

TEACHING NOTE

Partnering for Change (P4C): Novo Nordisk's Partnership with the International Committee of the Red Cross and the Danish Red Cross (A)

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SYNOPSIS OF THE CASE

The case discusses how Novo Nordisk, the International Committee of the Red Cross (ICRC), and the Danish Red Cross (DRC) set up a humanitarian partnership (called “*Partnering for Change*”, P4C) to support the treatment of non-communicable diseases (NCDs) in humanitarian crisis settings with a particular focus on the treatment of diabetes and hypertension. The case provides background information on all three partner organizations, describes how the partnership was formed over several years, and points to the challenges and dilemmas the partner organizations were faced with at the launch of the partnership. The case allows for a discussion of the special nature of partnerships in the context of humanitarian assistance. Further, it invites students to reflect on the strategic motivations of the different partners to explore new forms of business-humanitarian partnerships as well as the challenges inherent in such partnerships.

TOPICS AND THEORETICAL CONCEPTS

Examples of concepts and topics that can be taught and discussed with this case include: *Cross-sector partnerships; Business-humanitarian collaboration; Non-market strategy; Liability of privateness; Social issues of international business; CSR; Corporate social advocacy; The role of business in addressing grand challenges.*

EDUCATIONAL OBJECTIVES

The case can be used in different types of courses, ranging from courses focused on corporate responsibility/sustainability/citizenship to courses covering international business, non-market strategies, or aid and development. Examples of educational objectives that can be achieved with the case include:

- 1. Humanitarian Partnerships:** The case introduces students to a relatively new form of cross-sector collaboration: humanitarian partnerships between corporations and actors that work in the context of humanitarian relief. The case shows that these partnerships face different dynamics than other, more traditional, cross-sector partnerships.
- 2. Corporate Responsibility and Citizenship:** The case invites students to think about the strategic value of business-humanitarian partnerships and to discuss the ethics of corporate involvement in addressing pressing social issues. Specifically, in the absence of a tangible short-term business case, the teaching case draws attention to the company’s long-term strategic motivations and the strategic value of “doing the right thing”.
- 3. Non-Market Strategy:** The case can also be used as an effective starting point for classes on non-market strategy and political management. In particular, the case encourages in-depth discussions of the extent to which this type of partnership represents a form of non-market

or political management strategy, and, if so, *why* and what *type*. The case contains a detailed description of the company's strategy to allow students to evaluate whether, where, and how this partnership strengthens the company's (international) competitiveness.

4. **International Business:** The case also encourages students to explore the value of cross-sector partnerships from an international business perspective. Specifically, the case facilitates a discussion of how such partnerships can help companies overcome various social liabilities, such as the liability of privateness. The case also encourages students to consider the extent to which the value of such collaborations can be leveraged in other locations and may thereby contribute to discussions around the nature of companies' firm-specific advantages.
5. **Humanitarian Relief and Development Studies:** The case can also be used to discuss with students the urgent need for corporations and other actors to address humanitarian crises. The case provides students with a realistic understanding of the opportunities and implications of partnerships with the private sector for humanitarian organizations and allows for in-depth discussions of the way such collaborations can be structured as well as the opportunity costs involved.

SUGGESTED PREPARATION QUESTIONS

The questions suggested below can be used to invite students to prepare the case at home and to structure the class discussion. These questions are only an example of possible preparation questions. As the case can be used in a variety of different educational programs (as outlined above), it is also possible to define other types of questions (e.g., with a stronger angle on international development and humanitarian principles).

1. In what ways do humanitarian partnerships differ from other types of cross-sectoral collaboration?
2. Looking at the three organizations participating in P4C, what do you think each of them sees (a) as the strategic value of the partnership and (b) possible risks involved?
3. Option A: In what ways, do you think, do humanitarian-business partnerships create additional challenges for the involved parties? How would you address these challenges?

Option B: In hindsight, do you think the partners were right to enter such an ambitious transformational partnership? Could Novo Nordisk not have supported the work of ICRC and DRC in other ways, such as by simply donating insulin?

DISCUSSION PLAN AND ANALYSIS

(ASSUMING A 90 MINUTE CLASS)

OPENING DISCUSSION (10 MINUTES)

The discussion can be structured around the preparation questions. However, to open the class and to get the class into the right mood to discuss the case, we recommend beginning by watching a short video that shows some highlights from the launch of P4C (2 minutes):

<https://video.novonordisk.com/secret/36446608/aeb52ea6aec098d9d9204b17c667328e>

Based on the video, you can ask: *“What makes this partnership special?”* This question sets the scene and students are likely to highlight things like: the role of refugees, the tripartite set-up and the involvement of both the ICRC and DRC, the absence of a commercial component, and the operation of the partnership in complicated, fragile local environments and crisis contexts. You can use this discussion as a springboard to address the first preparation question.

