

Wild Asia – mission for greener environment

The Enterprise

Wild Asia is a consultancy services provider that channels its efforts to promote and support the conservation of natural ecosystems and local communities that are dependent on natural resources. Seventy-five percent of the profits generated by the enterprise are ploughed back into the business to support its social causes, such as the Responsible Tourism Initiative and Wild Asia Heroes. The other 25 percent is distributed to all those who have contributed to its projects.

The social enterprise firmly believes in its social mission of *promoting change, inspiring people, engaging businesses*. Its working model is to work with organizations to minimize their impact on the environment and motivate ordinary citizens to speak up and take charge of their environment. By achieving this, there would be a better future for the entire planet.

Background

Wild Asia is a Malaysian-based social enterprise founded in 2003 by Dr Reza Azmi, a passionate outdoor lover whose research work with the World Wildlife Fund for Nature-Malaysia (WWF Malaysia) in the 1990's brought him to the wilderness of Borneo. After graduating with a Doctor of Philosophy in Botany, Reza was engaged by WWF Malaysia to conduct fieldwork in Sabah, a Malaysian state on the island of Borneo. In Sabah, Reza worked closely with the local communities, developing programmes and tried to understand the movements of people in the villages.

During his fieldwork, he collected information about the small villages that he had visited. It was there that he discovered the lack of information concerning the many alternative destinations in which travellers would be interested. There were also insufficient opportunities for the local communities to benefit from the rise of tourism activities in those areas. This led Reza to start a travellers' guide website named Wild Borneo, which aims to promote those tourism spots in Sabah that



*Dr Reza Azmi – The Edge
Malaysia 2009*

not well-known among travellers and to help the local communities improve their livelihood.

In a span of less than five years, the website attracted the attention of many writers in other places who then contributed articles about destinations in various parts of Asia. By 2003, the website had 49 contributors, with a large amount of information about travel destinations across Asia. With the expansion of regions covered by the website, Reza felt it was only natural that the website was recast into its present name – Wild Asia.

As the travel website progressed, Reza soon realized that mere information was not enough to create real change. Instead of giving more information to the travellers, he turned his focus on the tour operators. He felt that if he could influence the operators

to change, they could in turn help improve the local communities around them. However, his altruistic idea met its first hurdle because he could not gain enough support to initiate the effort. Reza explained, “At that point it was still a travel website... It wasn’t until I had this Spanish friend who said, ‘Why don’t you take this site and turn it into a proper company?’ At that point, I needed it (a company) because I couldn’t engage with anybody. The Ministry of Tourism wouldn’t see me, because there wasn’t an association or a company or whatsoever.” With that, in 2003 Reza transformed Wild Asia from a simple travel guide website into a legitimate business entity.

When Wild Asia started, one of the first challenges it faced was to raise its capital. “Some of my friends say that the more capital you have, the more respected you get in the business world. But I didn’t have the cash.” recalled Reza. He initially started the business with about MYR2,000 of his own money. Having very little cash to start off with, he operated the company from a little office in his mother’s house.

Very soon, Reza realized that he needed a larger capital base to move the company forward. He then recruited four of his friends and together they pooled up MYR100,000 (equivalent to about USD31,000) to fund Wild Asia. “And that was really the starting point,” he said.

However, Reza knew that having a group of investors posed an immediate concern to the management of his newly founded enterprise. He explained, “Now you’ve got five people, views can be different. The idea of getting some common

agreement amongst the five was in my mind. But basically we were all in favour of – we wanted to make money, but not for our own gain.” It was this common agreement that channelled the spirit that has shaped the development of Wild Asia ever since.

Once the initial hurdles of setting up the company and raising its capital were overcome, Reza continued to champion his cause in promoting Responsible Tourism in Asia while still maintaining the website as a critical information dissemination tool to engage society.

Responsible Tourism (RT) Initiative

The initiative started way back in the history of Wild Borneo in 1998, and is still one of the main causes championed by Wild Asia until today. Tourism is a multi-billion dollar industry and it is a major source of income for many developing countries in Asia. However, the dependence on tourism to bring in much needed income was degrading the quality of the natural environment. Local communities, wildlife and the natural resources, which are closely related to the industry were being exploited to rake in lucrative profits. RT’s efforts aim to prevent disastrous consequences to the environment and local communities by promoting sustainable tourism management practices.

