

From IMPCT Coffee to Early Childhood Education in Poor Countries

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ABSTRACT

This paper attempts to answer the question of “how to make a social innovation sustainable?” by investigating a global social enterprise – IMPCT Coffee. Based on the LERP-PEARL two-stage model developed by Lin and Chen (2016), a case study on IMPCT Coffee was conducted. The first stage LERP is a triggering stage, denoting leader, execution, critical resources, and initial partners; the second stage PEARL is a self-organizing stage, denoting enlarged partners, stronger execution, activation, more resources and multiple leaders (PEARL). The story behind IMPCT Coffee - “truly ethical coffee for a better tomorrow” touches the hearts of many coffee lovers and attracts admirers to work in the shop.

The story started with four IMBA students - the IMPCT Team of National Chengchi University (政治大學) won the Hult Prize World Championship with USD1,000,000 start-up fund from the Hult Prize Foundation in September 2015. They proposed to build pre-schools “Playcare” in Latin American countries to improve the early childhood education, at the same time provide job opportunities for the care takers. The funding is to be given stage by stage, depending on the real progress of their plan.

After working for around three years, the IMPCT Team has total seven Playcare Preschools (named Playcare hereunder for brevity) with impressive influence on two regions: Africa and Latin America. To have a wide spreading influence through building more Playcares on more poor areas in more countries, the IMPCT Team knew that they need a sustainable business model to keep it rolling. As a result, they came up with a cycling benefit model by setting up IMPCT Coffee shop in Taipei, purchasing coffee beans from the areas they are helping, involving coffee consumers to give virtual bricks for building Playcare(s) in the area that produces the coffee they are drinking. The consumer is given a brick code number for every purchase, marking his/her contribution to a particular Playcare. This case study describes the origin and the current achievement of the IMPCT Team.

Keywords: IMPCT Coffee, Social innovation, Global social enterprise, LERP-PEARL model

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I. INTRODUCTION

IMPCT Coffee is the application of IMPCT project, a global social enterprise dedicated to transforming low income and urban slum communities through education. It directly sources coffee from poor communities in some Latin American countries and invest the profits back into local women to run “Playcares.” The IMPCT team (named IMPCT hereunder for brevity) identifies a serious problem that coffee farmers make dollars a day and go home to live in dangerous urban slums, trapped in a cycle of poverty. Old approaches such as Fair trade did not directly benefit those farmers.

IMPCT started by four IMBA students at National Chengchi University (NCCU), who joined the so called “Nobel Prize for Students” Hult Prize Competition, awarding the global champion team \$1M USD in seed capital for their startup. The Prize is the world’s biggest engine for the launch of for-good, for-profit startups emerging from universities. According to Hult Prize website, in nearly a decade the foundation has deployed more than \$50M USD of capital and mobilized more than one million young people to rethink the future of business as it continues to breed disruptive innovation on college and university campuses across 100 plus countries.

IMPCT includes Juan Diego Prudot (Honduran), Taylor Scobbie (Canadian), Andres Escobar (El Salvador) and An-Nung Chen (Taiwanese), all of them were IMBA students at NCCU in 2015. With one good idea, they aspired to make the world a better place by building a platform that is impacting the lives of poor farmers, children, and families, initially for Latin American countries where two team members are from.

IMPCT made through the local competition and joined regional competition in Dubai, got the second place. Fortunately, Hult Prize gives one Wildcard for the failing teams to compete again and join the training accelerator. In the Wildcard round the team had to compete in different areas, including marketing, crowdfunding and demonstrating real impact. IMPCT worked hard more than ever without knowing whether they could still be in the competition. They started talking with investors, government, professors and re-defined IMPCT. They changed their business model and won a lot of fame in the social media, leading to a crowdfunding of \$60,000 USD to build their first pilot Playcare in El Salvador.

Their name was even displayed in one of the most iconic towers in Taiwan, Taipei 101.

After all the efforts the team won the Wildcard, went to the accelerator in Boston for six weeks training. Having built their first Playcare in El Salvador with the initial money, they did show that their business model could work. The judges believed in their idea and IMPCT won the global champion of 2015 Hult Prize. The one million USD of seed capital for their startup was conferred by President Bill Clinton.

II. Into Reality – Social Projects

In poor countries, early childhood education is almost non-existing because in many cases parents make their kids work when they are very young. The boys would work with their parents and the girls in home tasks. If parents don't put their kids to work they pay their neighbors to take care of them in a very informal way and normally unsafe space, without anything that develops the kids' imagination and potential.

