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FOODXERVICES AND FOOD BANK: A CALL FOR INTEGRATION

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In April 2018, Nicholas Ng was sitting at his desk with a construction map in his hands. The map showed a brand new building for his company, FoodXervices Inc. Pte. Ltd. (FoodXervices), which was to be completed in 2019. Ng was happy to see that everything had gone according to plan, but he wondered whether he could do something more with the new building for the charitable arm of his company, The Food Bank Singapore Ltd. (Food Bank), which would reside in the same building.

When Ng and his sister Nichol founded FoodXervices in 2007, they started to see a bridgeable gap between food waste and food insecurity in Singapore, and they embarked on a journey to address the situation. In 2012, they set up Food Bank to collect donated food that would have otherwise been wasted from manufacturers and retailers, and to deliver the donations to a network of beneficiary organizations who needed them the most.[[1]](#endnote-1) Since its inception, Food Bank had functioned independently from FoodXervices in terms of staff involvement, branding, and operational synergy. The intention was to avoid any false accusations about FoodXervices recycling donations received by Food Bank as products for sale. Ng wondered whether the new building would help the two mature entities integrate and whether this would encourage a spirit of giving among all staff members. He was also concerned about how best to carry out the integration of the two entities so that it minimized the concerns faced by different stakeholder groups. He had conducted interviews with his staff and management, and had come up with four potential strategies for integrating the two entities. He wondered which strategy he should choose.

BACKGROUND OF FOODXERVICES

FoodXervices was a wholesaler in the food supply chain industry, handling over 4,000 products from brands such as Fraser and Neave, Dr. Pepper, Coca-Cola, Unilever, Kraft Heinz, Campbell’s, and Nestlé. With a team of over 100 employees, FoodXervices was a small-to-medium enterprise, and it ranked among Singapore’s top food service companies. As a leading distributor in Singapore in 2018, FoodXervices served over 2,000 clients, ranging from hotels, restaurants, airlines, cafes, and fast food chains to culinary institutions. More than 70 per cent of its products were imported from the United States, Europe, and Asia. They ranged from cooking ingredients such as common table salt and premium olive oil, to cleaning aids like dishwashing sponges and kitchen towels. FoodXervices’ total income for 2017 was approximately S$2.6 million[[2]](#endnote-2) (see Exhibit 1).

BACKGROUND OF FOOD BANK

Formed in August 2012, Food Bank was recognized as a registered charity and institution of public character (IPC). As such, donations to Food Bank qualified for 250 per cent tax deductions as announced in Singapore’s 2018 budget.[[3]](#endnote-3) It became a member of the Global Foodbanking Network (GFN) in 2016. GFN was an international non-profit organization that nourished the world’s hungry by launching and strengthening food banks in 31 countries. Their practices worked as a template for other groups both in and out of the network, and had helped Ng by providing a working model for Food Bank. As a member, Food Bank had access to a wealth of expert knowledge from GFN on topics such as increasing the amount of food sourced, growing the number of agencies served, opening new distribution locations, building out cold chain capacity, assuring food safety, and strengthening organizational governance.[[4]](#endnote-4) Ng attended GFN’s flagship annual event, the Food Bank Leadership Institute, every year to exchange knowledge and best practices, to stay abreast of the latest trends in hunger relief, and to access proven training and growth techniques from countries all over the world.

Food Bank was one of the many non-governmental organizations (NGOs) tackling the food wastage and food insecurity issues in Singapore. Food waste was a prominent food-related issue in Singapore,[[5]](#endnote-5) where more than 800,000 tonnes of food were wasted each year.[[6]](#endnote-6) This included food that had expired, spoiled, or been left uneaten after preparation.[[7]](#endnote-7) Food insecurity was defined by the United Nations Food and Agriculture Organization as the lack of physical and/or economic “access to sufficient, safe and nutritious food.”[[8]](#endnote-8) Although the Economist Intelligence Unit ranked Singapore as one of the most food-secure nations on the Global Food Security Index, the problem of food insecurity still existed within certain segments of society.[[9]](#endnote-9) A study by Lien Centre for Social Innovation found that one in five low-income families in Singapore faced extreme food insecurity.[[10]](#endnote-10)

