



BUSINESS AS MISSION  
GLOBAL THINK TANK

# ISSUE GROUP REPORT

## A Dangerous Calling?

The Challenge of Business  
as Mission in Hostile  
Environments

# **A Dangerous Calling?**

## **The Challenge of Business as Mission in Hostile Environments**

**Report by the Business as Mission Think Tank Group**  
**BAM in Hostile Environments**  
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# Foreword

The Global Think Tank on Business as Mission has opened up a unique forum for collaboration among practitioners and leaders from around the world. When we began this second Think Tank initiative, we focused on a key word: *invigorate*. The purpose of the Think Tank has been to invigorate the global business as mission movement, to equip and encourage those who want to serve God and the common good in and through businesses—among all peoples.

To that end we launched over 30 national, regional and international working groups. Some of these groups focused on a particular issue in the BAM movement, and others were concentrating on BAM in and from a particular region or country.

The objectives for these groups were to listen, learn, share and connect. We developed tools and templates for the working groups to effectively collaborate through virtual meetings, as well as face-to-face consultations. Each group has produced materials, including papers, analyses, case studies, tools and resource directories, as a result of this dialogue.

To enable a meaningful and constructive conversation in and between groups, we have used the following working definition of business as mission:

Business as mission is:

- Profitable and sustainable businesses;
- Intentional about Kingdom of God purpose and impact on people and nations;
- Focused on holistic transformation and the multiple bottom lines of economic, social, environmental and spiritual outcomes;
- Concerned about the world's poorest and least evangelized peoples.

This definition emerged from the first Think Tank on BAM, which among other things produced the Lausanne Occasional Paper on Business as Mission, as well as the BAM Manifesto: [http://www.lausanne.org/docs/2004forum/LOP59\\_IG30.pdf](http://www.lausanne.org/docs/2004forum/LOP59_IG30.pdf).

The Think Tank project has resulted in a massive global gathering of both intellectual and social capital for the BAM movement. As well as the written materials, we have built networks and have gathered together in person at the working group Leaders Forum and at the Global Congress on Business as Mission, both held in Thailand in April 2013. The intention is to now share and disseminate these gathered resources as widely as possible.

This report is one in a series of papers from the 30 plus working groups. Hundreds of leaders in the BAM community, from every continent, have contributed to these reports. Additional Think Tank reports may be found at <http://bamthinktank.org/reports>.

In 2014 we will publish a comprehensive BAM 2.0 paper, a follow up to the Lausanne BAM Paper of 2004.

These reports are not the end or the final destination of the BAM Think Tank, but should rather be seen as important reflections by BAM practitioners and other leaders who will continue to journey together. We need to continue to grapple with issues, and address needs and gaps. Some groups will continue and new initiatives will emerge. The BAM movement is on the move!

It has been a privilege to facilitate this unprecedented and global collaboration over the last two years. Looking back we can see that at times we have achieved less than we have hoped and planned for. But we have also witnessed that God is able to do more than we could have ever imagined.

Our sincere thanks goes to all those who have co-laboured with us to bring the Think Tank initiative to fruition. We want to especially thank the Steering Group, the Issue and Regional Group Leaders, the Support Team and our spouses Mark and Jennifer for their steadfast support.

We pray that these papers, case studies, tools, recommendations and resources would go out widely, and encourage and equip you as well as invigorate the global BAM movement.

“Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen” (Eph. 3:20-21, NIV).

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September 2013  
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# Executive Summary

## A Dangerous Calling?

### The Challenge of Business as Mission in Hostile Environments

Challenge, risk and opportunity! Managing a business as mission (BAM) venture in a hostile environment presents the entrepreneur with a unique task. Not only is there the day-to-day task of ensuring the company is safeguarded against all the known risks, but there is also the constant need to look beyond the horizon to see those emerging threats that could bring down the business. These multiple risks create complexity and a wide range of issues that must be managed with care. Given this reality, entrepreneurs in hostile environments need be able to identify and manage such risks and appreciate how they may overlap or intertwine with normal business risks. The discussion in this report addresses the interdependent relationships between BAM ventures and their hostile environments.