HUMANITARIAN PARTNERSHIPS (25 MINUTES)

When turning to the first question *“In what ways do humanitarian partnerships differ from other types of cross-sectoral collaboration?”*, make sure that students understand the difference between identifying what makes these partnerships special and what the consequences of these special characteristics are for different types of actors.

Discussing this question should enable students to understand what humanitarian-business partnerships in general, and P4C in particular, are about. In courses where you also discuss other types of cross-sector collaborations, it is also possible to ask students to directly contrast partnerships with and without a humanitarian mission.

In class situations where students have not been exposed to cross-sectoral partnerships before, it may make sense to briefly recall the features of more traditional partnerships. For instance, you can highlight that many firms collaborate with NGOs, but that such partnerships usually do not address humanitarian crises. Many partnerships are concerned with providing general development opportunities (e.g., for farmers and smallholders), yet they usually do not involve organizations that have an explicit humanitarian mandate (e.g., such as the ICRC). If you believe that the class needs further information on what humanitarian action means, it would be worthwhile to work through the *Fundamental Principles of the Red Cross and Red Crescent Movement* (see also Exhibit 2 in the case).

In response to the first question, students are likely to highlight topics such as:

- Humanitarian partnerships usually address extremely vulnerable audiences – in the case of P4C: refugees and other people who have been displaced from their homes and who under

difficult circumstances (e.g., without easy access to medical care).

- They include organizations that have an explicit humanitarian mandate, such as the ICRC, UNICEF, UNHCR, or the WFP, and these organizations have also special characteristics when compared with other actors (e.g., a high degree of moral authority and perceived impartiality). Potential hidden business interests could threaten the integrity and impartiality of these organizations (which in turn would threaten their license to operate).
- It is therefore likely that the need for normative legitimacy of the partnership is greater when compared to other “traditional” cross-sector partnerships. This high need for legitimacy also implies that there is a special need for “due diligence” processes as well as the involvement of a neutral audience (e.g. academic partners).
- It is also likely that such partnerships will be subject to greater scrutiny from other stakeholders (e.g. NGOs and/or other humanitarian organizations) because they involve corporations *and* humanitarian actors.
- These characteristics, in turn, make the formation and management of humanitarian-business partnerships particularly challenging – you can already sensitize the students at this stage for possible operational challenges (e.g. setting up such partnerships may take more time).

You can contextualize some of these issues by asking students to think about possible situations in which humanitarian relief is needed (e.g., natural disasters or a conflict setting) and to then reflect on how operating in such situations would affect a partnership between business and non-business actors.

Another relevant question is to ask students to *describe and characterize* the type of business-humanitarian collaboration that P4C represents. The article on corporate engagement in humanitarian action by Hotho & Girschik (2019) contains an overview of different dimensions of business-humanitarian collaborations that can be used to facilitate this discussion (see the Additional Resources section at the end of this teaching note).

MOTIVATIONS TO JOIN P4C (30 MINUTES)

Once students have developed a good understanding of the unique context that P4C operates in, you can move to the second question: *“Looking at the three organizations participating in P4C, what do you think each of them sees (a) as the strategic value of the partnership and (b) possible risks involved?”* This question enables students to discuss the motivations of the different partners for participating in P4C. If taught in a business school context, we recommend starting with Novo Nordisk as students are likely to be most familiar with and adept at discussing the perspective of private sector actors. Overall, it is important to emphasize the complementary nature of the partners’ competencies – together, they could achieve more than what would have been possible if acting on their own.

Discussing Novo Nordisk's perspective

In addressing the question “*What motivated the company to participate in P4C?*” students are likely to highlight that Novo Nordisk did not have a financial motivation to become involved. In other words, there was no direct “business case” that motivated the company’s participation. We understand the term business case here in a narrow sense – i.e. the company had no expectations of a direct financial gain from participating in P4C. You can highlight this lack of a business case as reflecting a rather unusual situation. The partnership literature often emphasizes the need for a direct business case when entering into cross-sector collaborations. Novo Nordisk, however, became involved in the partnership for various other reasons. We recommend beginning the discussion in the following way before exploring the longer-term benefits for the company:

- First, you can extend the business case debate by pointing students towards the fact that the tender process for insulin by the Red Cross was separated from P4C (see the case for details). In other words, Novo Nordisk did not sell any additional insulin through the partnership and Novo Nordisk could not use the partnership to market products to patients and healthcare providers. You can then ask: “*Why do you think the partners decided to separate the tender process for insulin from P4C?*” Students are likely to highlight that there is a special need to separate potential commercial interests from the partnership itself because, as humanitarian actors, ICRC and DRC need to remain and be perceived as neutral (see the humanitarian principles discussed in the case). ICRC therefore usually sources insulin through a public tender.
- At this point in the discussion, it could already be relevant to encourage students to reflect on the question “*Why did Novo Nordisk—as a large, experienced, and internationally savvy pharmaceutical—not engage in capacity building in crisis contexts on its own?*” Apart from encouraging students to consider alternative courses of action and serving as a starting point for a discussion on the longer-term benefits of P4C (see below), this question might help initiate a discussion about the social barriers that firms face when operating in the public domain or taking on responsibilities traditionally served by governments, humanitarian organizations, and/or NGOs—especially in weak institutional contexts where it is difficult to exercise much oversight. As such, this question may serve as the starting point to a discussion of notions such as the *liability of privateness* (see e.g. the suggested reading by Banji and Oxley, 2013). Novo Nordisk entered into partnerships with governments and other actors to engage in capacity building in the context of ‘ordinary’ (i.e. non-conflict-ridden) low and middle-income countries. However, in humanitarian crisis settings there would typically not be well functioning public authorities to liaise with and/or the crisis setting would mean that it is not safe to operate, or to gain access, without support by other actors. In such circumstances, humanitarian actors often provide the services that a government would typically be responsible for.

Longer-term Benefits: Students are also likely to mention the existence of longer-term but less tangible benefits. For instance, Novo Nordisk’s reputation is certainly enhanced through a partnership like this, especially since “big pharma” is still often criticized by social activists. This

would then be a good starting point to discuss the value and importance of reputation-enhancing initiatives for a pharmaceutical company like Novo Nordisk.

- Students may note that the partnership *reinforces the company's espoused values and purpose*. If you have time, you can reflect on these values and the purpose-driven nature of the company. You can also link this discussion to the ownership structure of the firm.
- Another relevant angle is to discuss the value of *the reputational and motivational gains of a partnership* with ICRC and DRC for recruitment, retention, and employee engagement, especially at a world-leading, knowledge-intensive company such as Novo Nordisk.
- Irrespective of the direction of the discussion, it is important for students to realize that reputational benefits are difficult to quantify and that reputational gains are not a given since they depend on how such partnerships are managed and evolve in the long run (see *Possible Risks*, below).
- Students may also mention that P4C allows the company to *nurture and develop valuable relations*, such as with government agencies and international organizations. A partnership with the Red Cross movement therefore also holds strategic value for the company because it may enable future contracts and collaborations. You can ask students to reflect on the temporal nature of the motivations distinguishing short-term (leaning towards values-based arguments) and long-term (leaning towards implicit business case arguments) effects.
- Another issue for discussion is the extent to which Novo Nordisk might be able to leverage the reputational gains from a partnership with the Red Cross movement in other contexts and locations. To facilitate such a discussion, lecturers could invite students to characterize and discuss Novo Nordisk's strategy and business model. In an International Business course, this could for example be supplemented with a discussion of the nature of Novo Nordisk's firm-specific advantages, and whether these are location-bound or non-location bound.

Possible Risks: The question also asks students to reflect on possible risks. In this context, it is important to sensitize students to the fact that reflecting on risks involves reflecting on possible scenarios (which may or may not be realized).

- *Effectiveness:* One risk that students will likely mention is that P4C may not be able to deliver on its high ambitions. Ultimately, this would also affect Novo Nordisk as one of the partners. Further, Novo Nordisk was a frontrunner when it comes to corporate sustainability and hence had a reputation to lose. Students may highlight that the reputational risks for Novo Nordisk are enhanced by the visibility of the partnership— much effort had been put in promoting P4C and the partnership involved highly prominent partners.
- *Sustaining internal commitment:* Another risk scenario that students could bring up relates to the internal commitment needed to sustain business-humanitarian collaborations over time. Although P4C resonates clearly with the espoused values of Novo Nordisk, as with other initiatives there is always a risk that support from senior management withers away over time. Potential reasons for this include future shifts in managerial priorities, such as due to

a managerial reshuffle, or deteriorating financial performance. It may be useful to point out that it is generally more difficult to sustain managerial support for initiatives related to protracted crises than initiatives in support of sudden-onset crises. Also, the delay in producing results can challenge the patience of the various partner organizations (as has been the case with P4C). Among others, this is because the latter tend to attract more media attention. In more advanced classes, students may point out that the risk of losing internal support is further exacerbated by the *complexity* of the partnership, the significant *resources* allocated to the partnership, and the absence—for good reasons—of a direct business case. The paper by Hotho & Girschik (2019) provides some more detail on such dynamics.