IMPCT saw an opportunity in transforming such unsafe places into education centers that are clean, spacious and most important of all, kids can learn there. They would like to empower the same woman who takes care of the kids to become their teacher. IMPCT invests in the training of those women to become Montessori teachers, offers a free-interest loan to them so that they can create an engaging environment for the kids to grow, learn and potentially change their lives for a better future. Hopefully, such business model can help re-shape the community as well.

The first pilot Playcare was built in a community of La Cuchilla, San Salvador with the crowdfunding of \$60,000 USD. The main partner for this Playcare was TECHO which is a nonprofit organization that builds houses, schools, hospital in order to help the communities with what they needed the most. This Playcare operated for about one year and unfortunately had to be shut down due to gang problems. As of 2017, IMPCT has built a total of seven Playcares, three in El Salvador, two in Guatemala, one in Honduras and another one in South Africa. The one outside of Cape Town in South Africa deserves a special introduction. It is the most ambitious project to date and will be the first permanent school of its kind

having capacity for over 120 children at a time. IMPCT's future plan is to expand Playcares to other countries in Latin America and Africa. This expansion will take place simultaneously with the expansion of IMPCT coffee shops in Taiwan and USA.

III. IMPCT Coffee

By investigating where to build their first pilot Playcare, IMPCT had close contacts with the local people and noticed the vulnerability of the coffee farmers. Despite a huge percentage of exports, origin countries capture only a tiny fraction of final sale value (<https://impct.co/>). The coffee farmers work day and night yet earn barely enough to feed their families and live in local urban and peri-urban slums. IMPCT was formed and the Playcare business model was formulated at NCCU in Taiwan, where early childhood education system has been relatively well-established. That is, Taiwanese societies may not need the advocated Playcares. Then, how can Taiwan be continuously involved in this meaningful project?

The answer lies in “coffee,” the intersection between poor Latin American countries and Taiwan. The former produces premier quality coffee and the latter consumes more and more coffee over the years. Knowing the coffee farmers through their Playcare, IMPCT can get premier coffee directly from the farms, without going through the wholesale and retailers. With insights into customer behavior in Taiwan that consumers would like their purchase could lead to something meaningful at the same time, IMPCT came up with a new disruptive cycling business model. They planned for a platform that can build an ecosystem around their products, increases customer loyalty, and invests back the profit to the coffee producing areas.

As a result, they set up an IMPCT Coffee shop in Taipei (Figure 1), purchase coffee beans from the areas they are helping and involve coffee consumers to give virtual bricks for building Playcare in the area that produces the coffee they are drinking. The consumer will be given a brick code number for every purchase, marking his/her contribution to a particular Playcare. Anytime, the consumers can check how many bricks they have contributed to the Playcare they are helping building (<https://impct.tw/>; <http://bricks.impct.tw>).

That is, IMPCT Coffee becomes a global social enterprise doing impact trade: direct trade with revenue transparently re-invests into the area of the coffee origin. IMPCT Coffee sources the world's best coffee, roasts it fresh, and invests the profits into local women to build and run Playcares for their communities (Figure 2). Every box of coffee it sells is like a brick to build those schools, with a code for a virtual brick. A consumer can become a Playcare founder and will receive updates on its construction and operations and get to see how it helps transform the communities who need it most. Currently, IMPCT Coffee offers coffee from El Salvador, Ethiopia, Guatemala, Honduras and Taiwan, shown in Figure 3.

IMPCT Coffee as an affiliate of IMPCT Playcare Project has attracted increasing attention, selling coffee to restaurants, hotels, and other private companies. Its first shop lies in Taipei Yanji Street, not too far from the Sun Yat Sen Memorial Hall, with a logo “truly ethical coffee for a better tomorrow.” The story behind the coffee touches the hearts of many coffee lovers and attracts admirers to work in the shop as well. IMPCT Coffee creates customers’ loyalty with transparent investment in early childhood education in poor countries. Future expansion has been planned in Taiwan, U.S.A. and Canada markets.

Through interviewed one of the four IMPCT founders, Mr. Juan Diego and information in IMPCT website, this case study examines whether IMPCT project fits the six criteria of social innovation and the LERP-PEARL model developed by Lin and Chen (2016).



Figure 1 IMPCT Coffee

IV. IMPCT Project as a Social Innovation

With a noble goal of improving early childhood education in poor countries, is IMPCT project a real social innovation? This section uses the six criteria reported by Lin and Chen (2016) to check whether IMPCT project is indeed a social innovation.