From the Wild Asia website: “Responsible Tourism is about businesses taking the lead, investing time and resources to protect the environment and to live in harmony with the local communities they are operating in.” Its working model is to influence

businesses to initiate the change of practices, which better respect their surrounding environment and local communities, and, in turn, share the best practices with their peers.

In 2006, Wild Asia introduced the Responsible Tourism Awards, the first and only tourism award of its kind in Asia. These annual awards seek to recognize tourism accommodation providers who actively incorporate RT practices in their businesses. Every year, Wild Asia conducts site visits and evaluations on travel operators across Asia to discover and highlight their outstanding efforts through the awards. In November 2006, the first Responsible Tourism Awards were awarded to eight operators from Malaysia, Thailand, and Indonesia.

The awards have proven that running a travel business sustainably not only benefits the environment, but also makes economic sense, as more and more travellers are willing to pay premium prices to operators who respect the environment and communities they are engaging with.

However, even though running a responsible tourism business is profitable, championing the cause and presenting awards do not generate profits that are crucial to sustain the social enterprise. The initiative does not generate revenues and it has to be funded in some way. Realizing this, Reza began to engage with consultancy work to bring in some income. "I did filming with BBC, some projects with the Selangor Forestry Department... that was how we funded Wild Asia, what we wanted to do," he recalled.

“We realized that consultancy was our lifeline, and the idea of consultancies funding Responsible Tourism started to make sense.”

While keeping their main focus on RT’s efforts, Reza and his new team of consultants began engaging more advisory services to bring in much needed income to fund Wild Asia’s programmes. Most of its initial clients were Malaysian state forestry departments and donor agencies, and the majority of their consultancy work was related to conservation. “That was because of my background, I’ve worked with a conservation organization. Actually most of us have worked with conservation organizations,” Reza explains.

“But our big break, in terms of exposure to business, was very much from a grant I applied from a group at Netherland, to basically engage with Sime Darby,” Reza continued. In 2006, Wild Asia was commissioned by the Stichting Doen Foundation, the fund of the Dutch charity lotteries, to engage Sime Darby in various aspects of its plantation business. Sime Darby is a giant Malaysian conglomerate that generates most of its profits from the plantation industry, particularly palm oil. “That was the big turning point for Wild Asia, because suddenly you are dealing with a big company, with real business guys, and you’re dealing with all the complexities.”

At the end of November 2007, Sime Darby merged with two other large Malaysian plantation companies to become one of largest oil palm plantation groups in the world. With the merger, the funding of Wild Asia by the Dutch foundation ended.

However, impressed with the results shown during the donor-assisted years, Sime Darby engaged Wild Asia directly to provide consultancy services in all levels of its plantation business.

Stepwise Support Programme

A core business of Wild Asia, the Stepwise Support Programme (SSP) is an important advisory programme that generates income for the company and also helps to achieve its social mission of promoting change through engaging businesses. It is developed together with ProForest, an independent English consulting firm specializing in responsible management of natural resources. The programme, as described on Wild Asia's web portal, "is one of the first global support programmes specifically designed for the oil palm sector."

In 2004, the Roundtable for Sustainable Palm Oil (RSPO) was formed in response to the urgent and pressing global call for sustainably produced palm oil. It is a not-for-profit association formed by various stakeholders of the palm oil industry to develop and implement global standards for sustainable palm oil.

Unilever, the world's largest consumer of palm oil, declared on 1 May 2008 that all its palm oil will be certified sustainable by 2015. Palm oil is a key ingredient in many of Unilever's brand, from margarine to soap. Many multi-national corporations in the palm oil industries have also pledged to have most of their products using sustainable palm oil by the same time.

Malaysia and Indonesia produce the vast majority of the world palm oil supply. Many producers in these two countries are seeking RSPO certification to ensure that their palm oil meets the supply chain requirements of giant consumer goods manufacturers.

However, the RSPO Principles and Criteria (P&C) have been described as the world's toughest guidelines in sustainable agriculture production. This is where Wild Asia comes into the picture. The SSP is



Reza making a site survey with the palm oil producers – Wild Asia

designed to help and support producers who are finding it difficult to get started on having their palm oil RSPO-certified. The programme helps producers to “understand certification requirements, assess current performance, and implement action plans.”

In addition to the programme helping producers to understand and implement the RSPO guidelines, palm oil buyers and investors are also finding the programme very helpful. The SSP includes RSPO-endorsed training courses that help them to assess their supply chains and develop awareness efforts to support their suppliers. There is also a professional course designed to help auditors meet their RSPO auditor requirements.