This was a situation of supply and demand mismatch. To feed all the people suffering from food insecurity, what was required was for Singapore to save just one-quarter of the food that was currently lost or wasted.[[11]](#endnote-11) Done right, such a reduction in food waste could “generate a triple win: for the economy, for food security, and for the environment.”[[12]](#endnote-12) Food Bank employed a theory of change to serve as a bridge between food waste and food insecurity (see Exhibit 2). First, manufacturers, retailers, and distributors donated their excess, near-expiry, or unwanted food items to Food Bank. Next, Food Bank sorted and stored donations in its warehouse, then distributed and delivered them to its member beneficiaries (including various homes, family service centres, and soup kitchens). Finally, the member beneficiaries in turn distributed the food items to people in need.[[13]](#endnote-13) Food Bank fulfilled a logistical function by salvaging food that would have potentially been wasted and delivering it to beneficiaries who needed it. By doing so, it not only bridged the food gap by making food accessible to the food-insecure population, but it also effectively reduced food wastage in Singapore. The donated food items were safe and fit to eat but might have lost their commercial value because of the sell-by date, labelling or packaging errors, discontinued brands, surplus inventory, or minor recipe variations. The donated items included non-perishables, salvageable perishables, and cooked food; donors ranged from suppliers and distributors, corporate offices, and food and beverage (F&B) establishments to schools, food exhibitions, and trade shows.

In its first year of operation, Food Bank collected two tonnes of food products that were nearing expiry dates from various sources. Despite the initial reluctance of giant food supplier brands to participate, the co-founders remained motivated. Ng recalled that he and his sister performed guerrilla activities like knocking on doors of schools, restaurants, and charity organizations. Meanwhile, some coincidences contributed to the organization’s success. In 2012, the Singapore government and media had just begun to focus on the food waste issue in Singapore and launched several campaigns, including the Save Food Cut Waste campaign, which aimed to achieve the goals laid out in the Singapore Green Plan 2012.[[14]](#endnote-14) Food Bank also benefited greatly from intensive press attention during this period.[[15]](#endnote-15)

Food Bank grew rapidly. Unlike many companies’ corporate social responsibility (CSR) programs, Food Bank had an annual revenue of approximately S$1 million from 2014 to 2017; this came from cash donations and donations in kind (see Exhibit 3). Food Bank had become a self-sufficient entity, with three full-time staff members, some interns, one driver, a van, and a pool of regular volunteers. It reached out to about 250 beneficiary organizations and 100,000 marginalized individuals, and was supported by more than 200 donors in 2018. Every month, it distributed “an average of 60 tonnes of food, or about 142,857 meals . . . to poor families.” [[16]](#endnote-16) This not only addressed the gap between food insecurity and food waste, but it also served as a way for the founders and the company to give back to society.

THE Food Pantry

In 2016, Food Bank set up The Food Pantry, one of its most notable and successful programs. The Food Pantry operated as a grocery store that sold near-expiration food products with an average shelf-life of two months at S$1 each, regardless of brand or size. While Food Bank’s main priority remained redistributing food for free to the underprivileged, not all the food donations were well accepted by the beneficiaries because of extremely short shelf-life or damaged packaging. Instead of discarding these items, Food Bank diverted them to The Food Pantry, where there was a final opportunity for them to be picked up by customers before they expired.

The initial response from the public was overwhelming: 80 per cent of the food sold out within the first three hours of the store’s opening. Although the revenue from the sales was barely sufficient to cover the overhead of the shop, Nichol indicated that The Food Pantry was more of a marketing tool to advocate against food wastage rather than a fundraising tool. As Nichol emphasized,

We are using The Food Pantry as a tool to convert consumers’ shopping habits and also to let them know that even close to expiry items can still be as good for consumption and should not be thrown before the due dates. If we can start creating the acceptance of these goods, it will greatly help us in our campaign to reduce food wastage.

Additionally, The Food Pantry doubled as another drop-off point for potential donors. The entire value process including inputs, activities, outcomes and impact achieved by The Food Pantry could be demonstrated using a logic model (see Exhibit 4).[[17]](#endnote-17)

BENEFITS OF INTEGRATION

Despite being separate entities, FoodXervices and Food Bank had played complementary roles in the past. For example, FoodXervices provided pro-bono office space, warehouse facilities, and utilities for Food Bank and supported Food Bank’s Joy in Every Bundle program by selling food at cost to Food Bank. FoodXervices’ operations team also assisted in Food Bank’s deliveries whenever possible. In return, having Food Bank as a philanthropic arm appealed to companies when FoodXervices pitched for contracts, giving it an edge over its competitors.

Over the years, Food Bank had gained recognition for reaching out to diverse groups of people and growing the local CSR scene. Its track record had passed the test of time. Ng’s vision of integrating Food Bank with FoodXervices was clear: let the “giving” culture penetrate throughout the entire company.

Company of Good

In 2016, FoodXervices became one of the founding members of Company of Good (CoG), a program developed by the National Volunteer and Philanthropy Centre (NVPC) to empower businesses to give in strategic and sustainable ways. NVPC developed a Four “I”s framework that emphasized using investment, integration, institutionalization, and impact to help companies turn good intentions into sound business practices (see Exhibit 5). Ng, who was a mentor of the CoG fellowship program, said his involvement in CoG had led him to many collaborations, including ad-hoc charity events and projects. The program was a good learning experience, and Ng sought to apply relevant information to his own business.