Social innovation relates to new responses to pressing social demands by means of social interactions. Traditionally, governments and public sectors are responsible for alleviating the deprived and the disadvantaged to create a better and more equal society. With rising social problems, more and more individuals or small groups are devoting time to facilitate the wellbeing of societies. Social innovation arises not out of charity but out of a deeper understanding of competition and economic value creation (Michelini, 2012). It needs to bring about social change, dissolve boundaries and facilitate a dialogue between the public, private, and nonprofit sectors (Phills et al., 2008). The six criteria include recognition of social problem, collaborative relationship with stakeholders, development of social business, expansion of market interest, changes of social relationship and system, and then diffusion of social value, explained hereunder and summarized in Table 1.

1. Recognition of social problem

IMPCT recognized a serious social problem that early childhood education is almost non-existing in poor countries, especially for children aged between 3-6 years when 90% of brain development happens. They also saw the problem in fair trading. Coffee farmers working day and night and can barely feed their families, not to mention provide good education for their children. The team came up with the idea to source the best coffee from certain developing countries and later invest the profit back into the areas where the coffee came from and set up Playcares there.

2. Collaborative relationship with stakeholders

IMPCT's main stakeholders include children, their parents, teachers (child care takers) and coffee farmers. The team raised more than \$60,000 USD in just 30

days through selling T-shirts on the streets, crowd-funding, support from universities and government. With the initial funding, they pilot ran a Playcare in El Salvador. After a few months, they did interview with the parents and children. Parents reported that they have seen the progress in their children. The teachers are generally parents as well. They are trained in order to deliver the best quality education for children. The IMPCT project upgraded their child care expertise, increased their income and made them the owner of the center.

For community, one company in El Salvador invested in a Playcare inside its property, so that its employees could bring their children with them to the company and go back home together after work. The company benefits by gaining trust and loyalty from employees and obtaining good reputation from the general public for its good social responsibility. The company has become an exemplar for other companies around the area.

For the coffee farmers, through IMPCT, they can contribute to the early childhood education in their own community. They help IMPCT save some costs by providing the highest quality coffee for reasonable prices. Another important collaboration worth mentioning is between IMPCT and Lululemon. Lululemon is a company with more than 354 locations around the world. Their main products are yoga clothes and running gear, promoting yoga and running. Their cooperation with IMPCT is selling IMPCT coffee at their stores and share the stories of both companies together. Their common goal is to help maximize human potential, on one hand children potential and on the other hand human's spiritual potential through sports. These are examples of IMPCT collaborating with some stakeholders.

3. Development of social business

IMPCT did develop social business of Playcares supported by IMPCT Coffee for sustainability. The goal posited by Hult Prize Foundation in 2015 was to provide early childhood education for around one million children around the world to fulfill their potential. IMPCT established social business based on the business model of purchasing high quality coffee from Guatemala, Honduras, El Salvador and South Africa, then reinvesting the profit from selling coffee back to the areas where they source coffee beans to build Playcares.

4. Expansion of market interest

For expansion of market interest, IMPCT's main target is to provide early childhood education to as many children as possible around the world. In order to achieve such a goal, they need to increase sales of their product and expand their coffee shops in Taiwan and other countries around the world. As CIO of IMPCT, Mr. Juan Diego said in an interview that their plan is not just expanding in Taiwan, but soon they will open a coffee shop in San Francisco. Their vision is to become Starbucks with good coffee and more importantly, with social purpose. Other than expanding business, they would like to expand their story for other companies to copy. They would like other coffee shops to invest their profit to make a social impact in developing countries as well.

In addition, they would like to recruit more women in developing countries to transform their home care to Playcares for benefiting 3-6 years old children and themselves as well.

5. Changes of social relationship and system

IMPCT's strategy is to make changes of social relationships and system in two ways. First, it empowers women in developing countries to start their own business. Although a lot of these women were paid by the parents in the neighborhood to take care of their children, IMPCT increases their opportunity by offering a loan without interests for the women to take 90 hours training and changes their home care into educational center. Mr. Diego said, knowing that children from Playcare entering to primary school with creativity and spark in their eyes to explore is encouraging.

Second, the project encourages companies to show their social purpose by building a Playcare inside their property, educating the children of their employees to create win-win situation for employee loyalty and good company reputation. Companies are also encouraged to do more volunteer work, donations and impact trading for making a huge difference on people's lives. Branding such type of company not only makes a positive impact on society, but also generates a long-term business.