In the parable of the talents and the description of the Proverbs 31 female entrepreneur, we clearly see that God asks us to be fruitful and productive and to multiply. Good stewardship should motivate us to safeguard the assets and talents with which God has entrusted us. However, as stewards called to mission, we choose to expose ourselves and our BAM venture to a variety of hostile conditions and volatility that may threaten our success. The challenge for BAM practitioners (BAMers) is to understand and cope with multiple risks within a hostile environment that vary both in their nature and intensity level.

The goal of this report is to engage BAM entrepreneurs in a discussion on how to improve skills for anticipating and managing these risks.

We have in mind at least three key audiences:

- New BAM start-ups or ventures less than one year old.
- Existing BAM ventures already operational for at least a year.
- Wounded warriors who have experienced pain, loss or harmful mistakes.

Although we believe that BAMers have a better awareness of risk compared with most people who lack cross-cultural business experience, there is much to be gained from a thorough exploration of this topic. We want BAM practitioners to make better decisions and experience greater rewards from having a clearer and deeper understanding of risk.

#### The framework of our report incorporates:

- A discussion of the problem and how we have approached it.
- Important definitions, such as **business ecosystems**.
- Emerging themes from case studies.
- An overview of best practices for managing risk in hostile environments.
- A summary of the main emerging themes in the Conclusion.
- Appendices of case studies, tools, useful articles and collected wisdom.



# **A Dangerous Calling?**

## **The Challenge of Business as Mission in Hostile Environments**

### **Introduction**

Launching and/or managing a business as mission (BAM) company within a hostile environment encompasses a set of risks that are unique and varied, in contrast to the more familiar kinds of risk that most businesses encounter. By anticipating, recognising and managing these risks, a BAM team is more likely to achieve business sustainability and spiritual fruitfulness. This report suggests a helpful framework for thinking about risk, so that whether your enterprise is a fresh bakery concept in Vietnam, a furniture manufacturing operation in Uzbekistan, a chicken hatchery in Nigeria, a video editing business in Bhutan, or a web design business in Palestine, this report will be relevant for you.

Understanding and managing risk in any environment is usually challenging for most business owners, but navigating unfamiliar risks within a hostile environment is part of the learning process that successful BAM entrepreneurs must navigate. Successful management of these risks requires the entrepreneur to exercise a high degree of discernment and good judgment.

It is critical to appreciate that these risks often involve uncertainty on issues which differs from non-hostile environments. Businesses typically need environments that have predictability and low volatility. However, unpredictability characterises hostile environments and increases overall business risk. Ignorance of certain kinds of risk can certainly bring harm, but awareness of such risks provides the opportunity to make decisions that protect both you and the health of your BAM venture.

### **Who is this report for?**

This is a broad topic with many themes and this report is not an exhaustive study, but an introductory taste. We hope our report sparks conversation and motivates interest to pursue some suggested resources and ideas that will be helpful to BAM practitioners. We have in mind at least three key audiences:

- New BAM start-ups or ventures less than one year old.
- Existing BAM ventures already operational for at least a year.
- Wounded warriors who have experienced pain, loss or harmful mistakes.

Our desire is to assist you, the BAM entrepreneurs, in identifying risks so that your venture may avoid shipwreck or running aground in uncharted waters. We want BAMers to be able to make better decisions by learning to identify and manage acceptable risks.

As for the organisational flow of our report, we recommend that you read the case studies in Appendices A to F after finishing the first section of the report on 'Our Approach and the Problem We Are Trying to Solve'. The case studies and other supporting tools and materials are placed in the Appendices where there can be more detailed explanation without interrupting the flow of the main report.

Terms in **bold** are linked to the full explanation in the **Glossary** on page 26.

## Our Approach and the Problem We Are Trying to Solve

BAM ventures are one of the innovative ways that we are called to do mission in the two-thirds of the world's countries that are highly corrupt and require risk management skills, sound judgement, discernment, strong leadership and spiritual maturity.

Recognising the nature of the risks we face is not easy. Learning how to identify and manage risks is a lifelong learning process and thus risk management and discernment should be viewed as a long journey. It is essential to develop the skills to recognise, interpret and respond constructively to risks. Since we are called to do mission in **high-risk zones**, we must take seriously this topic both in our personal lives and in our BAM ventures.

