

ORGANISATION NAME:

# ORGANIZACIÓN ARDILA LÜLLE



Organización Ardila Lülle

Organización Ardila Lülle is one of the largest conglomerates in Colombia and Latin America. The conglomerate comprises over 30 companies in the communications, beverages, sports, automobile, agro-industry and entertainment sectors. Examples of member companies include Postobón, the largest non-alcoholic beverage company in Colombia, major distribution companies, Incauca, Colombia's largest sugar mill and RCN, a media company based in Colombia that runs 139 radio stations and a private television channel.





**\*1.** Partnership between RCN and the Colombian Ministry of Education to promote reading and creative writing.

**\*2.** An alliance initiated by Postobón to support Colombia's ailing fruit markets.

time, evaluation, consistency and focus,” Ardila said.

The company has also moved beyond measuring social outcomes beyond the simple metric of ‘people reached’, and looks for a deeper understanding of how programmes affect people. It has also determined that successful partnerships are not predicated on monetary value but based on partners bringing their strongest skills to the table.

“When both partners do what they are very good at greater impact is achieved. Neither partner could have obtained such results on their own,” Ardila said.

The company would like to be able to work with the UN to gain a global perspective on development.

Organización Ardila Lülle’s CEO, Carlos Julio Ardila, believes that companies need to commit to development beyond their legal obligations and invest in infrastructure, generating employment and paying fair wages. Making a case for these investments internally means creating a culture committed to social progress.

The company has graduated from making philanthropic donations to health centres, cultural causes and education after finding that it was difficult to account for the impact of its investments. Since then, the company has focused on shared value projects and on long-term partnerships, which can be shaped over time. For the past nine years they have worked with the Colombian Ministry of Education and the partnership has evolved and improved, with outcomes getting better year-on-year.

“We moved from traditional philanthropy to strategic social investments, aligned with the core of our business and based on the fact that social impact can only be obtained through long-term partnerships. Social impact takes

## SUPPORTING THE SDGS

The following are two illustrative examples of initiatives that are supporting the SDGs.

### National Short Story Competition

**Partners: RCN (member of the Organización Ardila Lülle conglomerate) and the Colombian Ministry of Education**

This project seeks to improve children's literacy skills, based on the fact that this is a key factor for successful learning. The objective of this partnership is twofold: first, a widespread advertising campaign encouraging children's literacy through writing and sharing original stories and second, a major programme aimed at training teachers to engage their students with reading and creative writing. It is now in its ninth year.

Both partners contribute to the partnership with their core strengths. RCN, a major television network that reaches 97% of the Colombian population, runs media campaigns that engage both students and teachers and encourage them to be creative in reading and writing exercises. RCN provides a critical scaling element, allowing the literacy message to reach millions of people throughout the country.

The Ministry of Education works directly with teachers in classrooms to adopt new methodologies. RCN as a media channel would not be a legitimate actor to go into schools and educate teachers.

In nine years, the programme has reached over 20,000 teachers and gathered more than 270,000 stories from children around the country. Overall, Organización Ardila Lülle finds the combining of two sectors has led to an incredibly powerful and long-term collaboration.

### Developing the Fruit Industry in Colombia

In 1997, Postobón, one of the conglomerate's members, launched a fruit-based beverage called Jugos Hit. At the time, most of the fruit used was imported because Colombia did not have an adequate supply or quality of the fruits needed. The exchange rate at the time did not favour the organisation and its volatility affected the company's profitability. Quality issues were harder to resolve and relationships were difficult to develop.

Colombia's agriculture sector was competitive for very few products and small farmers faced many issues that made growing fruit unattractive. These issues included uncertainty on when they could sell their harvest, price volatility, payments taking a long time and low competitiveness due to lack of productivity.

This led Postobón to develop HIT Social, an alliance that has transformed the way small farmers are included in their supply chain. Hit Social is an inclusive programme in which exchange conditions are agreed and stable, benefiting both farmers and the company. Postobón commits to buying what farmers produce, helps them increase productivity and quality through technical assistance, offers a just and competitive price and pays promptly.

The certainty created by Hit Social has allowed farmers to save part of their income, access credit and invest in improving their wellbeing. Postobón has reduced the risk of fruit shortages, improved quality of inputs and stabilised commercial conditions. It has created shared value and, most importantly, transformed the relationship between the company and farmers from suppliers to partners.

Today, Postobón buys over 24,000 tons of blackberries, lulo and mangoes a year, and more than 1,500 families receive over US\$3,000,000 for their products.