Structuring the discussion of Novo Nordisk in a strategy-oriented course

In strategy-oriented courses, there may be value in starting the discussion by having students (a) characterize the strategy of Novo Nordisk and (b) explore the commitments and potential complications of P4C for Novo Nordisk, *before* having students discuss the value of P4C for the company. This particular order may make it easier for students to develop a critical distance to the P4C partnership, which supports a tremendously important cause that many students will sympathize with. Discussing costs and possible risks *first* may, therefore, help set the class up for a more in-depth discussion of the alternative courses of action that Novo Nordisk could have pursued and whether Novo Nordisk was right to enter this partnership in the first place later on in the class.

A better understanding and appreciation of the challenges involved in setting up a pioneering, cross-sector partnership such as P4C will mean that students need to work harder to see the net benefits of this partnership for Novo Nordisk and the other partners (see ‘Option B’, below). An important learning point for a strategy-oriented course, then, is for students to see that despite the many complications involved, this partnership *does* make strategic sense (as well as moral sense). However, arriving at this insight requires that students consider the strategy and business model of Novo Nordisk, the challenges involved in marketing pharmaceutical products (especially in countries that lack appropriate infrastructures for diagnosis and treatment), and the associated importance of reputation for Novo Nordisk in developing, emergent, and developed markets.

To facilitate a discussion along these lines, a question about the *strategy* of Novo Nordisk can be followed by a question such as “*What are the costs and risks involved in P4C for Novo Nordisk, and what are potential complications?*”.

In the ensuing discussion, students should highlight the complex, tripartite organizational set-up, which also involves an academic partner. The students will also need to grasp the sensitivities involved in business-humanitarian collaborations in the area of health; especially in the context of a partnership that seeks to target highly vulnerable populations, including refugees. Finally, students need to actively consider whether Novo Nordisk could have pursued *other* routes to support the work of the Red Cross movement on NCD care in crisis contexts or gain reputational benefits from supporting humanitarian causes. For example, Novo Nordisk could have explored the possibilities to become a member of the ICRC’s Corporate Support Group (and reap the

benefits) *without* participating in P4C. These factors can then be brought up in a closing discussion around the questions highlighted below under Option B: (*"In hindsight, were the partners right to enter such an ambitious transformational partnership? Could Novo Nordisk not have supported the work of ICRC and DRC in other ways, such as by simply donating insulin?"*).

Discussing ICRC's and DRC's perspectives:

You can then turn to the two actors related to the Red Cross Movement. To begin with, it is important to discuss with students the difference between ICRC and DRC, the latter being a National Society embedded within the International Federation of the Red Cross (IFRC). The case provides relevant background information related to ICRC and DRC.

In discussing what motivated ICRC and DRC to enter the P4C collaboration, it is useful to distinguish between benefits within the scope of the partnerships (direct benefits) and benefits beyond the partnership (indirect benefits). We recommend discussing direct benefits first because they can be discussed separately for each Red Cross organization.

Direct benefits for ICRC include:

- *Support for the ICRC's programmatic agenda:* Students are likely to point out that P4C supports ICRC's programmatic agenda: it reinforces the concern for addressing non-communicable diseases (NCDs) in situations where humanitarian support is required. P4C enables the organization to extend its work on this agenda.
- *The partnership provides financial means for independent research in the provision of health services,* including a needs assessment. ICRC's activities are always needs-based; i.e. any interventions must be grounded in an assessment of unmet needs in a given crisis context. Because the research financed by the partnership provides such scientific assessments, it enables and strengthens ICRC's programmatic response.
- Moreover, ICRC expected to benefit from Novo Nordisk's *knowledge and expertise related to the treatment of NCDs.* When discussing the nature and relevance of such knowledge and expertise, you may want to encourage students to summarize and think about the many elements of a healthcare system that need to be in place before diabetes patients can be treated appropriately. You can then ask students to articulate what relevant expertise Novo Nordisk would have in this respect. One key issue to discuss here is whether, to what extent, and how the company's experience in developing countries can be applied to crisis contexts.