Our 21<sup>st</sup> century world is increasingly complex (**explosion of knowledge**), interdependent and interconnected. Identifying interdependencies between the business and the hostile environment is critical in identifying risks to BAM ventures (case studies).

Our approach to learning about risk management is interdisciplinary in nature. We draw from a variety of resources, case studies, good ideas, and ways to think about risk. We also draw from the combined wisdom of the Issue Group, since almost all the group members have had first hand experience of doing BAM in Hostile Environments.

During the writing of this report we had a disturbing email from one of our colleagues to say that she had been 80 metres away from an explosion in Kabul. This had come on top of a series of insurgency attacks, loss of power and lack of internet access. We were suddenly propelled from the theory of writing a report to the reality that one of colleagues was struggling to stay alive, run the business and be a faithful witness.

Through our group discussions and the development process for this report, we learned that it was helpful to keep in mind the following observations:

1. Keep a wide perspective and do not overweight one's own individual experience. Listen carefully to others' experiences and pay attention to the unexpected.
2. Definitions can provide clarity, but one must also appreciate the diversity and complexity of our topic of hostile environments in BAM ecosystems.
3. Be careful in assessing **causation** and understanding risk.

We discuss the nature of a series of challenges which BAM entrepreneurs face and we lay the groundwork with helpful definitions such as: business ecosystems; hostile environments; the nature of risk, and why it is hard to identify and manage risk.

BAM ventures often occur within the **10/40 window**, as well as in the two thirds of the world's nations with high levels of corruption. Such locations have risks that vary in scope, intensity and duration and some are also very dangerous environments.

- How can we recognise the nature of these risks in the 21<sup>st</sup> century world?
- How do these risks interact and influence us personally and our BAM ventures?
- How can we cultivate deep spiritual discernment?
- How can we forecast interdependencies between our venture and our environment and thus create a watch list of potential risks?
- How do we manage risks and problems for which we have had little training or preparation?

We believe that new ideas and insights can be found from exploring in detail these challenging questions.

We believe that a dual approach, that of heart and mind, holds the best prospects for managing risk and developing discernment. The 'heart' approach draws from the rich tradition of contemplative spiritual practices that are an essential part of nurturing discernment as an asset in risk management. When we learn to manage appropriate risks that the Holy Spirit leads us through, we can experience the higher and deeper purposes of God for our lives and BAM. The 'mind' approach relates to learning how to benefit from the latest research in fields such as **risk management** and **complex systems**, along with comparable approaches from other experts and many other ideas.

To discern the nature of a particular hostile environment in which one manages a BAM venture, it takes the collective wisdom of the Christian community supplemented by the leading and help of the Holy Spirit.

### **The BAM ecosystem**

The Lausanne Paper on Business as Mission gives several examples of BAM ventures, for example: an IT Company exists in India among a major unreached people with the intention to make Christ known among these people. Through the many natural opportunities that business provides, the founder can share his faith in word and deed.

The company's strategic plan reads:

Our purpose is to serve:

1. Our *Customers* with creative, innovative, reliable, top-quality solutions;
2. Our *Employees* with meaningful and challenging work, stability, good salaries, development and a pleasant work-environment;
3. Our other **Stakeholders** by providing attractive returns on their investments;
4. The *Country* by creating knowledge and wealth and contributing to local concerns;
5. *Society* by showing that success and high moral standards can co-exist; and
6. Ultimately *God* by being faithful and good stewards.

(Ed. Tuneahag et al, 2004, p3)

The attractiveness of this firm's mission statement lies in its recognition that the company is also a 'business ecosystem', that is, an enterprise that is at the centre of, and sustains, a wide web of relationships.

Thinking of a BAM venture in this way helps us to realise the potential scope of its relational impact and ministry. A wide range of relationships exists with customers, stakeholders, employees, local governments or universities, for example. Such a business ecosystem has a great potential to influence for good and also, by contrast, the potential to be influenced by the hostile environment of other relationships or influences. Over time there will be some sort of interaction between elements in an ecosystem and it is the *interaction* between two elements in an ecosystem can lead to BAM failure or success. This can be seen, for example, in the case study we have included about a gold mining BAM venture (Appendix B). This venture failed because a corrupt government agency would not provide approval and the delay increased their operating costs to an unsustainable level.