STAKEHOLDERS TO CONSIDER

Ng knew that the integration could multiply mutual benefits the two companies already enjoyed, while opening doors for a plethora of new, untapped synergies. However, his decision to integrate would also need to overcome the concerns of various stakeholders.

Employees and Management

One goal of integration was to eradicate employees’ past perception of the two entities as separate and to promote a shared culture of doing good by properly engaging the employees. Past research has shown that the more engaged and invested the employees were with the employer, the more productive they would be and with a greater sense of identity and appreciation of the employer.[[18]](#endnote-18) A CSR program within an organization could help to attract and retain skilled employees, and help to create a conducive culture of helping others and forging camaraderie among employees. [[19]](#endnote-19) When employees developed positive feelings toward their organization’s CSR initiative, their intention to stay and overall commitment to the organization would improve.[[20]](#endnote-20) A survey conducted by Morning Future revealed that 92.1 per cent of millennials thought that working for an environmentally and socially responsible company was important.[[21]](#endnote-21)

However, it was still a challenge to actively engage the employees in FoodXervices. An interview with the staff of FoodXervices revealed that the level of CSR engagement among FoodXervices’ employees was low, for two underlying reasons: (1) human resource constraints left employees no time for volunteering and (2) there was a lack of a “giving” culture. The feedback from the current management at the time was that staff were working at full capacity in each department; the lack of a clear segregation of duties was a leading cause. Ng was concerned that finding time for community service might cause additional stress for the employees. The move to a new office in 2019 would help ease space constraints, so human resources (HR) personnel had plans to expand staff headcount across all departments. Ng wondered whether the staffing issue could be resolved through better planning of staffing levels during peak and off-peak periods.

Donors

Externally, there were benefits to be reaped from the integration of the two entities. Integration would help demystify the relationship between the two entities in the eyes of the public, thus creating beneficial outcomes through their closer association. For example, increased mention of Food Bank on the company website would mean FoodXervices would be perceived as a socially responsible company. As CSR was becoming imperative in the contemporary business world, marketing Food Bank together with FoodXervices could help to achieve a better public image and could improve goodwill, trust, and brand reputation—all of which might translate into improved profits.[[22]](#endnote-22)

However, integrating the two entities could lead to false allegations that FoodXervices was recycling Food Bank’s donations for sale, and this could lead to a loss of trust among donors. Ng would have to keep this possibility in mind and take steps to mitigate it. Even though the circumstances now were different—and Food Bank, with its status as a registered IPC and a proud member of the GFN and CoG, was more established—Ng would still need to continue improving accountability and transparency. In the long run, this would encourage more donations, both in the form of food or cash, since accountability and transparency played a part in enhancing the relationships between NGOs and donors.[[23]](#endnote-23)

Customers

Accumulating goodwill by integrating with Food Bank could provide FoodXervices with a competitive edge over its competitors through CSR. Being the only Singapore company in this industry with a related NGO could serve to reinforce FoodXervices’ brand identity among customers and differentiate it from other food suppliers. Shoppers tended to reward corporations for being socially accountable. They were motivated to downplay or minimize negative incidents about socially responsible companies (e.g., in the event of crises),[[24]](#endnote-24) and this could explain why a commitment to CSR could be seen as being akin to “building a reservoir of goodwill.” CSR could be viewed as a long-term, strategic investment.[[25]](#endnote-25) However, the benefits of improved goodwill, trust, and brand reputation could only be achieved with proper accountability and adequate transparency.

However, there was a lack of awareness of Food Bank as FoodXervices’ charity arm due to the separate nature of the two entities and the separate ways they were marketed. Since the majority of FoodXervices’ customers were businesses, the challenge would lie in planning and executing promotional campaigns for business-to-business customers, namely retailers and F&B and hospitality establishments downstream in the supply chain who were already customers or potential customers of FoodXervices. Traditional advertisements that targeted business-to-consumer customers would be ineffective; to receive attention from businesses, the company would need to launch an advertising campaign using a suitable medium and proper incentives that would engage customers. In order to portray the two brands, FoodXervices and Food Bank, as synonymous, Ng would have to determine which channel and incentives to use.

PROPOSED STRATEGIES FOR INTEGRATION

After careful consideration, discussion with the management team, and staff interviews to collect ground-up feedback, Ng came up with four proposed strategies for integrating the two entities. He had to choose which strategy or strategies to adopt.

Proposal 1: Xpare a Dime

To address the lack of a “giving culture” within FoodXervices, Xpare a Dime[[26]](#endnote-26) would aim to foster a culture of small cash donations among employees. It would include an employee donation program and an annual dinner and dance (D&D) event. The employee donation program would encourage employees to donate a small sum from their salaries to Food Bank, and to encourage and incentivize employees to donate, FoodXervices would match all donations. Employees could donate by purchasing monthly food bundles at S$10 or S$20 or any other amount. The default donation amount would be S$10, but employees would be able to opt out—although they would be strongly encouraged to stay in the scheme. An interview with FoodXervices’ employees indicated a generally positive reception of this idea, with three of four staff members welcoming the idea of an employee donation program.