Direct benefits for DRC include:

- Similar to ICRC, DRC was looking to benefit from Novo Nordisk's knowledge and expertise, thereby enabling DRC to address as yet unmet needs. In addition, DRC aimed to position itself as an expert on NCD care in crisis contexts and as go-to partner for other National Societies within the Red Cross and Red Crescent Movement. What was at stake here were the number of activities that DRC could engage in as well as the resources it could mobilize for its NCD-related activities.
- While discussing DRC's motivations for entering the partnership, you could transition into

discussing *indirect* benefits by asking your students to think about the programmatic implications of P4C and to what extent the partnership might mobilize and change action around the programmatic theme of NCD care beyond the partnership.

Indirect benefits for ICRC and DRC:

- *Advocacy towards the private sector:* Some students may also adopt a more strategic perspective arguing that P4C enables ICRC and DRC to educate the private sector in general, and the pharmaceutical industry in particular, about humanitarian needs so that access to care can be improved in the long run for vulnerable audiences.
- *Learning to partner:* Students may also point out that P4C provides ICRC and DRC with an important learning experience regarding how best to work with the private sector in general. The case highlights that due to a variety of factors, humanitarian organizations increasingly seek out deep collaborations with private sector firms. However, the case also makes clear that humanitarian organizations are special in the sense that they possess high levels of moral authority and therefore always need to make sure that they are seen as neutral actors. Gaining experience in the context of P4C (a pioneering form of deep collaboration supported by a company with a very good track record on sustainability and responsibility; see Exhibit 1 in this teaching note) may therefore provide valuable lessons for other (future) partnerships. If a fit to your course, you can briefly discuss the importance of organizational learning from experience in this context. Beyond learning about partnering in general, and the benefits and challenges of a deep form of collaboration in particular, there are also hands-on practical learning experiences (e.g., how to handle cold chains when transporting insulin).

ICRC and DRC could have realized some of the above benefits by partnering with other pharmaceutical companies. At this point in the discussion, it may therefore be relevant to explicitly ask students “*why the ICRC may have been interested in partnering with Novo Nordisk in particular*”. This allows for a discussion of the conditions and partner characteristics that may have enabled the formation of the partnership.

- *Enabling Conditions:* Students likely emphasize the fit in values between ICRC/DRC and Novo Nordisk. The case discusses Novo Nordisk as a purpose-driven organization. If you have time you can show excerpts from a video in class where Novo Nordisk CEO Lars Fruergaard Jørgensen reflects on the “power of purpose” (see video link under Additional Resources). The company’s purpose-driven nature fits well with ICRC and DRC’s needs-based approach and their principled way of operation. In other words, there is a good match of values. Beyond this fit in values, Novo Nordisk is also an attractive partner to ICRC and DRC because (a) they have a strong track record when it comes to sustainability (see Exhibit 1 in this teaching note) and (b) because they are the market leader and hence an obvious choice when trying to address diabetes within the scope of a partnership.
- *Possible Risks:* At the end, you can move to the discussion of the risks involved. Of course, the risk of P4C not reaching its goals is the same for ICRC and DRC as it is for Novo Nordisk. However, there is an additional element that students are likely to highlight. Both ICRC and DRC are humanitarian organizations and therefore in special need to protect their reputation

so that they are continuously seen as having moral authority and acting in neutral ways. Any partnership with the private sector, therefore, carries a risk that private actors may be seen to influence humanitarian action. The article by Hotho and Girschik (2019) discusses these ethical concerns for humanitarian organizations. Besides, you can e.g. point students to the article by Andonova and Carbonnier (2014) for more detailed information on normative legitimation. To manage this risk, ICRC and DRC carefully screen their partners.

You can ask students: *“How do you assess the risk of ethical concerns in the context of P4C?”* Most likely, students will assess it as relatively low, as commercial relations were handled outside P4C, through a public tender, and Novo Nordisk has (a) a strong track record when it comes to sustainability and responsibility and (b) has gained a good deal of experience in the context of other cross-sector collaborations. However, it is possible to broaden the discussion by asking students to take an active stance on *the desirability of the pharmaceutical sector’s involvement in humanitarian initiatives*. Irrespective of the direction of the discussion, a more general take-away from the case is that humanitarian organizations need to carefully design and manage these partnerships, such as in terms of selecting the “right” partners, where and how corporate partners are involved, and in stipulating if, where, and how their visual identity can be used by the partner company.

There are two ways to shape the backend of the discussion (Option A and Option B).

