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MNE–SME Engagement for the SDGs

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Drawing on a case study of Bayer’s partnership with Ghanaian digital health venture Bisa, this article explores how multinational enterprises (MNEs) can effectively engage with smaller entrepreneurial firms to advance the United Nations Sustainable Development Goals (SDGs). Rooted in the division of entrepreneurial labor framework, it proposes a three-part partnering process: (1) leveraging complementary social innovation capabilities (capability dimension), (2) co-opting non-profit actors to enhance collaboration (connectivity dimension), and (3) scaling impact in underserved regions (contextuality dimension). This shift from joint to shared value creation offers actionable insights for MNE managers seeking sustainable development impact through innovative partnerships with SMEs.

Multinational enterprises (MNEs) are increasingly expected to play a central role in addressing global challenges, particularly those outlined in the United Nations Sustainable Development Goals (SDGs) (Montiel, Cuervo-Cazurra, Park, Antolín-López, & Husted, 2021; Van Tulder, Rodrigues, Mirza, & Sexsmith, 2021). These goals are widely seen not only as a moral imperative for businesses but also as a vital strategic opportunity. In fact, rather than constraining business, the SDG agenda might be viewed as a catalyst for innovation and long-term value creation (Cuervo-Cazurra, Doh, Giuliani, Montiel, & Park, 2022; Sachs & Sachs, 2001). Without active engagement from MNEs, achieving the SDGs is unlikely (Dau, Moore, & Newbury, 2023; Ghauri, 2022).

However, guidance to MNE managers from IB research on how to effectively engage with innovative smaller firms in ways that can contribute to the SDGs is limited. Therefore, this article lays out a partnering process that MNE managers can adopt when seeking to engage with smaller entrepreneurial firms for the SDGs. While significant attention has been devoted to how MNEs can incorporate sustainability into their own operations, less guidance exists on how they might effectively partner with smaller entrepreneurial firms – especially social enterprises – to advance the SDGs. This is a missed opportunity, particularly in light of prior research on the “division of entrepreneurial labor” (DoEL) between MNEs and SMEs (Buckley & Prashantham, 2016), and the potential of social innovation networks to drive impact (Prashantham & Birkinshaw, 2020). The DoEL lens is especially relevant here, as it highlights the complementary roles of large and small firms – leveraging scale on the one hand, and agility on the other – to support collaboration toward SDG outcomes.

This article contributes to this conversation by outlining a modified partnering approach that shifts the logic from “joint value creation” – that is, benefits for both partners

– to “shared value creation”, where partnerships also generate positive societal outcomes (Porter & Kramer, 2011). This shift from a “win-win” to a “win-win-win” has important implications for how MNE managers approach collaborations with smaller firms, particularly in resource-constrained contexts where SDG needs are most acute.

Drawing on a case study of a partnership between Bayer, a Western pharmaceutical MNE, and Bisa, a Ghanaian digital health venture, this article proposes a three-part process rooted in the DoEL framework: (1) leveraging partners’ social innovation competence (capability), (2) co-opting non-profit actors into the process (connectivity), (3) expanding impact to disadvantaged regions (contextuality). In doing so, the article offers actionable insights for MNE managers aiming to move beyond mutual business benefits and contribute meaningfully to sustainable development, an increasingly important imperative for MNEs (Zhao, Dilyard, & Rose, 2022).

MNE–SME ENGAGEMENT: DIVISION OF ENTREPRENEURIAL LABOR

The division of entrepreneurial labor concept put forward by Buckley and Prashantham (2016) provides a lens through which to examine the partnering process between MNEs and smaller entrepreneurial firms as they pursue joint value creation. Given the distinct strengths and resource constraints of these partners, this framework is particularly apt for understanding how they can effectively engage to generate not only mutual benefits but also broader societal outcomes (Prashantham & Birkinshaw, 2020). This entails three dimensions:

- *Capability dimension*: assessing the complementarity of the prospective partners’ capabilities and leveraging their respective strengths by focusing on differ-

ent facets of entrepreneurial behavior encompassing proactive, innovative, and risk-bearing activities.

- *Connectivity dimension*: considering the nature of the partner interface which must allow the orchestration of joint activity and provision for dialogue among the (power-asymmetric) actors through relevant partner interfaces.
- *Contextuality dimension*: adapting to local needs including cross-border differences especially those involving advanced and emerging markets.