To appreciate the employees who had donated and to reassure them of the appropriate use of their donations, thank-you memos with pictures of outreach from Food Bank would be sent periodically via email. This program would reduce employees’ concerns about lack of time because the monthly donations would be automatic, and the thank-you memos would serve to remind them of their good deeds. On top of that, the donations would entitle employees to 250 per cent personal tax deductions.

In conjunction with the employee donation program, an annual D&D could also be held to commemorate and celebrate the milestones achieved by Food Bank and to appreciate the contributions of donors and volunteers. All FoodXervices and Food Bank employees would be invited to this annual D&D, which would serve to reinforce the ideas that FoodXervices and Food Bank were one and that milestones were achieved with the help of both entities. An overall summary of Food Bank’s outreach over the year and upcoming plans would be presented, boosting trust regarding the accountability of donations.

Proposal 2: Xpare Your Time

To further advocate the spirit of volunteerism, FoodXervices could formalize the provision of two days of paid time for official volunteer leave. Currently, Singapore companies offered their employees one to five days of volunteer leave, with the median volunteer-leave benefit being two days.[[27]](#endnote-27) FoodXervices was relatively small compared to larger multinational corporations, so two days would be a safe starting point. The additional volunteer leave would be incorporated into the company’s HR policy to embed the spirit of giving within FoodXervices.

Employees would be given discretion to utilize the paid leave for volunteer service, and one day would be reserved specifically for volunteering at Food Bank. To ease the adoption of this strategy, semi-annual volunteer events could be planned ahead of time to accommodate departments’ peak and off-peak seasons, which would allow departments to better plan staffing on days when some colleagues were away volunteering. FoodXervices’ HR department could create a CSR calendar, updating it frequently with upcoming volunteering opportunities from websites such as Giving.sg[[28]](#endnote-28) for the consideration of employees. Under the 2016 budget announced by the Ministry of Finance, the Business and Institute of Public Character Partnership Scheme (BIPS) would allow FoodXervices to claim a 250 per cent tax deduction on wages and related expenses incurred when its staff were involved in skills-based volunteering or general voluntary services.[[29]](#endnote-29)

However, according to an interview with the management team, there was concern over unfamiliarity by FoodXervices employees with Food Bank’s operations. Moreover, it might be challenging to engage all employees of FoodXervices via email or electronic portal updates because many staff members did not have computers in the office.

According to a 2017 NVPC corporate giving survey, while the number of companies formalizing paid volunteer leave was increasing, the utilization rate for this leave remained low.[[30]](#endnote-30) To overcome this concern, FoodXervices could include giving goals as assessment criteria in its annual staff performance evaluations. Strong top-down support would likely encourage the use of the volunteer leave. Management support had proven to be a strong motivator for employee volunteerism and philanthropy.[[31]](#endnote-31)

Proposal 3: Give X Take

The Give X Take strategy would use a banner advertisement on the FoodXervices’ website and include this banner at the end of every transaction invoice or email to remind FoodXervices’ customers that the company had a charity arm (i.e., Food Bank) that accepted near-to-expiry or excess food donations for distribution to the less privileged. Food Bank’s delivery van would be deployed to collect the food donations for free. This form of integrated giving would enable more effective coordination between FoodXervices and Food Bank in terms of daily interactions and issues that could affect relationships between the company and the community.[[32]](#endnote-32)

The banner attached at the end of transaction invoices and emails would help to create awareness among current customers about FoodXervices’ association with Food Bank whenever customers made purchases. Even if companies did not end up donating, awareness of the relationship between the two entities might increase customer loyalty toward a business that did good. On the other hand, the banner on the website would attract potential customers who were browsing the Product Xearch page on FoodXervices’ website.

Demonstrating that FoodXervices was committed to social responsibility might motivate potential customers to choose FoodXervices over another supplier. Customers who had successfully donated would be given the opportunity to write testimonials about their hassle-free experiences in return for Food Bank CSR badges, which could be placed on their websites. Instead of incurring expenses to dump their expiring food at the Tuas landfill, companies would receive CSR badges for their donations and could publicly announce their efforts to reduce waste.

With Food Bank directly marketed as part of FoodXervices, this proposed strategy could potentially translate into increased customer loyalty, brand perception, earnings for FoodXervices, and an increase in awareness of and donations to Food Bank. Given that additional transportation costs and packaging expenses would be incurred, Ng needed to assess the financial feasibility of this proposal.