OPTION A: POSSIBLE CHALLENGES ATTACHED TO BUSINESS-HUMANITARIAN PARTNERSHIPS (20 MINUTES)

Based on the discussion of motivations, you can turn to the third question: *“In what ways, do you think, did P4C face challenges? How would you address these challenges?”* It is important here to distinguish between challenges that exist for cross-sector partnerships in general and challenges that exist for partnerships between business actors and humanitarian organizations. If you have discussed other types of cross-sector partnerships before in your course, you can ask students to directly contrast challenges in both types of collaborations. In general, we recommend Option A for less advanced courses.

- **Novelty:** The case talks about P4C being “unchartered territory” and students will likely pick this up. It is important to highlight to the students that the kind of partnership that is discussed here is rather new. Hence, it is not clear yet whether insights that were created in the context of more traditional cross-sector partnerships or other forms of business-humanitarian collaboration equally apply in the context of partnerships that involve humanitarian actors and a pharmaceutical company.
- **Time:** Due to the novelty of the partnership, its formation also took more time. You can sensitize students to this fact – the seeds for the partnership were sown in 2015, while the partnership was formally launched in April 2018. If this point comes up in the discussion, you can ask: *“Why do you think it has taken the partners a good deal of time to establish this*

partnership?” Students are likely to raise points such as: (a) the creation of trust is essential when forming a partnership in this context, and generating trust simply takes time, especially across sectoral divides; (b) the partners first had to make sense of what they wanted to achieve together; (c) a common interest around an area such as NCDs in humanitarian settings does not make for a partnership; (d) the partners had to decide on objectives, roles, and responsibilities, and had to carefully manage business-related issues such as separating the insulin tender process from the partnership (see above).

- **Impact:** Students may also see the creation of impact as a challenge. As it stands, P4C is largely structured around the research undertaken by the London School of Hygiene and Tropical Medicine to collect the empirical evidence needed to design interventions for NCDs in humanitarian settings. Some students may argue that this is actually not enough impact and that P4C should directly supply insulin. Here, it is important to discuss with students why basing the partnership’s interventions on evidence matters so much and why the direct supply of insulin was excluded from the partnership.
- **Governance:** Because legitimacy is such an important issue within business-humanitarian partnerships, the governance of such collaborations needs to be carefully considered. The partners considered it important that no actor dominates governance structures and that all decisions are reached through inclusive and participatory action. This can potentially delay decision-making and also slow down the collaboration, but it can be vital for the long-term survival of cross-sector partnerships.
- **Internal Support:** Due to the groundbreaking nature of P4C, managing the partnership also consumes significant resources (e.g. in terms of time). While none of the partners doubted that P4C would create value, it is still difficult to sustain a partnership without quick tangible “wins”. Hence, sustaining long-term organizational support and enthusiasm for P4C within all partner organizations was something that had to be explicitly addressed and managed.

If you have time, you can divide students into groups to discuss how some of the challenges can be addressed. We recommend picking those challenges that sparked the most discussion among students. For instance, if students debated the role of governance, you can ask them to reflect in small groups on possible ways to create a governance structure for P4C (Who should be included? How do you reflect the global and local nature of the partnership in governance?). You can also ask students to explicitly reflect on how to sustain internal support within the participating organizations, especially when considering that building and producing results from business-humanitarian partnerships takes time.

OPTION B: EVALUATION OF THE PARTNERSHIP DECISION (20 MINUTES)

Option A works well with classes that focus on the challenges of partnerships and also with students that are used to remaining “close” to case material. If you are teaching a course with more senior students or students that are used to discuss cases in a more open-ended manner, you can ask: *“In hindsight, were the partners right to enter such an ambitious transformational partnership? Could Novo Nordisk not have supported the work of ICRC and DRC in other ways, such*

as by simply donating insulin?” It is important here to outline that money and insulin alone do not create change (e.g., delivering insulin in crises alone is very difficult and requires a great deal of knowledge and that the main focus of the partnership was to create adequate approaches to provide diabetes care). Helping refugees and others suffering from diabetes in fragile contexts in a sustainable manner requires that humanitarian organizations more fully integrate NCD care into their health operations. P4C was a unique opportunity to achieve this kind of systemic and organizational change.

In strategy-oriented courses, it is useful at this stage to have students recall the strategic benefits of P4C discussed earlier, to have students contrast these with the (opportunity) costs, and to explore the alternatives available to the partners involved. Students can then be encouraged to take a stance on whether they believe each partner was right to join P4C.