The BAM ecosystem interacts with a community located in a specific location which is a larger ecosystem. This wider system may contain elements of hostility.



Figure 1: Business Ecosystem (Rachael C March 2013)

### Hostile environments

Hostility should be thought of as a spectrum along which we can find variables that are: healthy or unhealthy, toxic or nontoxic, mildly or highly corrupt, etc. Some forms of hostility are very clear, such as a war or great political instability. However, other forms of hostility are more subtle and may not be so easy to identify.

Because the environments—geographies, cultures, developmental stages—of this world are characterised by both variety and change, it is helpful to think of the threat of hostile environments as: mild, medium, strong or very strong in intensity. At these varying levels, hostile environments can hinder growth or cause difficulties for the mission of BAM. The health of the business can be impacted by adversarial, antagonistic, unfriendly or untrustworthy behaviours.

Probably the most prevalent form of hostility facing business ventures is corruption. Two-thirds of the world's 176 nations have very high levels of corruption. We believe that the outward forms of corruption are inwardly fuelled by the combination of our sinful nature, accompanied by the invisible and often hidden powers and principalities—the spiritual forces of evil described in Ephesians 6:12.

Corruption involves dishonest human behaviours in which a person or group abuses power and/or trust in order to receive something in return. It almost always involves cash

or other assets, either being given or received for personal benefit. The influence of corruption in a myriad of forms affects the daily lives of people in many countries. The Governance Director from the World Bank Institute, Daniel Kaufmann, identified that, “Bribery has become more than a one trillion dollar industry.” (Six questions on the Cost of Corruption, n.d.)

Some excellent work on this subject has been carried out by Transparency International (TI), a Non-Governmental Organisation (NGO) (Corruption Perception Index, 2012). Specifically, TI has an index for measuring corruption among the world’s countries (see Appendix G). TI’s vision is for a world in which governments, politics, businesses, civil society and the daily lives of people are *free of corruption*. We think that this is a vision that followers of Jesus can affirm and thus support organisations like Transparency International.

Corruption, therefore, remains a serious challenge for many BAM ventures operating in parts of the world where it is widespread in business activities across regions, sectors and industries.

### **The challenge of risk management**

We are conceiving risk as falling broadly into three areas:

1. Business
2. Mission
3. Personal (including family)

Risks in these three areas can overlap and vary in intensity from situation to situation. For example, a venture in Afghanistan might have little business risk but a high risk to personal safety. In another situation in neighbouring Uzbekistan, the mission component may be at risk in spite of having a successful business. There are many kinds of risk a business may face, which one may see from the case studies in the Appendices.

A definition of risk is the possibility that a chosen action or certain activity (including doing nothing) may lead to a loss (undesirable outcome). The losses themselves may also be called risks. This definition implies that choices exist which could influence the outcome.

Risk management involves maximising the areas where we have some control over the outcome, while minimising the areas where we have little to no control over the outcome. More often than not, the link between cause and effect is obscured from our view.

Understanding the various ways to view risk is a challenge in and of itself. To provide a cursory glance at how others have viewed it, here are four different observations about risk:

#### ***From known knowns to unknown unknowns***

Former U.S. Secretary of Defense Donald Rumsfeld put it this way:

There are known knowns; things we know that we know. There are known unknowns; things that we now know we don't know. There are also unknown unknowns which are the things we do not know we don't know. (Rumsfeld, 2002)

Unfamiliar risks are important to grapple with and the following provides an illustration of the connection between risk and reliability:



NASA space exploration should largely address a problem class in reliability and risk management stemming primarily from human error, system risk and multi-objective trade-off analysis, by conducting research into system complexity, risk characterization and modelling, and system reasoning. In general, in every mission we can distinguish risk in three possible ways: a) known-known, b) known-unknown, and c) unknown-unknown. It is probable, almost certain, that space exploration will partially experience similar known or unknown risks embedded in the Apollo missions, Shuttle or Station unless something alters how NASA will perceive and manage safety and reliability. (Maluf, Gawdiak & Bell, n.d.)