6. Diffusion of social value

In 10 years, IMPCT is planning to have coffee shops all around the world. According to Mr. Diego, they want to raise awareness about impact trading, sourcing coffee from developing countries and using profit to reinvest back in those countries. IMPCT Coffee Taipei shop has demonstrated that business can be profitable and have social impact at the same time. Having successfully attracted more and more young people to join the team explains the diffusion of its social value, at least in Taiwan. With the expansion of IMPCT Coffee, their ideology should be even more supported from the general public. Table 1 summarizes the six criteria of social innovation of IMPCT.

Table 1 IMPCT meeting the six criteria of social innovation

Six criteria	IMPCT Project
Recognition of social problem	Developing countries did not provide proper early childhood education for children from age 3 to 6, where 90% of brain development happens
Collaborative relationship with stakeholders	<ol style="list-style-type: none"> 1. Main support from government and universities 2. Crowd-funding and raised more than \$60,000 USD in 30 days 3. Work with factories, private companies to run a Playcare inside their property 4. Collaborate with Lululemon – a sports wear company for joint-promotion 5. Coffee farmers who believe in IMPCT's innovative business model supply premier coffee 6. Child care takers
Development of social business	Use high quality coffee from developing countries and re-invest the profit from IMPCT Coffee shop back into the area of coffee origin to build Playcares
Expansion of market interest	<ol style="list-style-type: none"> 1. Expand coffee shops across Taiwan and soon will open coffee shop in San Francisco 2. Expand to new markets in order to show people that business can be profitable and have social impact at the same time
Changes of social relationship and system	<ol style="list-style-type: none"> 1. Empower women to transform the place where they are taking care of children to education centers 2. Provide children with needed education between 3-6 years of age 3. Encourage companies to have social purpose by building Playcares inside their property
Diffusion of social value	<ol style="list-style-type: none"> 1. Impact trade – sourcing coffee from developing countries and using profit to reinvest back in those countries. 2. Build a big brand which can inspire and act as a model for other coffee brands

V. IMPCT's LERP to PEARL

Social innovation is a long process and is much more complicated than a private company's organizational change. A sustainable social innovation requires vision, good leadership, stakeholders' commitment, tangible resources, effective execution, and a self-organizing system. According to Lin and Chen (2016), a sustainable social innovation should go through two stages (LERP-PEARL) – the initial triggering stage and the second self-organizing stage. Without self-organization of the inter-dependent sub-systems, the innovation would not last.

"LERP" – leader, execution, resources, and partners are the crucial elements in the initial triggering stage. Literally, "lerp" is a special kind of honey produced by a type of Australian bees. It is a nutrient that facilitates growth, symbolizing the fact that nurturing environments are crucial at the initial stage of social innovation. "PEARL" – stands for enlarged partners, stronger execution, activation, more resources, and multiple leadership are required at the second self-organizing stage for making the social innovation sustainable. Literally, "pearl" is a precious gem that catches people's eyes. Applied to social innovation, once the initial innovation is successful, it has to become desirable to attract the attention of relevant parties to get more partners involved. Thus, an enlarged number of partners enable effective execution at relevant sub-systems. Then, proper activation for more participation can solicit required resources and commitment. With the active participation of enlarged partnership, supported by effective execution, proper activation and larger amount of resources, it is more likely that the self-initiated leadership of multiple constituents can be established for a self-organizing sustainable system. Table 2 briefly illustrates the key elements of the LERP –PEARL model.

Table 2 Illustrations of the "LERP to PEARL" transition model

	LERP - Triggering stage		PEARL - Self-organizing stage
Leader	Starting leadership is required to get things moving.	Partners	The enlarged and motivated partnership becomes the advocates for the vision.
Execution	The starting leader needs to have strong execution capability to step forward.	Execution	The partners are the major force for effective execution, either individually or collaboratively.
Resources	The starting leader acquires initial key resources to attract partners.	Activation	Activation is required to solicit more participation and critical resources.
Partners	Partners commit to the vision and join the efforts.	Resources	Mass amount of resources are assembled from various sources or the sub-systems can self-generate required resources.
		Leadership	Collective leadership is achieved.

Source: Lin and Chen (2016)

The LERP to PEARL model (Lin and Chen, 2016) helps the IMPCT to contemplate whether its business model is sustainable. The model comes from the realization that social innovation cannot be done through a forced approach or only from top-down. At the core of the transition is social involvement and the ability to reproduce engagement not only on the business scale, but also on the community scale to guarantee the long-term impact of the project. The model highlights the importance of leveraging strong partnerships through establishing a vision and maintaining inspiring leadership.