Building on the DoEL framework, Prashantham and Birkinshaw (2020: 1170) highlight that when both MNEs and smaller entrepreneurial firms are proactive, innovative, and open to international engagement, combining their competences creates “scope for social innovation networks” and “opportunities for joint value creation in ways that promote sustainable goals”. Proactive initiatives by MNEs, combined with creative interventions from non-market actors such as United Nations agencies (Polman & Eden, 2023), can significantly contribute to addressing the SDGs via MNE–SME cooperation (Prashantham & Birkinshaw, 2020).

However, although they observe that MNE–SME partnering within social innovation networks can occur, they do not delve into the specifics of how the partnering process might unfold in an SDG-relevant context, including what aspects might differ from standard partnering initiatives orchestrated by MNEs with smaller innovative companies lacking an explicit SDG focus. This article aims to fill that gap by offering MNE managers practical strategies to engage with smaller entrepreneurial firms in ways that advance the SDGs.

MNE–SME ENGAGEMENT FOR THE SDGS: A THREE-FOLD PROCESS

To shed light on how MNEs partner with smaller firms for mutual benefit and SDG impact, I conducted a case study of a partnership between Bayer, a Western pharmaceutical MNE, and Bisa, a Ghanaian digital health venture. Building on the three dimensions of the division of entrepreneurial labor (DoEL) framework, this section outlines how SDG outcomes can emerge from MNE–SME partnerships through a three-fold process: aligning complementary capabilities, establishing effective connectivity, and addressing contextual needs.

#1 CAPABILITY DIMENSION: LEVERAGING PARTNERS’ SOCIAL INNOVATION COMPETENCE

The capability dimension of DoEL focuses on the combination of complementary strengths between MNEs and SMEs. In this case, Bayer sought to combine its pharmaceutical capabilities with the digital innovation capabilities of smaller entrepreneurial firms. As a Bayer vice president explained, “Our goal is to help accelerate digital health technologies... we connect startups with our technical experts at the intersection of pharma and digital technologies, such

as health informatics, so that the startup’s technical capacity can be fine-tuned and areas of joint collaboration identified.” Bisa was founded by Raindolf Owusu, a young software engineer in Ghana during the Ebola crisis in neighboring Liberia. His goal was to use digital technology to provide low-cost access to medical advice, addressing the stark disparity in patient–doctor ratios (about 1:10,000 in Ghana vs. 40:10,000 in Europe).

In this case, however, Bisa, offered not only digital innovation but *also* social innovation competence, a key factor given its orientation toward expanding healthcare access in underserved areas. Thus, what made Bisa particularly attractive to Bayer was not only its technology but also its social purpose. Although Bayer had limited market presence in Ghana, the value of Bisa’s mission-driven innovation was evident, and Bayer saw its work uniquely relevant to SDG 3 (Good Health and Well-Being). As Jesus del Valle, the Bayer manager engaging directly with Bisa, remarked:

We were super excited to have an African startup with a mobile health app called Bisa... The reason we were intrigued by Bisa was the prospect of societal impact using digital technology... Bisa was unique by virtue of being based in a place where healthcare is not easy to access... yet also with a high level of digital competence which was rare to find in developing countries at that time.

This case shows how capability complementarities – where the MNE contributes technical depth (e.g. in pharmaceuticals, in this case) and global reach, and the SME brings not only digital innovation but also a mission-driven approach to healthcare access – can create fertile ground for partnerships that advance SDG goals.

#2 CONNECTIVITY DIMENSION: CO-OPTING NON-PROFIT ACTORS INTO THE PARTNERING PROCESS

In relation to the connectivity dimension – which emphasizes the structuring of collaboration between asymmetrical partners and the creation of interfaces for meaningful dialogue – this partnership was initiated through a structured programmatic intervention: it began under the auspices of Bayer’s Grant4Apps (G4A) accelerator program. During the 100-day G4A program in Berlin, Bisa’s CEO and COO worked closely with Bayer’s health informatics team to explore avenues for collaboration.