Proposal 4: Xpread Awareness

The integration would make it essential for Food Bank to further improve its accountability and transparency with the public. Xpread Awareness would be an effective approach—a form of impactful giving through proper impact measurement.

First, this proposal would involve making improvements to Food Bank’s annual report, using the new Visibility Guide framework recently introduced by the Commissioner of Charities.[[33]](#endnote-33) The initial step would be for FoodXervices and Food Bank to create a joint mission and vision statement and follow by aligning their business operations with this newly created mission and vision. Operations could be monitored and tracked for progress according to key performance indicators (KPIs) and data points, which would reflect the goals identified in the mission and vision statement. The data gathered would be published in a sustainability report with key information regarding operational results and CSR progress through statistical reports and testimonials from beneficiaries. FoodXervices could evaluate the inputs, processes, and output KPIs to identify activities that were most effective and those that needed improvement. This form of impact measurement would enable strategic planning of resource allocation and investment. The inclusion of sustainability information in FoodXervices’ annual report would help promote accountability and transparency and reduce information asymmetry by making more information available to the public.

Second, Food Bank could revamp its profiles on media platforms such as Giving.sg, Facebook, and Instagram to incorporate monthly statistical updates and testimonials from beneficiaries. To improve transparency, Food Bank could include statistics and details about its outreach. In addition, it could make full use of the platform to share details about its current donation and volunteering opportunities. Keeping donors up to date on the impact of their donations as well as the organization’s current campaigns would go a long way in creating trust, transparency, and accountability.

THE DECISION

The qualitative and quantitative impact of each of the four possible strategies would be different (see Exhibit 6), and the timing of integration would be crucial. If the company were to move too early, it would not be adequately prepared to take on the challenges. If it moved too late, the expected benefits might not materialize. According to a 2015 Nielsen Global Corporate Sustainability Report, 66 per cent of global consumers were willing to pay more for sustainable brands, and 73 per cent of millennials were willing to pay extra for sustainable offerings—an even more compelling result.[[34]](#endnote-34) Furthermore, a 2018 Deloitte survey showed an increasing trend among millennials to consider volunteering opportunities as “very important” when choosing to work for an organization.[[35]](#endnote-35) With such strong support for CSR in the local and global contexts, it would be advantageous for the company to move quickly. Ng remained undecided regarding which of the proposed strategies to adopt.

Exhibit 1: financial STATEMENTs OF FOODXERVICES (in S$)

|  |  |  |
| --- | --- | --- |
|  | **2017** | **2016** |
| **Revenue** | 46,124,279 | 40,640,130 |
| **Other Items of Income** |  |  |
| Other Income | 327,410 | 379,516 |
| **Other Items of Expense** |  |  |
| Raw Materials and Consumables Used | (32,729,378) | (28,596,314) |
| Changes in Inventories of Finished Goods | 707,808 | 378,573 |
| Employee Benefits Expense | (3,554,995) | (5,076,770) |
| Amortization and Depreciation Expense | (134,138) | (119,139) |
| Logistics Expense | (3,453,751) | (2,794,665) |
| Finance Costs | (188,453) | (141,488) |
| Other Expenses | (4,171,811) | (3,448,516) |
| **Profit (Loss) Before Tax from Continuing Operations** | 2,926,971 | 1,221,327 |
| Income Tax Benefit (Expenses) | (323,610) | (149,000) |
| **Profit (Loss) from Continuing Operations, Net of Tax** | 2,603,361 | 1,072,327 |
| **Profit (Loss) Net of Tax** | 2,603,361 | 1,072,327 |
| **Total Comprehensive Income** | 2,603,361 | 1,072,327 |

Note: S$ = SGD = Singapore dollar; S$1.00 = US$0.7597 in April 2018.

Source: Company documents.

Exhibit 2: The FOOD BANK Singapore Ltd’S THEORY OF CHANGE

The theory of change model took into account the influential factors, the problem, community needs, intervention, and assumptions to analyze the transition from the existing state to the desired state.

|  |  |  |
| --- | --- | --- |
| **Organization** | **The Food Bank Singapore Ltd. (Food Bank)** | |
| **Intervention** | Bridging the gap between food waste and food insecurity through various program and events | |
| **Existing State** | **Intervention** | **Desired State** |
| There was a mismatch between supply and demand in Singapore.  On one hand, there were people who were food insecure; on the other hand, huge amounts of food were being wasted. | Food Bank acted as the liaison to channel the food that would potentially be wasted to the member beneficiaries who needed it the most. | To be the prevailing centralized coordinating organization for all food donations and to redistribute donations by making food accessible to the food-insecure population, as a result, reducing food wastage within the whole supply chain |
| **The Need for Food Bank’s Intervention** | | |
| At the time, there were people who were food insecure. | A study from Lien Centre for Social Innovation found that one in five low-income families in Singapore faced extreme food insecurity. | |
| A study from Food from the Heart, a welfare outfit that fed poor and hungry people in Singapore, revealed that there were about 105,000 Housing & Development Board households getting by on less than $1,500 per month, who experienced food insecurity. | |
| At the time, there were huge amounts of food being wasted. | Research showed that the amount of food waste in Singapore had increased by about 40 per cent from 2009 to 2018 and the trend was expected to continue to increase. | |
| It was reported that about 791,000 tons of food was wasted yearly in Singapore. | |