The programme is made possible due to Wild Asia's partnership with ProForest. They share a common goal of promoting sustainable agriculture, and both have vast experience in the sustainable palm oil supply chain. Various palm oil producers have since participated in the SSP, including some of the largest producers in Malaysia.

Leaders in Destination

Taking the Responsible Tourism efforts one step further, Wild Asia introduces the Leaders in Destination (LID), a training programme developed specifically for professionals and leaders in the tourism industry. Showcasing the best RT practices in Asia, the programme targets players of the tourism industry who seek to work



Bronwen Evans who operates Faasai Resort & Spa shares her experience as a resort operator and information about Fassaai Resort & Spa - Chiang Ai Lin Eileen

towards sustainable tourism practices. Through the innovative training methods of Reza and his team of facilitators, LID reinforces the message that operating a responsible tourism business does bring in real financial rewards.

The programme trains the management and staff of travel operators on RT practices and inspires them to become the leader in their respective destinations. In turn, it is hoped that they could influence their competitors and partners to do the same. As Melissa Cornejo, Wild Asia's Responsible Tourism Advisor and co-facilitator for LID's

workshops wrote, “LID training aims to create role models in various destinations in the hope that it will inspire others to follow.”

Wild Asia Heroes

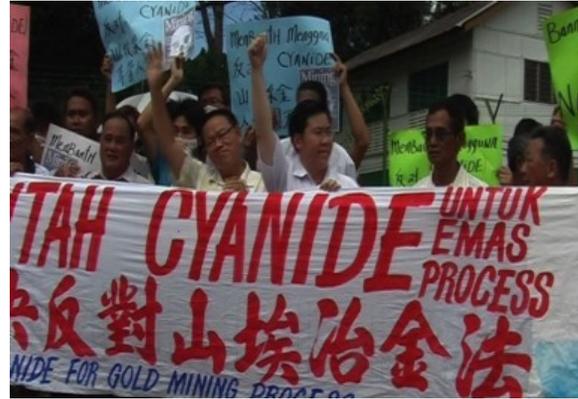
As it is Wild Asia’s aspiration to promote sustainable practices to minimize humanity’s impact on the environment, the company is also aware that there are many people already working to protect the natural environment in their own way without any support or recognition. Started in 2010, the Wild Asia Heroes is a project to recognize and honour these ordinary people who are working on the ground to promote environmental awareness and sustainability.

The public could nominate their unsung heroes through Wild Asia’s web portal. The nominee could be an individual, an organization, or even an entire community of people. A winner will be selected after their validity and the impact from their actions have been assessed. The winner will be announced on the portal and a short clip of his/her/their heroic actions and impact will be shown on the portal, YouTube, and also on popular Malaysian websites. A total of ten winners will be selected for the year 2010, out of which a grand award winner will be crowned at the end of the year.

At the helm of the Heroes project is Jules Ong, the Associate Editor of Wild Asia and a former journalist with experience in both print and broadcasting media. Running on a limited budget, he would personally visit the nominees, collect their stories and

make assessments in the field. With his media experience, Jules also did most of the filming and interviewing with the award winners.

The first Wild Asia Heroes was awarded in February 2010 to the local community of Kampung Bukit Koman, a small village in the eastern Peninsular state of Pahang. The community had organized an Anti-Cyanide Committee against Raub Australian Gold Mining (RAGM), a Malaysian



*Protest held in Bukit Koman, March 2009
– Wild Asia*

company, which was extracting gold in close proximity to the village. RAGM was reportedly using 400 tons of sodium cyanide, a highly toxic compound, a year in its extraction process. The Bukit Koman villagers led an ongoing campaign demanding for transparency and concrete safety measurements in case of spillage against RAGM, which was reportedly owned by well connected Malaysian shareholders. In 2008, they had collected 10,000 signatures voicing their objections to the usage of cyanide in the mining facility. They also filed for a court order to review RAGM’s Environmental Impact Assessment, which was subsequently dismissed by the judge a year later. On Wild Asia’s portal, Jules wrote “despite tremendous odds, the villagers of Bukit Koman have shown great fortitude to fight for their rights – their right to information, to clean air and water, and their right to life.”

Challenges

Legal – As of 2010, there are no specific definitions and provisions for social enterprises under the law of Malaysia. As such, Wild Asia could not be registered as a social enterprise by law. At the time this case was written, Wild Asia was still registered as a private company under the Malaysian legislation. It can only carry out its business operations in the spirit of a social enterprise.