And New Testament writer Luke also reminds us to count the cost before building something (Luke 14:26-28).

### ***Confusing the unfamiliar with the improbable***

Nobel Prize winner and economics professor, Thomas C. Schelling (1978) wrote a forward to R. Wohlsetter's *Pearl Harbor: Warning and Decision* (1962) which Nate Silver (2012) praises, stating:

Schelling writes of our propensity to mistake the unfamiliar for the improbable: There is a tendency in our planning to confuse the unfamiliar with the improbable. The contingency we have not considered seriously looks strange: what looks strange is thought improbable; what is probable need not be considered seriously. (Silver, 2012)

We can learn a lot from Schelling's analysis when contextualised for BAM. For BAM practitioners unfamiliarity presents itself in many forms such as within BAM ecosystems, varieties of corruption, legal systems, aspects of culture and language, etc, this is especially the case for those that lack experience. Such unfamiliarity leads to the common mistake of underestimating the probability of many kinds of events actually occurring. Schelling cautions about this particular kind of flawed thinking and says, "But at least this flawed type of thinking would have involved some thinking. If we had gone through the thought process, perhaps we could have recognized how loose our assumptions were." Schelling goes on to suggest that:

[Our] problems instead run deeper. When a possibility is unfamiliar to us, we do not think about it. Instead we develop a sort of mind-blindness to it. In medicine this is called anosognosia: part of the physiology of the condition prevents a patient from recognizing that they have the condition. Some Alzheimer's patients present in this way. (Schelling, 1978)

Mark Twain, over a century ago, also famously echoed a similar caution, when he said, "It ain't what you don't know that gets you into trouble. It's what you think you know that just ain't so."

### ***Subtle risks***

The more obvious forms of risk that may affect us are often not the ones we should worry about because they are already in our view. Danger may originate more from subtle risks that are hidden or intertwined with other risks in ways we do not recognise. Starting a new venture should always entail asking, "Do you know what you don't know?" Participants in war games would describe an unknown unknown as unfair, beyond the ground rules of the game. However in real war and in real business ventures in hostile environments there are no ground rules, and we must appreciate the unfair nature of some risks by appreciating the potential influence of unknown unknowns.

Over the New Year a son of one of the authors was out with a group of friends. Unbeknown to him a drink was laced with a powerful narcotic drug and he almost died. The family had previously been in North Africa for many years, but had more recently moved to Europe. The risks to this family were not as obvious in Europe as in North Africa, but they were no less real.

### ***Time and unpredictable events***

The writer of Ecclesiastes also commented on the elusive nature of risk:

I saw something else under the sun. The race isn't won by fast runners, or the battle by heroes. Wise people don't necessarily have food. Intelligent people don't necessarily have riches, and skilled people don't necessarily receive special treatment. But time and unpredictable events overtake all of them. (Ecclesiastes 9:11, GOD'S WORD® Translation)

### **An overview of risk assessment**

In terms of assessing risk, we can learn from Johnson (2009, p.419) who lists a four-step planning process for BAM teams related to risk assessment and management:

1. Conduct a threat (risk) assessment by identifying specific risks in each aspect of the business and mission.
2. Find ways to eliminate risks where possible.
3. Where risks cannot be eliminated, develop strategies to minimise (or mitigate) the risk. This should include mitigating the probability that the event will happen, and the impact of the event if it does happen.
4. Assess the risk tolerance of the individuals involved and the business itself.

Assessment of risk can cover a wide variety of issues ranging from economic, governmental, legal, political, physical, emotional, relational, religious, spiritual, communication, culture, business partners, employees and lifestyle. Among these issues, it is helpful to differentiate between internal and external risk factors.

Internal risk factors occur within an organisation and can be more easily managed. This kind of risk usually arises because of financial problems, organisation, employees, workplace and product changes amongst others.

External risk factors tend to be outside the control of people, such as activities in the money markets, taxation policies, changes in the environment, among others. Remember to incorporate an appropriate time frame into your analysis when measuring any risk.

