

entra21NOTES

10 Years of Promoting Youth Employability 2001-2011

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Training Youth for the Business Sector: An Alliance between Walmart Brazil and Instituto Aliança

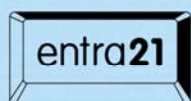
In 2008, the Instituto Aliança, a Brazilian NGO and Partner of the International Youth Foundation, and Walmart Brazil formed a strategic relationship to train youth for the retail industry. As a result of this strategic collaboration approximately 3,000 young people received training and nearly one-half were hired by Walmart as of 2011. Over the next four years, they plan to train 10,000 more young Brazilians. This article describes the evolution of the Aliança-Walmart relationship and highlights some of the benefits and challenges of the partnership.

The Instituto Aliança

The Instituto Aliança (Aliança) began in 1990, as a project of the Odebrecht Foundation, the philanthropic arm of the global construction company. The focus of the project was the adaptation and application of the Center for Population Options (now Advocates for Youth) life planning methodology for youth living in the northeastern region of Brazil. The Foundation implemented the project for 5 years, after which the project team decided to spin off as a separate organization and officially founded the Instituto Aliança in 2002.

The educational approach and model Aliança developed, which blended human development with information technologies and office administration, was Com.Domínio Digital (CDD)ⁱ. When Aliança joined the **entra21** program in 2004, its educational model was further enhanced with support from IYF. To make CDD more employment focused, IYF helped Aliança to link its training content to labor market demands and to incorporate job placement services. Under **entra21**, Aliança trained 432 youth ages 18 to 22 in Brazil's northeastern state of Ceara.

A central aspect of the CDD model is the involvement of the private sector in selecting youth into the program and determining the content of the technical training. Fifty percent of **entra21** graduates found jobs, the majority in formal employment.



Connecting Disadvantaged Youth
with Quality Employment

Founded in 1990, The International Youth Foundation (IYF) invests in the extraordinary potential of young people. The **entra21** program was launched by IYF in 2001, with support from the Multilateral Investment Fund (MIF) of the Inter-American Development Bank (IDB) to increase the employability of youth at risk in Latin America and the Caribbean. To learn more, visit www.iyfnet.org

"I can tell just by looking at their faces which young people graduated from the CDD project and which ones have not. I want a CDD project in every place there is a Walmart!"
Marcos Ambrosano, Walmart Board Member.

Due to the success of the CDD model under **entra21**, Aliança decided to document its approach so it could be replicated in more communities across Brazil by establishing alliances with NGOs, local employers and state governments.

The Walmart Institute

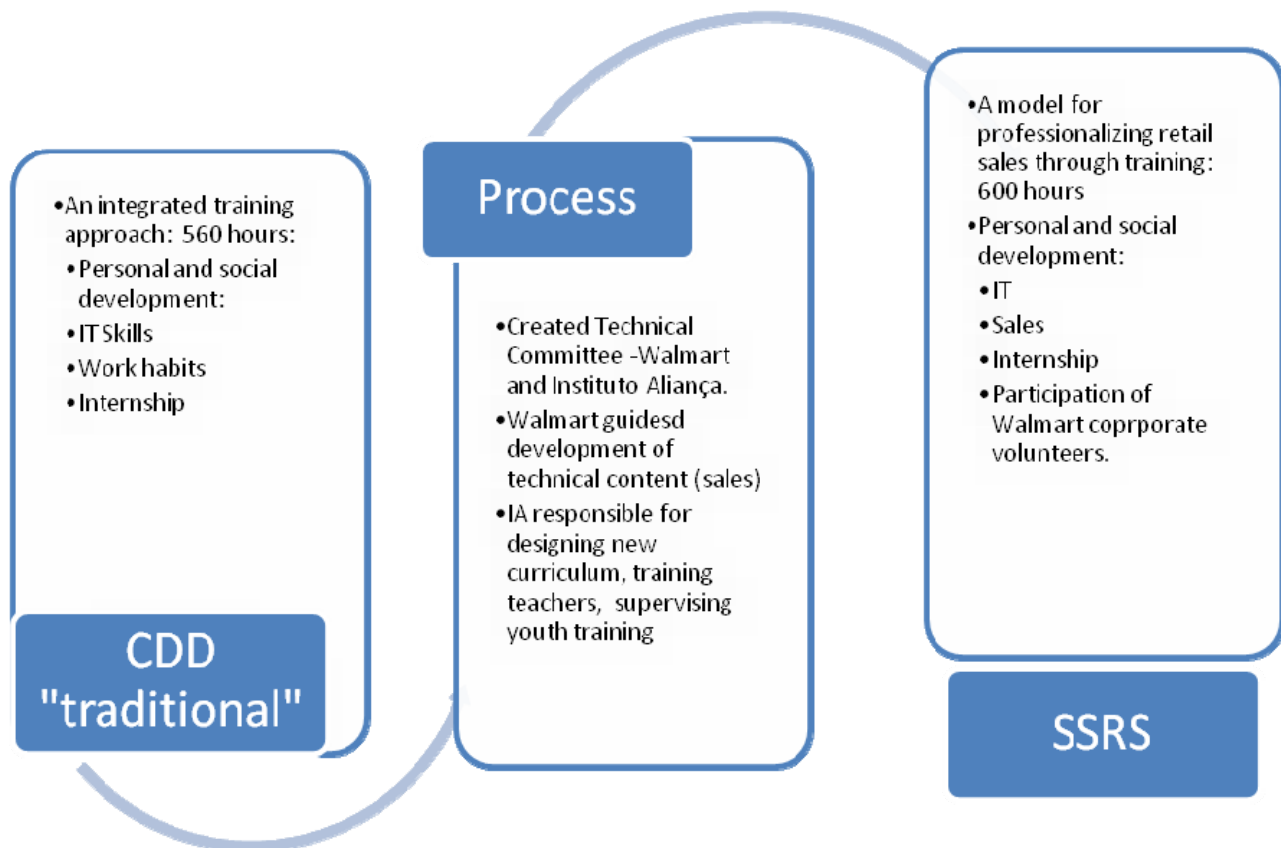
Walmart began operations in Brazil in 1995, with five stores in the state of São Paulo. By 2010, the company had become the third largest retail chain in Brazil with 434 stores, 79,800 employees, and annual sales of US \$13.4 billion (R \$22.3 billion)ⁱⁱ. The philanthropic activities of the company are designed and managed by the Walmart Institute (WMI).