However, what distinguished this case (unlike most other dyadic relationships in the G4A accelerator) was that the Bayer-Bisa partnership was deepened and extended by involving Bayer Foundation, the company’s independent philanthropic arm. Recognizing Bisa’s potential for societal impact, Bayer’s managers saw value in engaging the Foundation, which had strong activity in Africa. As Del Valle explained: “We reached out to our philanthropic arm, Bayer Foundation, to become involved in amplifying our startup partners with a strong social impact, especially in Africa where it [the Foundation] is very active.”

Bayer Foundation’s interest in engaging with Bisa stemmed from the venture’s alignment with its own mission to improve healthcare access in underserved African

regions, directly advancing SDG 3 (Good Health and Well-Being). This strategic fit further reinforces the importance of the capability dimension discussed earlier, as there was clear complementarity between the capabilities of Bisa and Bayer Foundation. Crucially, as a non-profit entity, the Foundation is not bound by the same commercial return-on-investment (ROI) expectations as Bayer's core business units. This allowed it to pursue high-impact, mission-driven collaborations with early-stage ventures like Bisa. By partnering with Bisa, the Foundation could help scale digital health solutions for disadvantaged populations, leveraging the startup's social innovation competence and strong local embeddedness.

The depth of this engagement became clear when Bayer Foundation nominated Bisa as a finalist for the 2016 Aspirin Social Innovation Award, increasing the venture's visibility across Bayer's ecosystem. As the Foundation later stated:

Bisa showcases technology as the key to solving many of Africa's problems. It is a much more powerful solution to mobilize and empower people through the provision of online services than to build cost-intensive infrastructure, an undertaking that is often doomed because of the complexity and size of the African continent. Bisa has the potential to change the way basic health care is delivered to hundreds of millions of African people. Bayer is proud to have the opportunity to help this idea succeed on a large scale.

This case illustrates that building connectivity in SDG-relevant partnerships is not solely about establishing operational alignment between MNEs and SMEs but may also require the deliberate inclusion of bridging actors – such as non-profits – to foster trust, amplify social impact, and extend the reach of collaboration beyond its original scope.

#3 CONTEXTUALITY DIMENSION: EXPANDING IMPACT TO DISADVANTAGED REGIONS

The contextuality dimension of DoEL recognizes that partnerships must adapt to local environments, acknowledging differences between advanced and emerging markets. In this case, Bisa enhanced technological sophistication through collaboration with Bayer's informatics experts. At the same time, it ensured that the mobile app interface remained user-friendly, with sufficient support for less tech-savvy users in Ghana.

Beyond this standard approach, the contextuality dimension in this SDG-focused partnership also entailed scaling impact across geographies to other disadvantaged regions. In the Bayer–Bisa case, this became evident through ongoing engagement with Bayer Foundation, which led to further opportunities. In 2018, Bisa was selected for Bayer Foundation's Grants4Impact (G4I) program and subsequently connected with other non-profits within the Foundation's ecosystem, most notably the YOU Foundation, a German non-governmental organization (NGO) with strong ties to the Senegalese government. This connection – which illustrates the extended influence of the previously discussed connectivity dimension – facilitated

Bisa's first international expansion into Senegal. Owusu explained: "Our relationship with Bayer has been a game-changer... the connection with Bayer Foundation led to links with another German foundation that was connected with the Senegalese government... In 2019, we set up Bisa Senegal and opened our Francophone headquarters in Dakar."

YOU Foundation's ties with the Senegalese government were crucial in opening doors for Bisa to engage with local health authorities and gain essential support and legitimization. This was particularly important for Bisa, an "outsider" from Ghana – an Anglophone country – entering Senegal's Francophone context, where it lacked established networks. Strategic collaborations with government (non-market) actors are often critical in navigating the complex regulatory and socio-political environments of disadvantaged regions, especially in healthcare. This case exemplifies how non-market relationships can enable market entry in emerging regions by providing legitimacy and institutional backing. Integrating non-market strategy into the contextuality dimension highlights the broader ecosystem orchestration required to scale social innovations and deliver sustainable development impact.

This expansion proved timely, as Bisa played a critical role during the COVID-19 pandemic by providing public health information and countering misinformation in both Ghana and Senegal. By 2024, Owusu had become a sought-after voice in the regional social innovation ecosystem, including being invited by UNICEF Ghana to mentor a new cohort of technology-based social ventures.

This final dimension shows that when partnerships are contextually responsive – and supported by global networks and non-traditional allies – they can also create ripple effects beyond the initial collaboration, expanding SDG impact across regions.