There are various methods that can help to highlight the most likely risks. It is important to first of all to create a comprehensive list of these risks. A second step would be to assess the probability of each risk on the list actually occurring and to give each risk a separate probability rating. Thirdly, a crisis impact value can be assigned to each risk to rate the impact of the worst-case scenario happening. When all this information is placed on a grid, it will be clear which of the risks listed will be most likely to occur and which will have the highest impact.

Risk assessment is necessary for each and every business ecosystem and environment. There are no universals that apply to every country, political situation, economy, religion or culture—each case must be looked at and assessed individually.

## Lessons Learned from Case studies and Experiences

We encourage readers to first review the case studies in Appendices A to F before continuing with this section of the main report. While compiling this report we examined several case studies and personal experiences that illustrate the reality of dealing with a variety of risks in hostile environments. By considering these cases, in particular each practitioner's experiences in relation to risk assessment, a number of common risk factors clearly emerged that could influence a business' success or failure. Some of these factors were:

- The competitiveness of the business
- Previous experience of, and competency in, starting a BAM company
- Isolation
- Level of discernment
- Worldview
- Spiritual factors
- Pre-field/pre-BAM training for hostile environments
- Political and economic instability
- Communication security
- Working in war torn nations where infrastructure is broken

Some of these factors benefit from definition since they are often identified as key challenges that are difficult to manage in operating a BAM venture:

**Communication Security** describes the efforts made by BAM ventures in hostile environments to achieve reliable and secure means of communicating.

**Discernment** is the act or process of combining good judgment and keen insight, rather than being indifferent, going with the flow, or lacking the ability to judge situations and people appropriately. Used with wisdom, it is the ability to distinguish or select what is true, appropriate or excellent in the midst of uncertain circumstance or situations.

**Isolation** is defined as an undesirable separation from another person or a situation and can be experienced as physical, emotional, psychological or spiritual in nature.

**Spirituality and Religion** is how a person or culture relates to the ultimate, non-physical realities or higher powers. Spirituality is usually organised systematically into a religion and is so fundamentally at the core of a person's being that it must be thoroughly understood and respected.

**Worldview** defines how a person or culture sees and interprets their reality and their world. It incorporates belief systems, core values and behaviours in the areas of religion, economics, politics, social structures, education and science.

In each case study a unique mixture of the above risk factors emerged. For example, the boat company practitioner in East Asia had a hostile legal environment as well as problems of isolation due to living in an area with virtually no other English-speaking foreigners and no believers for communication or support (Appendix A). In this case the practitioner identified the risk factors and was able to mitigate them by using consultants who were experienced in dealing with the legal issues in this hostile environment and who coached him to manage the communication and isolation issues.



The boat company business stands in stark contrast with businesses in Iran where communication security is a very high risk (Appendix F). In Iran, it is mainly nationals that can start a BAM company and consulting or coaching by foreigners is limited. In Iran all BAM businesses have fewer than four to eight employees and are intentionally kept small and isolated to stay under the radar and not draw attention to themselves for the safety of the practitioner.

In the gold mining BAM venture in West Africa we see an example of a negative effect of interdependent ecosystems: a corrupt government agency withheld business approvals, and the delay increased operating costs to such a degree that the venture failed (Appendix B). According to the BAM leaders in this business, the corrupt government was a more obvious risk, but not the only one to contribute to failure. What was referred to as the ‘the **backstage**’ of the project also contributed to overall risk. Many of the stakeholders inside and outside the company had difficulty getting along, contributing to unexpected instability and sense of isolation. Other elements in this potent mixture of risks included more mundane factors such as communication breakdown and even cultural differences in how time and deadlines are perceived. Business owner Etienne explains how African and Western conceptions of time differ, relating that, “In many places in Africa, tomorrow doesn’t really exist” (Appendix B). Thus, the expectations from investors about the time it would take to see results became impossible to manage. Spiritual warfare also contributed to a hostile environment when a ‘contract’ was issued against the company by the witch doctors across the country.