However, recent developments have brought new hope to finally be able to recognize the business as a social enterprise. Reza elaborates, “There are talks that they want to try and do something like that (passing laws for social enterprise). I know that one of the ministries is interested. I think defining it would be really useful.... Hopefully, by this year we will get the lawyer to clear the shareholders’ agreement. So finally we’ll be able to all sign something which basically says that we are structured as a social enterprise.”

Financial – Wild Asia currently derives its income mainly by providing consultancy services for the plantation and tourism industry. However, a good part of the income is paid on a per project basis, which means that it can only sustain itself as long as it keeps receiving projects. Therefore, the business has to depend on several of its key clients with longer term contracts to generate income on a continual basis. “We have a few core clients, who I pray that they will still stay with us (for long-term).” Reza said wishfully.

However, Reza was firm on the principle that he would only engage businesses that are sincerely committed about making positive changes to their surroundings. Wild Asia tries to minimize its dependence on donations and grants; and it would not sustain itself by engaging in Corporate Social Responsibility programmes of businesses that use them purely for public relation purposes. He explains, “For us self reliance is very much the key, we had to generate our own money to do what we want to do. But I know that as soon as they (companies engaged with Wild Asia) are going funny, I rather just step out.”

“One thing I’m struggling with is how we can work with corporations to fund and support our core programme without us having to sell our soul or advertise ... I haven’t quite figured out how to do it,” he explained in an interview with a local newspaper in 2009.

Management – Managing a company by someone as involved as Reza was particularly tricky. He is a committed man who is his ‘hands on’ in most of what he involves himself with. Being that type of person, Reza finds it increasingly difficult to manage the day-to-day operations of the steadily expanding business, while concentrating on Wild Asia’s advisory projects.

Fortunately, help came in the form of Gonthong Lourdesamy, now the General Manager of Wild Asia. A friendly lady with a warm look on her face, Gonthong joined Wild Asia in 2009, having worked with a large environmental group in Thailand. Reza

explained, “Gonthong came in and said, ‘Oh I can help.’ And by the end of the year we hired her. We needed someone like her. And that is great; it leaves me to think about the advisory stuff.” Gonthong was previously a coordinator of a Thai non-governmental organization (NGO) in Energy Conservation and environmental projects, facilitating workshops and training for teachers, park rangers, and professionals throughout Thailand and neighbouring countries.

Besides managing the day-to-day operations, Gonthong also actively contributes to the workshops of Wild Asia. Her extensive experience in environmental education enables her to offer insightful perspectives into the various training programmes such as the Leaders In Destinations.

Human resources – Managing human resources (HR) is a common issue for social enterprises, and Wild Asia is no exception. The majority of the staff are employed on a part-time basis, and are paid based on the projects with which Wild Asia is involved. This creates a sense of uncertainty for Reza and the core team. The business is expanding and the need for a larger workforce is imminent, however, the business’s prosperity hinges on the continuity of its projects. As Reza explains, “It’s very stressful when you know it’s depended on these little projects that you do. It’s very tough.”

Another major HR issue is that many people joined Wild Asia thinking that it is an NGO, which in fact it is not. “They thought they would work with animals, work to save something. And then they find out, ‘Oh, it’s more of a consulting company’, where the

mindset is different,” Reza laughed. Some of the newcomers stayed with the company, while others left. When asked where do these puzzled recruits go, Toh Su Mei, currently a Senior Advisor of Wild Asia answered, “Other NGOs, like WWF (World Wildlife Fund) where they *actually* do those things (working with animals).” That was part of the reason why the first sentence describing Wild Asia’s social mission reads: “Wild Asia does not work with animals, at least not directly.”

Society’s perception – As with the people who intend to join Wild Asia, there are also misperceptions amongst the businesses that engage the company for the first time. “Initially, people were saying, ‘Wait, you’re charging us rates, so you’re not really an NGO’. We had to keep telling them, no, we’re not an NGO and we don’t want to be seen as an NGO... But I feel that because our income is derived from impact, it’s a much better proposition to be working with us than with profit-driven consultants.”

Business Results

Although for this case, the interviewers were unable to obtain Wild Asia's detailed financial information, Reza has roughly summed up the financial status of the company as such, "We've grown by leaps and bounds. In the early days we're getting like MYR50,000 to MYR60,000, now we're getting over one million a year in revenues." Replying to a compliment concerning Wild Asia's huge growth, he said, "That's because we're small, our costs are artificially shrunk. Our associates' rates are discounted and I slash my salary every year."