Exhibit 2: (Continued)

|  |
| --- |
| **Influential Factors** |
| 1. In Singapore, there was strong governmental support and emphasis on reducing food wastage.  * Dr. Amy Khor, Senior Minister of State for the Environment and Water Resources Committee Supply 2018, talked about the continued efforts the government would take to explore which food waste solution worked best in Singapore.  1. In Singapore, the majority of consumers were concerned about food waste generated by food and beverage companies.  * According to a study by students under the Chua Thian Poh Community Leadership Programme from the National University of Singapore, the majority of consumers would encourage and support companies to reduce food waste. |
| **Assumptions (i.e., Why Will Food Bank Be Effective?)** |
| * There was a big gap between food supply and demand in Singapore. There was no centralized effort to pool the food surplus or potential food wastage. On the other hand, many charities and voluntary welfare organizations were in need of large amounts of food supply. A food bank would help to bridge such a gap. * Food Bank had garnered tremendous support from schools, government agencies, corporations, and small and medium-sized enterprises that pledged their wholehearted commitment to their cause—whether through donations, food drives, food bundle packing, or distribution. |

Sources: Created by case authors based on data from the following sources: Abriel, “Food Insecurity in Singapore,” *Community Engagement News* (blog), September 15, 2018, accessed October 22, 2018, <https://blogs.ntu.edu.sg/forgoodsessions/2018/09/15/food-insecurity-in-singapore/>; “About 105,000 HDB Households Face Food Insecurity,” *Independent,* October 24, 2016, accessed November 1, 2018, <http://theindependent.sg/about-105000-hdb-households-face-food-insecurity/>; “Food Waste Management,” National Environment Agency, September 27, 2018, accessed October 31, 2018, www.nea.gov.sg/our-services/waste-management/3r-programmes-and-resources/food-waste-management; Wendy M. Louis, “Food Wastage: Time to Get More Businesses to Do Their Part,” *Today*, March 26, 2018, accessed November 1, 2018, www.todayonline.com/voices/food-wastage-time-get-more-businesses-do-their-part; “Speech by Dr. Amy Khor, Senior Minister of State for the Environment and Water Resources Committee Supply 2018,” Government of Singapore, March 6, 2018, accessed November 1, 2018, https://www.mewr.gov.sg/news/speech-by-dr-amy-khor--senior-minister-of-state-for-the-environment-and-water-resources--at-the-mewr-cos-2018-debate-on-6-march-2018; Zero Waste Singapore, “Majority of Consumers Are Concerned about Food Waste from F&B Companies in Singapore,” Zero Waste SG, press release, August 5, 2015, accessed November 1, 2018, [www.zerowastesg.com/2015/08/05/majority-of-consumers-are-concerned-about-food-waste-from-fb-companies-in-singapore-media-release/](http://www.zerowastesg.com/2015/08/05/majority-of-consumers-are-concerned-about-food-waste-from-fb-companies-in-singapore-media-release/); “The Need for Food Banking in Singapore,” Foodbank, accessed November 1, 2018, www.foodbank.sg/index.php/banking-differently/the-need-for-food-banking-in-singapore; Food Bank Singapore, *2016 Annual Report* (Singapore: Food Bank Singapore, 2016).

Exhibit 3: Financial STATEMENTs OF FOOD BANK (In S$)

|  |  |  |
| --- | --- | --- |
|  | **2017** | **2016** |
| **INCOME** |  |  |
| **Revenue, Gains, and Other Support** |  |  |
| Donations in Kind | 269,456 | 399,326 |
| Donation (Non–Tax Exempt) | 275,686 | 105,871 |
| Donation (Tax Exempt) | 324,159 | 630,540 |
|  | 869,301 | 1,135,737 |
| **Other Income** |  |  |
| Expired Food Sales | 459 | 290 |
| Sales | - | 244 |
| Rental Income | 12,000 | - |
| Government Grant | 7,104 | 2,268 |
| Total Income | 888,864 | 1,138,539 |
| Less: |  |  |
| **EXPENDITURES** |  |  |
| Donations in Kind | 269,456 | 399,326 |
| Purchased Food Distributed | 254,610 | 202,849 |
|  | 524,066 | 602,175 |