In a business school setting, Novo Nordisk’s decision to join P4C may prompt most disagreement. Depending on how the preceding discussion was framed, the class is likely to lean one way or the other, but the case and the class discussion should give rise to at least some deviating opinions. Both sides of the coin are worth exploring in depth. Students of the opinion that Novo Nordisk should *not* have joined P4C are likely to emphasize concerns about the potential impact of P4C or the alternatives available to Novo Nordisk to support humanitarian causes in less resource-intensive ways. Students supporting the position that Novo Nordisk was right to join P4C are likely to emphasize the alignment of P4C with the values of Novo Nordisk and the fact that due to the liability of privateness Novo Nordisk, as a pharmaceutical company, would be unable to improve diabetes care for people in humanitarian contexts on its own.

Students are also likely to point out the reputational benefits for Novo Nordisk. It is worth at this point to ask students why reputational benefits might be *strategically* important to Novo Nordisk and to ask where and how Novo Nordisk may be able to leverage its reputation. (A stimulating counterpoint to develop this discussion could be to point out that Novo Nordisk already *has* an excellent reputation; meaning that the actual reputational gains may be relatively marginal.) In addition to the strategic value of corporate reputation for HR purposes, such as recruitment and retention, students are also likely to mention that Novo Nordisk might be able to leverage the reputational gains of P4C in non-market contexts. At this point, it is relevant for students to be aware of the broader strategy that Novo Nordisk pursues and the need for pharmaceutical companies to work with governments and health systems to build capacity for diabetes prevention, detection, and treatment. In an International Business course, it may at this point also be helpful to ask students to characterize the firm-specific advantage of Novo Nordisk as either location-bound or non-location bound, and to ask students to consider this in their evaluation of the decision to partner and the potential reputational value of P4C.

Students may be more aligned when it comes to ICRC and DRC’s decision to join P4C. Especially in a business school setting, most students are likely to see P4C as having significant value for the humanitarian partners. If so, it can be effective to encourage students also to actively explore the *opportunity costs* involved. In particular, students should recognize that humanitarian organizations operate under considerable resource scarcity and that the time, effort, and resources invested in the formation and running of P4C could also have been invested in humanitarian programmes with a more direct and predictable humanitarian pay-off in terms of needs served.

In the end, students are likely to conclude that ICRC and DRC would not have been able to gain some of the benefits of P4C through other ways, such as the much-needed learning experience regarding how to partner with the private sector.

WRAP UP OF CLASS DISCUSSION (10 MINUTES)

To wrap up the class, you can refer students to the urgency that surrounds the treatment of NCDs in humanitarian contexts. It is a good reminder for students to have discussed this issue in the context of a case, and to also highlight that there are different ways to cope with sky-rocketing needs. Governments and international organizations certainly have to do their share. However, novel partnerships, like P4C, also show that some of the challenges that occur in crisis contexts can be addressed through innovative collaborative efforts in particular in contexts where a functioning government structure is largely absent.

Summarizing the discussion of the case, some potential takeaways include:

- Ambitious partnerships are challenging but hold potential of deeper, more involved models of collaboration for addressing pressing humanitarian needs.
- Apart from their contribution to addressing humanitarian needs, business-humanitarian collaborations can offer a variety of benefits to the humanitarian and corporate partner organizations, even in the absence of a tangible business case.
- Understanding the benefits and value of such collaborations, and identifying the appropriate mode to structure such collaborations, requires diligent consideration of the objectives, strategies, capabilities, values, and *modi operandi* of the partner organizations, *as well as* the opportunity costs involved. This applies to the corporate as well as the humanitarian partners involved.
- Because they involve close collaboration with the private sector, business-humanitarian partnerships are under close scrutiny and face challenges to their legitimacy. Hence partners need to proceed with due diligence and ensure good governance.

ADDITIONAL MATERIALS AND READINGS

SELECTED ADDITIONAL MATERIALS

On the P4C partnership:

- Official P4C website: <https://humanitarianncdaction.org>

On Novo Nordisk

- Q&A with Novo Nordisk CEO Lars Fruergaard Jørgensen on the power of purpose: <https://www.youtube.com/watch?v=QWJQR3uPVSM>

On the problem of NCDs

- “Opinion: Tackling the twin burdens of NCDs and COVID-19” Available at: <https://www.devex.com/news/opinion-tackling-the-twin-burdens-of-ncds-and-covid-19-97784>
- Aebischer Perone, S., Martinez, E., Du Mortier, S., Rossi, R., Pahud, M., Urbaniak, V., ... Beran, D. (2017). Non-communicable diseases in humanitarian settings: Ten essential questions. *Conflict and Health*, 11(1), 1–11. **Available Open Access at:** <https://link.springer.com/content/pdf/10.1186/s13031-017-0119-8.pdf>

SELECTED ACADEMIC LITERATURE

On business-humanitarian partnerships:

- Hotho, J., & Girschik, V. (2019). Corporate engagement in humanitarian action. *critical perspectives on international business*, 15(2/3), 201–218. **Available Open Access at:** <https://www.emerald.com/insight/content/doi/10.1108/cpoib-02-2019-0015/full/pdf?title=corporate-engagement-in-humanitarian-action-concepts-challenges-and-areas-for-international-business-research>
- Thomas, A., & Fritz, L. (2006). Disaster Relief, Inc. *Harvard Business Review*, 84(11), 114-22.