At the end of 2005, Walmart Institute contacted Aliança about CDD after hearing about the program from two consultants hired by WMI to help define its social responsibility objectives and identify strategic areas for investment. As a result, Walmart Institute decided to support the expansion of CDD in four additional states of Brazil and to provide training to 1,500 youth. The outcomes of this collaboration were positive: 90% of the youth were certified and 40% of them obtained formal jobs.

In 2008, the Walmart Institute board approved the expansion of the CDD project to another seven states. That same year, IYF began a second phase of the **entra21** project, as it sought to scale up the projects that were successful in Phase I. By the end of 2009, IYF helped Aliança to expand to 41 schools and social organizations, and to train approximately 4,000 youth, with financial support from the WMI and other donors.

That same year the WMI redefined its mission and identified the professional training of youth as a priority area. Due to its positive experience with CDD and Aliança, the Institute proposed the creation of a new educational program that integrates retail sales and the CDD curriculum. The result of this fusion was the creation of a new program called the Social School for Retail Sales (SSRS)ⁱⁱⁱ.

To develop the new curriculum, a committee was created that included Aliança technical experts and representatives of the association of Walmart store managers, Walmart and the Walmart Institute. The following graphic shows the evolution of the CDD model from under **entra21** to the new retail sales curriculum.



The prospects for scaling up of this new training methodology are good. In 2010, the Social School for Retail Sales was operating in five states of Brazil in collaboration with state education departments and local agencies. Being accredited by these five state governments affords the SSRS model with a strong foundation for scale and sustainability, particularly if it is offered as part of the secondary school curriculum. In 2010 and 2011, for example, nearly 3,000 youth were trained in SSRS, and the program is projected to reach 10,000 youth between 2012 and 2015. So far, Walmart has hired approximately 45% of the SSRS graduates.

Reflections and Lessons

Through this alliance, Instituto Aliança and Walmart have achieved a win-win. Aliança is reaching greater numbers of youth with quality training services and through the partnership with WMI is able to continue testing and improving its educational model. Walmart Institute, on the other hand, is reaching its strategic objective to develop the professional skills of future employees in the retail sales sector and thus contribute to the development of a more robust Brazilian retail industry.



A young intern trained by the SSRS in Salvador, Brazil.

To establish an alliance with Walmart Institute, Aliança had to: a) create knowledge over a ten-year period in the area of youth development, job training, and training of trainers; b) build cooperative relations with NGOs, state governments, and donors within and outside Brazil; and c) gain the confidence of Walmart Brazil. In addition, Aliança has had to develop, in partnership with Walmart, a new product that responds to the needs and interests of the retail sector and was “saleable” to educational officials in state governments.

This case also provides several insights about some of the challenges involved in establishing NGO-private sector alliances and in scaling up proven approaches.

- Entering a relationship with a much larger partner, in this case Walmart, created challenges due to the asymmetrical nature of the relationship. The Aliança-Walmart case suggests that NGOs should be prepared to adjust their internal systems in order to work at the pace of their private sector partner. Also, they need to be prepared to address differences in incentive systems and concepts of quality, accountability and success.
- The private sector ally can play a key role in scaling up the model and achieving sustainability. Notwithstanding the significant assets Walmart provides—financing, knowledge of the retail sector and tremendous access to government, other businesses and international agencies, the transfer also requires a strong NGO partner. While Aliança brought important assets to the relationship, the demands of scaling up a program from one state of Brazil to seven and from a handful of local organizations to dozens of schools and communities, presented Aliança with significant challenges. Fortunately, Walmart Institute recognized the importance of increasing Aliança’s capacity to work at greater scale by increasing its capacity to train others in how to operate a SSRS program.
- In a similar vein, it is important to also define how the entity that incubated the knowledge, in this case Aliança, will gradually empower a new set of entities to implement and manage the “transferred” project or model. For Aliança this required a mindset shift since it was accustomed to being in control of all elements of its educational models. It means teaching others how to select and train trainers, provide training services, ensure quality and be responsible for the overall management of the training process—the very activities which have allowed Aliança to gain recognition and prestige, and mobilize resources.
- Defining the “owner” of the new model or product being scaled up is an important step not only in terms of intellectual property issues but, perhaps more importantly, in terms of who is responsible for ensuring the model has sufficient financial support and adequate quality assurance over time.
- Undoubtedly, new opportunities will emerge that will require new versions of the Com.Domínio Digital model to respond, for example, to the needs of the tourism or banking sector to train their workforce. As these opportunities arise, Aliança will need to analyze the process it followed in developing with Walmart the retail sales variant of Com.Domínio Digital and in creating local capacity to train youth with the new SSRS curriculum. Will it follow the same pathway or will it use the lessons from this strategic alliance and propose something different?

i In Portuguese this means “with digital mastery”.

ii <http://www.walmartbrasil.com.br/sobre-o-walmart/no-brasil/>.

iii In Portuguese the Social School for Retail Sales (SSRS) is called the Escola Social do Varejo (ESV).