Exhibit 3: (Continued)

|  |  |  |
| --- | --- | --- |
| **General and Administrative Expenses** |  |  |
| Advertising Fees | - | 3,424 |
| Bank Charges | 1,095 | 2,105 |
| Depreciation Expense | 44,444 | 13,275 |
| Donation | 1,515 | - |
| Entertainment | 7,598 | 4,099 |
| Employee Benefit Expense | 177,506 | 110,060 |
| Event Expense | 9,967 | 7,411 |
| Freight and Handling Charges | - | 600 |
| General Expense | 3,859 | 3,684 |
| IT Expenses | 1,377 | - |
| Insurance Expenses | 1,104 | - |
| Finance Lease Interest | 5,604 | 2,095 |
| Medical Expenses | 2,642 | 3,233 |
| Printing and Stationery | 2,719 | 6,780 |
| Packaging Expenses | 8,523 | 5,633 |
| Repair and Maintenance | 1,406 | 956 |
| Rental for Food Pantry | 44,940 | 22,470 |
| Rental of Vehicle | 2,248 | 21,046 |
| Small Asset Expenses | 3,435 | - |
| Staff Uniforms | 1,700 | 850 |
| Telecommunications | 2,458 | 1,900 |
| Transport | 1,910 | 2,039 |
| Utilities | 5,520 | 1,689 |
| Upkeep of Motor Vehicles | 20,957 | 19,323 |
| Waste Disposal Expenses | 1,784 | - |
|  | 354,311 | 232,672 |
| **Governance Expenses** |  |  |
| Auditor's Remuneration | 1,200 | 1,200 |
| Secretarial Fee | 1,200 | 1,000 |
| Subscription Fee | 1,923 | 3,736 |
|  | 4,323 | 5,936 |
| Total Expenditure | 882,700 | 840,783 |
| Surplus for the Year | 6,164 | 297,756 |
| Reconciliation of Fund |  |  |
| Total Funds Brought Forward | 480,738 | 182,982 |
| Total Funds Carried Forward | 486,902 | 480,738 |

Note: IT = information technology; S$ = SGD = Singapore dollar; S$1.00 = US$0.7597 in April 2018.

Source: Company documents.

Exhibit 4: FOOD PANTRY LOGIC MODEL

Inputs

Donated food products near expiry date

Rental of shop to display the food products

Staff to arrange food products and tend the shop

Additional vans, van trips (fuel), drivers to deliver the food products

Activities

Sell food products nearing expiry date at $1

Use the shop as another collection and drop-off point for donated food products

Outputs

Increase in amount of customers who frequent the Food Pantry

Decrease in wastage of food products near expiry date

Increase in number of donors and quantity of donations

Outcomes

Increased awareness of the Food Pantry

Reduction in cost and warehouse space to keep the food products

Reduced stigma regarding food products near expiry date

Increased number of regular donors for Food Bank

Impact

Reduced wastage in the long run Singapore

Note: All currency amounts are in S$ unless otherwise specified.

Source: Compiled by case authors based on “W.K. Kellogg Foundation: Logic Model Development Guide,” W.K. Kellogg Foundation, February 2, 2006, accessed October 2, 2018, www.wkkf.org/resource-directory/resource/2006/02/wk-kellogg-foundation-logic-model-development-guide.

Exhibit 5: THE SPECIFICS OF the Four “I”s FRAMEWORK

|  |
| --- |
| **The Four “I”s Framework**  **Investment: How extensively and strategically a company gives**  *“Does your company give in more than one way that is aligned to its vision and mission, strategy, and/or nature of its business?”*  **Integration: How giving is integrated with business functions and supports business interests**  *“Does your business advocate a social cause or procure from charities?”*  **Institutionalization: How giving is supported by policies, systems, and incentives**  *“Does your company provide paid volunteer leave or recognize outstanding employee volunteers?”*  **Impact: How mechanisms have been put in place to measure impact**  *“Does your company set up processes to measure the input, output, outcome, and impact of your giving?”* |

Source: “How It Works,” National Volunteer & Philanthropy Centre, accessed September 18, 2018, www.nvpc.org.sg/programmes/company-of-good.