The Crossroads Centre in Akabar also provides us with an interesting example of the risk factors affecting BAM enterprises (Appendix C). Crossroads was a BAM venture that comprised a café, restaurant and inn and which served as an informal ‘crossroads’ for clients gathering for meetings, the arts and special events. After a couple of years of operations the centre was rapidly moving towards becoming a commercial viability when it was cut short, having to close because of terrorism jeopardising staff safety, after one associate was murdered by an Al Qaeda cell. This is an example of strong hostility caused by political instability that changed a peaceful environment with business success in a high-risk country into a physically hostile environment. Keeping in mind that the threat of hostile environments can have different levels of intensity: mild, medium, strong and very strong. In the case of Crossroads, the environment went from medium to very strong without warning. Crossroads also illustrates the overlapping nature of risks, some overt and other more obscure, which became intertwined, increasing the overall probability of failure.

The main factor that impacted the outcome of the business Up & Away (Appendix D) was lack of experience in the business operations of the company. The Up & Away owner knew with hindsight that diversifying the customer base rather than relying mostly on not-for-profit Christian outreach trips would have improved profitability. He also recognised that reducing staff size would have lowered expenses and improved profitability. Consulting business expertise as the practitioner in the boat company case did may have helped Up & Away create a more favourable outcome for success.

We can learn valuable lessons from the case study of ICBM (Appendix E) which illustrates what can happen to a business when there is a lack of personal integrity among the leadership. It is an example of the need for constant discernment, especially in a BAM business, and the need to pay attention to roles that allow a leader too much control without enough accountability to others in the business.

Broken infrastructure and personal safety are the two greatest challenges to be faced when doing business in countries recovering from war. We include in this section a short example of a pizza take-away and delivery business, focusing in on the challenges of setting up a food production business in the greater Middle East at the end of 2006 up to the present. The story that follows illustrates the reality of the problems when this start up business began and what it was like to live in an environment without infrastructure such as electricity, water, sewage disposal, transportation or safety.

Due to the ravages of war, there was a shortage of property that could be rented at an affordable price, so our story begins as the pizza business opened its doors in three adjacent shops, like garages with a roller door. Water needed to be piped in from a neighbouring property and plumbed into a sink with waste disposal to the outside. Electricity was scarce and only available four hours each night (and not at all during the day) so a generator, inverter and battery were purchased to run shop lights and power the temperature gauge for the gas oven light. Without electricity and street lighting it was difficult and often dangerous for the pizza boys to deliver pizzas as the roads were badly damaged with many potholes and obstacles for them to negotiate with the motor bikes. They were also unable to go home at the end of the evening as no public transport was available and so accommodation had to be provided for sleep after they finished work.

There were no pizza ovens available in the country so one needed to be purchased and shipped from an adjacent country. The oven was not able to run until the correct gas regulators and quality of gas were found in the local markets. Also other supplies like pizza boxes had to be shipped in as there was no place that could make a box in-country. Sourcing the raw materials for the pizza's was a struggle as there were no consistent supplies of cheese. Storage of cheese was a problem without a good supply of electricity for refrigeration. Therefore, there tended to more availability of cheese in the winter and none in the summer. Even quality flour was hard to find in the quantities required. Simple items like pizza pans and delivery bags were not available and were brought in from outside by visitors into the country. (Personal communication)

In a war torn country such as this, the one thing that is constant is that there is no constant, just as we know from the Bible:

Come now, you who say, 'Today or tomorrow we go to such and such a city, and spend a year there and engage in business and make a profit.' Yet you do not know what your life will be like tomorrow. You are just a vapour that appears for a little while and then vanishes away (James 4:13, 14 NRSV).

Each day must be tackled with a sense that plans can and will change, depending on the situation that comes up. Having a sense of going about the Father's business and knowing that He is in total control of the day is both spiritual and practical advice to mitigate the day to day risk to personal safety occurring in a war torn environment.

Here are a few examples of what could happen on any given day that might affect a day's business:

- A magnetic bomb placed underneath a vehicle going into the Ministry of Interior, and detonated remotely would close the Ministry down so no one could enter to do business there.