2. LERP – triggering stage

Starting leader, initial execution, initial resources, and key partners are the crucial elements in the initial triggering stage, described hereunder.

2.1 Starting Leader

“Starting leadership is required to get things moving” (Lin and Chen, 2016). The leader is most often the starting point of the innovative endeavor, s/he incarnates the vision of the business and allows to unlock the rest of the elements in the LERP process. In the case of IMPCT coffee, it all started with the four IMBA students at NCCU, sorting out the early childhood education problem in poor countries initially for the Hult Prize competition. When they were trying to obtain the Wildcard for the final competition, they did a pilot Playcare and found that such business model works.

2.2 Initial Execution

“Starting leader needs to have strong execution capability to step forward” (Lin and Chen, 2016). This is the key part of the project where the idea is put into action and the leader are not afraid to get their hands dirty. The most critical execution was IMPCT founders flew to El Salvador to personally tried the piloted Playcare through engaging a woman in the community already taking care of children as nannies, transforming her home care to Playcare, training her and shaping her building to become a safe and facilitating learning environment for children.

Its execution was profoundly based on people’s needs and the founders’ understanding of the situation through personal experience and thorough research. They analyzed the “nanny” situation in El Salvador in order to execute their ideas

properly and work out a business model. The execution was then refined according to their initial failures to modify the processes and keep on improving it step by step afterwards.

2.3 Initial Resources

“Starting leader acquires initial key resources to attract partners” (Lin and Chen, 2016). In this case, the initial critical resources was the crowdfunding of \$60,000 USD when the team was competing for the Wildcard. With the financial support of NCCU, its alumni, and corporate funding, the IMPCT had been able to tried a pilot Playcare in El Salvador and do some promotions.

The initial resources were tied with the execution, through the Hult prize. Winning the prize gave the team enough fame to attract both strategic and commercial partners. The reputation of Hult Prize helped them gain enough visibility to be able to draw partnerships with required funding.

2.4 Initial Key Partners

“Partners commit to the vision and join the efforts” (Lin and Chen, 2016). The initial partners of IMPCT include NCCU, woman in the community and Hult Prize Foundation. IMBA office of NCCU provided the initial assistance to find critical resources for the team to raise \$60,000 USD to make the trip to El Salvador for a pilot Playcare and to Boston for accelerator training. To try out the Playcare, the team needed the support of the woman in the community who would ultimately give the education to the kids, receive suggested Montessori training and reshape her space to a facilitating learning environment for the kids. The woman was crucial into getting local recognition by the local community, building trust and ultimately maximizing future impact. Gaining Hult Prize brought a lot of networking and allowed the team to meet the contacts they needed and leverage on their resources.

The first triggering stage was ended when the team obtained the global champion of the Hult Prize, and then entering into the second self-organizing stage of implementation with Hult Prize award money.

3. PEARL – Self-organizing stage

“PEARL” – stands for enlarged partners, stronger execution, activation, more resources, and multiple leadership, which are required at the second

self-organizing stage for making the social innovation sustainable. Its components are described hereunder according to the sequence.

3.1 Enlarged Partners

“The enlarged and motivated partners become the advocates for the vision” (Lin and Chen, 2016). The goal of the second stage is to build a self-organizing ecosystem for sustainability. With the initial success, IMPCT was able to attract more partners to join the efforts. To achieve the goal of reaching out one million children in 10 years, IMPCT needs to invite/attract more partners. As of 2017, they have been able to established seven Playcares in four countries, El Salvador, Guatemala, Honduras and South Africa. Increasing women as teachers are also their enlarged partners. Those women are incredibly important because of their roles in dispensing education. They are entirely responsible for their Playcare and thus are able to spread their influence. For instance, new women coming into the program can go and see how they are doing and learn from there. This peer-on-peer training allows the company to rely on its partnering network to function and improve.

Mr. Diego said in an interview that

Telling the story in a simple and effective way is very important, because it builds trust and engagement with clients, ambassadors and business alike, creating natural partnerships.

In addition, to become self-supporting (not totally rely on the award money) the team set up a physical IMPCT Coffee shop in Taipei Taiwan, sourcing coffee from the areas Playcares were established. Therefore, the coffee farmers of the local communities that provide premier coffee to IMPCT with very good price are also enlarged partners. Getting high quality coffee at low prices is not an easy task. Conveying IMPCT’s story and vision successfully involve the coffee producers as partners, enables the team to maximize the margin and then re-invest in the area’s early childhood education.

