do the shopping. Dozens of kilometres to not find everything I needed. I make a good saving now! And the things also cost less!

**SIMON OYARO - COPIA REP**

The nearest shop is many kilometres away and to buy anything you had to miss days of work that nobody paid you for. Now the products come straight to the farm.

**MICHELE BUONO OFF-CAMERA.**

It is a tea plantation and Mr. Oyaro collects the orders of the workers and submits them to the warehouse. He is a Copia rep too.

**SIMON OYARO - COPIA REP**

With the money I have earned from the commission I have been able to build a real house for my family with floors and a bathroom. I am really proud.

**JOYCE NYAKIO - BUSINESS OWNER**

Now I also sell shoes. With the commission I am able to send both my children to school and I can bring them a snack every day without any problem.

**ELENA CASOLARI - CHAIRMAN OPES FUND**

For them it means being able to launch new businesses, investing in their children, their family, in their family's health.

**DENNIS MOKAYA – WAREHOUSE MANAGER COPIA**

The work increases every day: I arrived two years ago and was a cleaner, now I supervise this warehouse.

**MICHELE BUONO**

How do you benefit?

**ELENA CASOLARI - CHAIRMAN OPES FUND**

Opes expects a remuneration from its investment in Copia, suitable compensation. The capital is reinvested in other social enterprises.

**MICHELE BUONO**

As long as this enterprise goes well.

**CRISPIN MURIRA - CEO COPIA**

We hope to exceed \$7 million in turnover in 2016 and if our projections are correct we believe we will reach \$20 million in 2017 and also expand into other areas of East Africa.

**MILENA GABANELLI IN THE STUDIO**

If we have developed, it is mainly thanks to the markets, so why can't the same thing happen in Kenya or sub-Saharan Africa? Of course you can discuss whether it is right or wrong to export our development model, but the needs are always the same, all over the world: education, healthcare, a better quality of life, rights. When these things don't exist, people head for Lampedusa, and to repatriate them you then have to pay the States of origin to take them back. And that money may not necessarily go towards the development of those countries. So, our hope is that, firstly, this market develops and secondly that this happens in a fair and healthy way. Not in the name of some ideal, but simply because it would be beneficial for us.