Exhibit 6: PROjected Qualitative and Quantitative IMPACT OF INTEGRATION STRATEGIES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Proposal 1:**  **Xpare a Dime** | **Proposal 2:**  **Xpare Your Time** | **Proposal 3:**  **Give X Take** | **Proposal 4:**  **Xpread Awareness** |
| **Factors to Consider (Resources/Inputs)** |  |  |  |  |
| Costs to match employees’ donations(1) | O |  |  |  |
| Appreciation emails detailing outreach from Food Bank | O |  |  |  |
| Costs to organize dinner and dance(2)  Include venue rental, catering, decor, printing of booklets, certificates, on-site staff, photographer/videographer | O |  |  |  |
| Cost for sending staff for two days volunteer leave(3) |  | O |  |  |
| Peak and off-peak data for respective departments |  | O |  |  |
| Details on current/upcoming volunteer activities for staff |  | O |  |  |
| Staff time for design of banner |  |  | O |  |
| Coordination between Food Bank and FoodXervices staff |  |  | O |  |
| Transportation expenses(4) |  |  | O |  |
| Volunteers needed |  |  | O |  |
| Packaging expenses(5) |  |  | O |  |
| Costs for additional staff to collect and process data(6) |  |  |  | O |
| Testimonials from beneficiaries and their family members | O |  |  | O |
| Staff efforts on managing marketing and publicity media platforms with details on current/upcoming CSR campaigns(7) |  |  |  | O |
| Data on total donors, donations received, beneficiaries reached for the year | O |  |  |  |
| Publication cost of sustainability report(8) |  |  |  | O |
| **Factors to Consider (Outputs)** |  |  |  |  |
| Tax deduction of 250 per cent on donations(9) | O |  |  |  |
| Engagement level of employees | O |  |  |  |
| Trust and accountability of charity efforts | O |  |  | O |
| Ministry of Finance’s BIPS tax deduction of 250 per cent(10) |  | O |  |  |
| Camaraderie among employees |  | O |  |  |
| Level of CSR engagement among employees |  | O |  |  |
| Awareness of the relationship between two entities |  |  | O |  |
| Information available to public about FoodXervices’ CSR involvement |  |  |  | O |
| Stakeholders’ understanding of FoodXervices and Food Bank’s purpose |  |  |  | O |
| Food donations to Food Bank(11) |  |  | O |  |
| Increased donations to Food Bank(12) |  |  |  | O |
| Volume of data for strategic decision making, operational efficiency assessment and monitoring of progress |  |  |  | O |
| Goodwill and customer perception of FoodXervices and Food Bank |  |  |  | O |

Exhibit 6: (Continued)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factors to Consider (Outcomes)** |  |  |  |  |
| Total cost for FoodXervices | O | O | O |  |
| Employee retention rate | O | O |  |  |
| Employees’ perception of CSR | O | O |  |  |
| Donor and volunteer retention rate |  |  |  | O |
| Customer loyalty and brand perception of FoodXervices |  |  | O | O |
| Sales and cost of goods sold of FoodXervices(13) |  |  | O |  |
| Awareness of Food Bank’s CSR badge |  |  | O |  |
| Safety from allegations |  |  |  | O |
| **Factors to Consider (Impact)** |  |  |  |  |
| Long-term business sustainability | O | O | O | O |
| Giving culture instilled in the organization | O | O |  |  |

Notes: CSR = corporate social responsibility; BIPS = Business and Institute of Public Character Partnership Scheme;

(1) For the employee donation program, it was assumed that there were 100 employees and that there was an 80 per cent adoption rate, with each employee donating $10. There will be dollar-for-dollar matching from FoodXervices; (2) According to research, a small-scale corporate dinner and dance event held in Singapore with 100 guests would cost an average of $3,300; (3) It was assumed that there were 100 employees and that there was a 70 per cent adoption rate. An average remuneration rate of $130 per day for all employees was assumed; The two-day volunteer time is assumed to be one day for Food Bank and one day for outside volunteering activities; (4) Based on 2017 financial statement amounts in Exhibit 3, it was assumed that, with 50 per cent more donations, total transportation cost would increase by 50 per cent; (5) Based on 2017 financial statement amounts in Exhibit 3, it was assumed that, with 50 per cent more donations, total packing expenses would increase by 50 per cent; (6) Based on 2017 financial statement amounts, total data analytics (IT) expenses would increase by 1×; (7) Total marketing expenses were estimated to equal one day of extra work per month for the marketing employee, who was assumed to be paid at an average remuneration rate of $130 per day; (8) Estimated from the average cost of a sustainability audit of US$6,000 (S$8,223.80), based on the conversion rate on November 18, 2018; (9) Tax savings of 17 per cent on 250 per cent of matched-donations; (10) Tax savings of 17 per cent on 250 per cent of staff wages and related expenses for volunteering; (11) Based on 2017 financial statement amounts in Exhibit 3, it was assumed that, with additional publicity, there would be a 50 per cent increase in food donations (donations in kind) received from leveraging FoodXervices’ client pool; (12) Based on 2017 financial statement in Exhibit 3, it was assumed that this strategy would increase the total (tax exempted) donations to Food Bank by 2 per cent; (13) Based on 2017 financial statement amounts in Exhibit 1, it was assumed that FoodXervices would experience a 0.5 per cent increase in revenue as a result of increased customer loyalty and goodwill. Accordingly, it was assumed that the cost of goods sold (raw materials and consumables used) experiences a 0.5 per cent increase as a result of increase in sales.

Source: Compiled by the case authors.

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