CONCLUSION: A SHIFT IN PARTNERING LOGIC FOR SDG IMPACT

This article responds to calls for exploring how MNEs can contribute to the SDGs (Ghauri, 2022; Zhao et al., 2022) by shifting the focus from traditional *joint* value creation in MNE–SME collaboration where both partners benefit (Buckley & Prashantham, 2016) to *shared* value creation, which refers to the simultaneous pursuit of societal impact alongside commercial goals (Porter & Kramer, 2011). Joint value creation represents a "win-win" outcome for two parties (e.g., an MNE and SME) whereas shared value creation represents a "win-win-win" scenario – for the two partners *and* for society, as encapsulated in the SDGs – which is relevant to "imagining a better future" (Polman & Eden, 2023).

Drawing on the Bayer–Bisa case and the division of entrepreneurial labor (DoEL) framework, it becomes clear that capability, connectivity, and contextuality remain crucial dimensions of effective partnering. Yet, when oriented toward the SDGs, these dimensions must be recalibrated to prioritize social innovation competence, multi-actor ecosystem orchestration, and expansion into underserved

Table 1. MNE–SME Partnering for the SDGs: From Joint Value to Shared Value Creation

Dimension of the Division of Entrepreneurial Labor	Standard Approach: Joint Value Creation	Modified Approach: Shared Value Creation (SDGs)	Illustration from the Bayer-Bisa case
Capability	Establishing the basis of mutual benefit through complementarity of capabilities	Leveraging partners' complementary social innovation capabilities	Bayer contributed global pharmaceutical expertise; Bisa (the partner) contributed locally rooted digital technology that enabled low-cost remote access to medical advice.
Connectivity	Establishing suitable partnering interfaces	Co-opting non-profit actors to enhance and augment the regular partnering interface	The partnership began through Bayer's startup partner interface (the G4A accelerator program) but was expanded through the involvement of its philanthropic arm, Bayer Foundation.
Contextuality	Adapting practices to institutional differences	Expanding impact by targeting disadvantaged and underserved regions (especially in the Global South)	Bayer Foundation's network enabled links to another NGO with strong government ties, facilitating Bisa's entry into new underserved African markets. Support from non-market actors enabled valuable public health interventions during the COVID-19 pandemic.

regions, as summarized in [Table 1](#). For MNE managers, this reframing calls for a fundamental shift in partnering logic:

- **Capability:** Moving beyond purely commercial criteria to evaluate smaller firms based on their social innovation potential, exemplified by ventures like Bisa that leverage digital technology to expand affordable healthcare access (SDG 3).
- **Connectivity:** Expanding beyond bilateral partnerships to cultivate diverse ecosystems that include non-profit actors and public-sector allies, similar to how Bayer Foundation's involvement amplified Bisa's reach.
- **Contextuality:** Reimagining global expansion not merely as market entry but as a platform for inclusive, sustainable impact, exemplified by Bisa's growth into Senegal through ecosystem partnerships.

It is worth reiterating that this “win-win-win” mindset challenges conventional partnering strategies by highlighting the role of non-traditional actors, such as corporate foundations and NGOs, in supporting and amplifying the efforts of smaller entrepreneurial firms with high social potential. To provide a different example from the case discussed in this article, a Swedish NGO, Reach for Change, helped a telecommunications MNE in Ghana engage with social enterprises focused on technology-based education solutions. These cases further illustrate that Africa offers a compelling context in which to examine how business partnerships can advance the SDGs (Züfle & Adu-Gyamfi, 2025).

The broader takeaway is that smaller entrepreneurial ventures, especially in emerging markets, may represent a “missing piece of the puzzle” in MNEs' pursuit of the SDGs. MNE-SME collaborations exemplify the spirit of SDG 17 – Partnerships for the Goals – and highlight the importance of partnerships between dissimilar actors in addressing global challenges. Future research and managerial practice should pay closer attention to how MNE-SME partnerships – particularly those involving social enterprises, such as Unilever's Transform program or Microsoft's

Entrepreneurship for Positive Impact initiative – can be systematically enabled not only for mutual commercial gain but also for measurable societal impact. Providing actionable strategies for MNE managers to engage with SMEs in ways that advance the SDGs is a meaningful and practically relevant example of IB scholarship that matters.

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