The devoted IMPCT employees who were touched by its story are important partners as well. Of course, Hult Prize Foundation is the key partner that provides financial support for the team to realize their dream.

3.2 Stronger Execution

“The partners are the major force for effective execution, either

individually or collaboratively” (Lin and Chen, 2016). As mentioned earlier, collaborative execution is a plus that grows directly from the tight relationship the company has developed with its partners. For instance, IMPCT has a total of 16 employees in different countries, they mainly collaborate through Skype and Slack. If they want to do something, or change the way something is done, they are free to try it out. In choosing their employees, they also favor the ones who are able to deliver impeccable story be it at work or outside of work. They become natural ambassadors for the company.

The local communities act as a giant megaphone for IMPCT’s operations, propagating its impact on the communities. The network of women has become almost self-sufficient as they visit each other to learn from one another, supported by online material provided by the team.

In order to maintain a strong international, supportive network, Mr. Diego goes to Central America once a year to ensure communication flows and bring back the inspiration and energy to Taiwan.

3.3 Activation

“Activation is required to solicit more participation and critical resources” (Lin and Chen, 2016). Activation always comes through attractive storytelling, increasing visibility and then increasing partnership. The biggest message that the team wants to share is:

“You can be profitable with a social purpose as well. We would like to become a new age Starbucks, selling coffee and helping the child education at the land of coffee production. We are thinking of going to San Francisco to establish an IMPCT Coffee shop, however it is still in the making.”

Examples of activation include the parents act as ambassadors as they have noticed the learning curve that their children have undergone. The initial success also activates local volunteers to get involved thus some volunteers go to the Playcares to conduct activities for the kids such as playing guitar, board games and group activities. Lululemon, a yoga wear company, initiated a collaboration and regularly do pop-up with the IMPCT because the values of the two companies are aligned. IMPCT also works with restaurants, hotels and bars to spread their products and story.

Displaying the importance of early childhood education brings people

together and make the community stronger and willing to engage in the project.

3.4 More Resources

“Mass amount of resources are assembled from various sources or the sub-systems can self-generate required resources” (Lin and Chen, 2016). With the Hult Prize seed money allocated stage by stage based on the team’s progress, IMPCT has more resources to leverage. From the increasing partners, IMPCT benefits from pop-up offers, companies partnerships and offers from various establishments that want to be associated with better corporate social responsibility. Furthermore, IMPCT has developed a sustainable business model through IMPCT Coffee shop, profit from selling coffee is invested back to the community of coffee origin for building Playcares. In a sense, the coffee farmers indirectly help childhood education in their own communities. The revolving resources from the communities themselves can be more effectively utilized and become self-sufficient.

Additionally, the one million US dollar award money helped put training programs in place for more local teachers and get the business started. A total of seven Playcares have been built from the resources. Aside from the Hult Prize money, employees of IMPCT Coffee did leverage their story telling and events to spread their vision for better coffee sales. In addition, the team started to work with industries to build Playcares within the company’s property and provide child care for its employees. These are the increasing resources IMPCT has been gathering.

3.5 Multiple Leaders

“Collective leadership is achieved” at the second stage (Lin and Chen, 2016). To build a self-organizing ecosystem, self-initiation of participating institutions is required. For example, owner of each Playcare is a leader of his/her subsystem. Each coffee farmer who supplies IMPCT coffee is a leader of his/her own farm. Organizer of the volunteers is a leader, planner of LuluLemon’s collaboration is a leader. IMPCT Coffee shop director is also a leader. In his/her own subsystem, the key person plays the key role of leadership. When each leader of the sub-system does his/her job well, and nicely links to each other’s sub-system the well-functioning of the whole eco-system is thus established. All these leaders act out the vision and anchor their business to others for a long-term joint success.

Throughout this study of the IMPCT Project based on LERP-PEARL model,

we have seen the importance of building partnerships with powerful initiative and the impact it has on the long run. The multiple leadership within the eco-system is a good mechanism to pass the power onto the community for cycling benefits. With the self-organizing eco-system, the business model of premier coffee production → IMPCT Coffee shop → Playcares is a sustainable cycle.

IV. Discussion and Conclusion

Social innovation is a movement that is shaping the way business are working today. In the past, business focused on how they could maximize profit, nowadays a new wave of young entrepreneurs are thinking about how to make profit with social purpose at the same time.