Social Impacts

In the Responsible Tourism arena, Reza and his team have seen operators who are pleasantly surprised about how RT could turn the wheel of revolution and bring about positive change to the entire tourism industry.

"We've seen people who turn up at our workshop and seen the stuff we did, they were interested to learn more because they wanted to take the model forward. Some of them feel that it really opened their eyes that it is much more than just the environment... It's the people that you work around, it's also about how you can influence and bring your other fellow operators so that they learn from you," says Reza.

In the plantation industry, Wild Asia has affected not only how companies treat the environment, but also how it treats their employees. Su Mei works with the female employees of some producers. With Wild Asia's access to the plantations, she roped in

Tenaganita, a Malaysian NGO that protects and promotes the rights of women, migrants, and refugees, to conduct training for the women workers there. What resulted was the emergence of women leaders among the ranks of workers who were previously ill-treated.

“The whole idea is to get these women trained up and to take responsibility to the other women workers... How we started was I noticed some women being beaten up in plantations. And so we asked, ‘What should be done here?’ Su Mei explains.

The advisory provided by Wild Asia has also changed the attitude of managers towards their subordinates. As most of the lower level workers are migrants from other countries, they were not usually being treated very kindly. Reza recalls, “When Su Mei first came in, it was war. They didn’t really want to listen, that your workers are not really happy, and there were some problems. But over the years, they had a complete turnaround. They’ve seen the change in their relationship with their workers. They’re also saying, ‘We used to just shout at them all the time. And now at least we’ll stop and think, oh, sometimes it’s not really their fault.’”

To sum up how Wild Asia brings positive change to the society, Reza explains it as such, “There are long term changes but at least along the way you’ve changed those decision makers who are going to impact all those people under them. And that is really the essence of what we’re trying to do. If these guys keep doing it and they do it well, I’m going to tell everybody about it. So it’ll be in all my training, and others will know.

And then they might say, ‘Oh yeah, I’ll try to do this.’” It is about bringing a virtuous cycle of positive change, which inspires others to change, and the process repeats itself, which one day will result in a more sustainable future for everyone.

Key Success Factors

Some of the factors that have driven Wild Asia’s growth are as follows:

A common mission. Everyone in Wild Asia understands and shares Reza’s mission of promoting change by inspiring people and engaging businesses.

Building strategic partnerships. Many of Wild Asia’s successes have been credited to its successful partnerships with various bodies. For example, its first big client was a result of the partnership with Stichting Doen; and the important SSP is a successful programme with ProForest.

Niche creation. Wild Asia has successfully crafted its own niche as being a specialist in palm oil advisory services. The RSPO-endorsed courses conducted are one of a kind and are sought after by many industry players.

Persistency. For any business to succeed in the long term, determination and a never-give-up attitude are crucial. “No matter how painful it is, whenever there is a problem or there is a mistake, it’s not something that you shy away from. You then refocus your mind and ask, ‘How could that have happen, and how do I make sure I don’t do this again?’” said Reza.

Looking into the Future

Having steered Wild Asia's journey for the past seven years, Reza believes that there is unlimited growth potential to the social enterprise. While still holding true to its original social mission, his plan to drive Wild Asia into the future is like how the popular American boy band in the 1980's New Kids on the Block does it – "step by step". Su Mei adds, "I think like any start up, things will be very fluid. If some things work, we keep doing them. If they don't, then we KIV (Keep-In-View) them. It is that organic, and it has been so for the last 7 years."

Reza concludes, "My main thing now is I need to see a solid financial platform. We also need to be able to afford senior people like Jules and Gonthong. Then it is more rewarding for the younger people to come." With a strong financial foundation and the continuity of advisory projects, Wild Asia could propel itself to achieve greater success in creating waves of change by engaging more businesses and inspiring more people to be committed in the quest of sustainability.

References

<http://www.wildasia.org>

<http://www.rspo.org>

Questions

1. What are the impacts brought by the Responsible Tourism Initiatives of Wild Asia?
2. How should Wild Asia better secure its financial conditions, seeing that it depends mostly on consultancy projects?
3. In what ways is the Stepwise Support Programme important to Wild Asia?
4. How does the Wild Asia Heroes project help in the efforts of the Bukit Koman community to have a safer living environment?