On cross-sectoral collaboration:

- Bryson, J. M., Crosby, B. C., & Stone, M. M. (2015). Designing and implementing cross-sector collaborations: Needed and challenging. *Public Administration Review*, 75(5), 647-663.

On the legitimacy challenges around private-sector involvement:

- Andonova, L. B., & Carbonnier, G. (2014). Business-humanitarian partnerships: Processes of normative legitimation. *Globalizations*, 11(3), 349–367.
- Bhanji, Z., & Oxley, J. E. (2013). Overcoming the dual liability of foreignness and privateness in international corporate citizenship partnerships. *Journal of International Business Studies*, 44(4), 290-311.
- Valente, M., & Crane, A. (2010). Public responsibility and private enterprise in developing countries. *California Management Review*, 52(3), 52-78.

Exhibit 1:

ESG Scores for Novo Nordisk, Sanofi, and Eli Lilly (2002-2019)

YEAR	Novo Nordisk - Environment	Novo Nordisk - Governance	Novo Nordisk - Social	ESG Score
2002	57,43	81,15	54,23	63,3
2003	46,66	77,62	26,92	47,11
2004	63,91	81,37	27,78	52,59
2005	64,26	83,83	42,12	60,07
2006	63,06	79,5	45,02	59,8
2007	52,42	68,59	64,71	63,12
2008	54,54	70,82	77,86	70,38
2009	61,11	71,85	78,77	72,61
2010	76,65	59,82	82,42	74,1
2011	67,7	59,82	87,93	74,63
2012	64,41	60,91	83,34	72,09
2013	60,97	40,12	82,49	64,47
2014	50,58	50,87	70,03	59,67
2015	65,07	46,75	85,63	68,91
2016	57,99	53,22	85,62	69,3
2017	65,27	63,12	92,3	77,12
2018	83,35	59,13	91,51	79,62
2019	86,7	68	90,68	82,75

YEAR	Sanofi - Environment	Sanofi - Governance	Sanofi - Social	ESG Score
2002	36,77	40,1	25,32	32,5
2003	30,08	36,97	32,53	33,35
2004	50,27	62,27	57,08	57,14
2005	68,25	30,81	35,93	41,69
2006	32,82	69,46	62,46	57,9
2007	59,9	82,85	80,78	76,68
2008	67,52	77,54	78,71	75,8
2009	69,56	63,31	81,59	73,19
2010	69,54	64,16	79,61	72,54
2011	83,74	74,59	91,74	84,61
2012	87,72	75,59	92,8	86,32
2013	88,21	80,61	93,65	88,38
2014	84,31	78,42	92,99	86,5
2015	85,28	69,52	92,73	83,85
2016	85,88	76,32	93,24	86,33
2017	84,28	72,83	94,28	85,36
2018	83,11	87,32	94,42	89,65
2019	84,18	82,13	95,86	88,95

YEAR	Eli Lilly - Environment	Eli Lilly - Governance	Eli Lilly - Social	ESG Score
2002	16,7	18,6	45,73	30,73
2003	7,89	26,66	37,9	27,6
2004	9,91	34,08	55,39	38,46
2005	69,9	50,33	56,79	57,77
2006	45,36	33,74	52,62	45,12
2007	53,32	31,43	54,89	47,26
2008	65,53	59,85	60,93	61,64
2009	67,17	79,85	71,45	73,08
2010	72,45	71,19	71,9	71,8
2011	69,05	64,62	69,3	67,79
2012	70,39	76,66	74,1	74,05
2013	69,3	62,08	71,2	67,94
2014	71,91	43,75	75,22	64,72
2015	73,67	46,28	75,54	66,05
2016	76,06	45,23	84,95	70,63
2017	78,22	33,88	86,01	68,09
2018	80,34	36,22	87,53	70
2019	79,01	32,42	86,48	68,04

Source: Refinitiv / Datastream