We have seen the real impact these kind of business are doing what NGO and governments have failed through the years. They are tapping into the real root of the problem and transforming such innovation into beautiful stories being shared throughout the world. IMPCT is an example of what social good is transforming communities in El Salvador, Guatemala, Honduras and South Africa. Based on this case, discussions can be made from the perspectives of social innovation, social entrepreneurship, social enterprises, corporate social responsibility, social value and economic value.

The case clearly exhibits the characteristics of social innovation, in distinguishing from social entrepreneurship and social enterprises. Since both social entrepreneurship and social enterprise have their roots in the nonprofit sector, as a result they tend to limit their domains to nonprofits, implicitly or explicitly excluding public and for-profit organizations (Phills et al., 2008). Social entrepreneurship focuses on the personal qualities of people who start new organizations with traits like boldness, accountability, resourcefulness, ambition, and persistence; whereas social enterprise tends to focus on organizations with primarily social objectives whose surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners (Llie and During, 2011: 31, 34). Differently, social innovation transcends sectors, levels of analysis, and methods to discover the processes that produce lasting impact (Phills et al., 2008). That is, social innovation covers a wider scope in addressing and solving social problems (Lin and Chen,

2016). In short, the four IMPCT founders with social entrepreneurship conducted social innovation. Since the organizations built based on this social innovation are multiple, including IMPCT coffee shop, existing Playcares and others to come. Therefore, this innovation extends the ordinary social enterprise concept.

Social innovation is not a new term for corporate social responsibility (CSR), as it arises not out of charity but out of a deeper understanding of competition and the creation of economic value but solving social problems at the same time (Lin and Chen, 2016). Although CSR also aims to enhance social wellbeing, a lot of such endeavor is out of institutional pressure that competitors are doing CSR or a type of marketing to project good customer image.

The social value of this innovation is assured from the perspectives that the children, care takers and coffee farmers in the countries with Playcares have been benefited. In addition, IMPCT coffee shop consumers in Taiwan have the chance to contribute the construction of Playcares in developing countries, such chances enhance their personal value.

The economic value is also evident, although it is not the IMPCT's initial goal. Playcares create a better job opportunity for and upgrade the quality of the care takers. Future enlarged contribution of these trained care taker can be anticipated. IMPCT purchases coffee directly from the coffee farmers, skipping the wholesalers and retailers, which helps improve the economic condition of those farmers. Furthermore, this social innovation also financially supports the living of some founders who are fully devoted to this endeavor, like Mr. Diego.

Even though IMPCT has helped solve some early childhood education problem in some developing countries, the task is too large to be completed by them for they can only reach a fraction of the areas that encountered the same problem. A recent information is that the one million USD award funding has been used up, meaning IMPCT has to be financially independent to continue their mission of benefiting one million children in ten years. That explains why they are planning to open more coffee shops in other markets, expecting to touch the hearts of coffee lovers all over the world and invite them to join the journey of combating early childhood education problem and helping the poor coffee farmers in developing countries, together with IMPCT.

In conclusion, the notion of “togetherness” is very important in social innovation. In the case of IMPCT, the team worked together with local women,

coffee farmers and non-profit construction company, then connected the resources of local communities in Latin American countries and those in Taiwan for a real impact. The IMPCT Project has also provided an insight of how students can dream big and eventually make a difference.

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Table 3 LERP-PEARL of the IMPACT coffee

LERP - Triggering stage				PEARL - Self-organizing stage				
<i>Initial Leader(s)</i>	<i>Initial Execution</i>	<i>Initial Resources</i>	<i>Initial Partners</i>	<i>Enlarged Partners</i>	<i>Stronger Execution</i>	<i>Activation</i>	<i>More Resources</i>	<i>Multiple Leaders</i>
The four founders of IMPCT team	Pilot a Playcare in El Salvador, Fund raising	Crowdfunding for a pilot Playcare	IMBA office at NCCU, Women care taker, Hult Prize Foundation	More women, Coffee farmers, Volunteers	Devoted IMPCT employees, 7 Playcares	Parents, Child care takers, volunteers	Hult Prize Award money, Profit from IMPCT Coffee	Owner of each Playcare Coffee farmers IMPCT Coffee



Figure 2 First Playcare built in San Salvador in 2015, the four IMPCT founders are in the red box

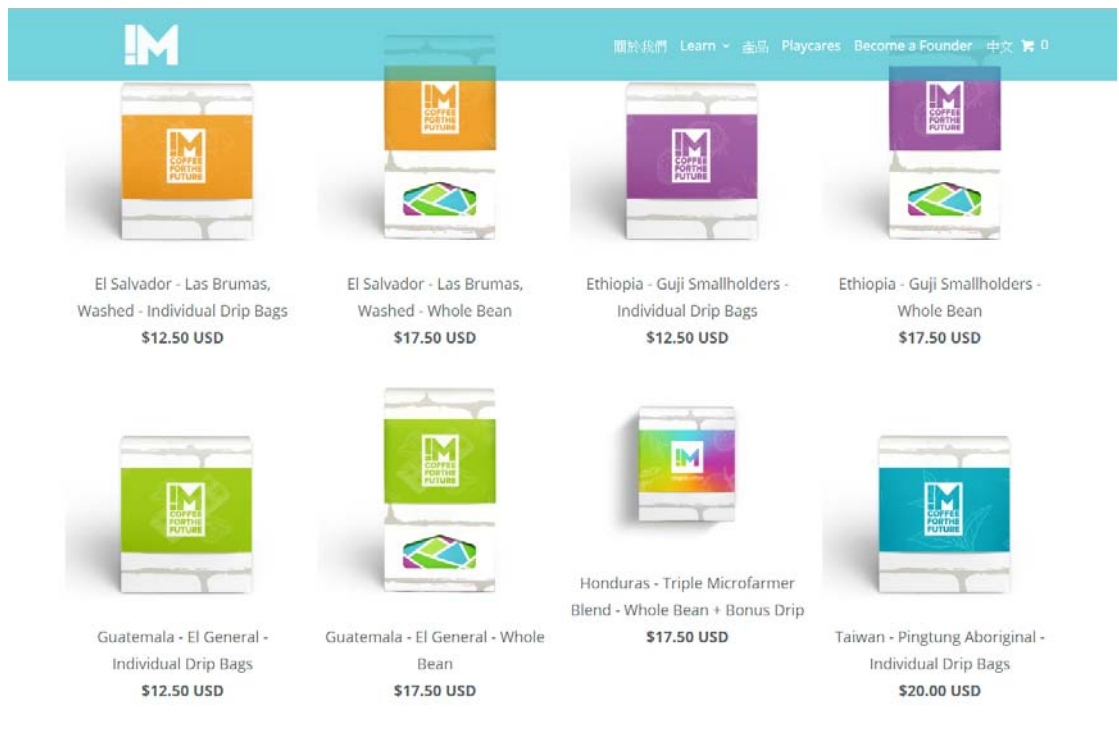


Figure 3 The origin and price of IMPCT Coffee, each box representing a brick to build Playcares

從 IMPCT 咖啡到貧窮國家的幼兒教育

林月雲 · Alejandro Giron · Juan Diego Prudot*

摘要

本文經由研究一個全球社會企業 - IMPCT 咖啡，來回答「社會創新如何永續？」的問題，並根據個人所發展出的兩階段「蜂蜜珍珠模型 LERP-PEARL」進行個案分析。第一階段 LERP（蜂蜜）為啟動期，代表 leader, execution, critical resources, and initial partners; 第二階段 PEARL（珍珠）是自我運作期，代表 enlarged partners, stronger execution, activation, more resources and multiple leaders。IMPCT 咖啡-「真正為了創造更美好明天的良心咖啡」感動了許多咖啡愛好者也吸引了仰慕者加入陣容。

故事起源於 2015 年九月四位政治大學 IMBA 學生贏得了霍特獎(Hult Prize)全球冠軍與美金一百萬的創業獎金。他們提議在拉丁美洲國家設立「玩顧」（Playcare）學齡前教育中心，並提供照顧者工作機會。獎金則視實際的進展，逐步的頒發。

獲獎三年後，IMPCT 團隊設立了七個「玩顧」中心，對於非洲與拉丁美洲影響深遠。為了持續設立「玩顧」中心，在更多的貧窮國家造成更廣泛的影響，團隊設計了一個永續的商業模式，即循環利益模式。因而在台北成立 IMPCT 咖啡店，進口「玩顧」中心當地的咖啡豆，顧客每購買一杯咖啡，就獲得該杯咖啡豆產地一個虛擬磚塊的號碼，顧客可隨時察看為某一「玩顧」中心貢獻了多少磚塊。本個案說明 IMPCT 咖啡的起源與成就。

關鍵字：IMPCT 咖啡，社會創新，全球社會企業，蜂蜜珍珠模型

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