- A visit to the tax office might last three hours because of the electricity going off many times so that letters could not be written and printed, and one could only wait until it was restored.
- Road travel might be interrupted by security warnings, an actual incident or by a VIP visit that require extra security and more check points on the route.
- The airport could have extra security because of an important official leaving the country, turning a 30 minute trip into 3 hours.
- Convoys often have mobile jamming equipment to stop cell phones from setting off bombs remotely, interfering with cell phone communication.

While uncertainty is a constant there are ways to mitigate the risks. The following strategies were learned from building the pizza business in this particular country and illustrate the importance of communication security while living and managing a BAM venture:

- Have a buddy system and let your family know where you will be and when you are planning to return.
- Text when near or involved in an incident and give frequent updates. Text messages usually get through when a call does not. Roads can get blocked off and traffic stops for an hour or sometimes whole day depending on what is going on.
- Always carry a mobile phone and have the **IMEI** number of the phone registered so it can be tracked remotely if you are kidnapped or are hurt in an incident.
- NGOs have a system set up for them to warn of incidents in the city and areas to avoid, but for businesses there is nothing available so one needs to listen to what people are saying on the street, find out what is going on, and be alert to anything unusual and then discern if it is wise to continue or return to the office or home.

A BAM practitioner relates:

Being open to that still small voice of the Holy Spirit has saved me from harm when I have not gone to a particular place or have left when I sensed that something was going to happen. I was having coffee at a shopping centre and left because it felt wrong to be there and 20 minutes after we left a suicide bomber blew himself up in the entrance of the shopping centre. There are no assurances here of personal safety, only of where we will spend eternity and our desire is to see that the locals also have that assurance for themselves.

The biggest challenge is the uncertainty of each day and having to rely on discernment and wisdom to tackle what the day brings. When I don't listen to that voice of caution then can find myself caught up in incidents and other times the incident happens and you just have to deal with it. It is always better to face them with someone else, but fear and adrenalin rushes can immobilise you and afterwards you need to be able to release that in a healthy way. I felt the most violated here when I was at home waiting to go out and there was a bomb blast nearby on the main street and it blew out two of our windows and shook the whole house. We live in a quiet secluded street but the blast wave came down between two buildings and affected us and our home, which had always been a sanctuary. (J.H., personal communication, March 2013)

A manager in the oil and gas production business in a Central African country spoke of the following challenge:

Many of the environments in which we operate are “messy.” By messy, we mean that there is a high degree of ambiguity in situations and in some relationships, accompanied by a volatile business and political environment. We are audited constantly and corruptly by many parts of the government and must work with a number of people in the business ecosystem that may lack some competencies, have misplaced expectations, have malicious intent, and/or be corruptly motivated. “Truth” that lasts does not exist. Discernment is a key critical ability that I pray for daily in order to navigate the unknown waters we journey through in our work and ministry. Yet I do not trust my own powers of discernment; the enemy invites me into cynicism. Where do I turn? How do I keep my heart from becoming purely “worldly”? ” (R.M., personal communication, April 2013)

The pizza business story and oil and gas worker’s testimony above highlight the challenge of developing the wide range of skills associated with discernment. The discipline of discernment and using wisdom is a crucial practice overlapping with risk management. It is essential for operating a business in hostile environments, especially in times of uncertainty.

## **Best Practices and Risk Management Skills**

In the light of such case studies and the factors affecting success and failure, we will now turn to look at best practices for running a BAM venture. A best practice is a method or technique that has shown results superior to those achieved with other means. In the context of learning to identify and manage acceptable risks we want to show that employing a multidisciplinary approach and drawing upon a variety of resources will help facilitate learning and achieve the goal of making better decisions.

### **Think about risk in categories: strategic, tactical and operational**

In order to bring greater clarity to thinking about the variety of risks you face, categorise your risks into arenas consistent with your strategic, tactical, and operational goals or plans for your business.

**Strategic plans** serve the entire organisation and begin with your mission. The design and execution of your strategic plans reveal your desired future and longer-term goals. Strategic plans look ahead to where the organisation wants to be within three to five years. Strategic risks might include, for example, overall country risks.

**Tactical goals** support strategic goals and they are concerned with mechanisms that will fulfil various parts of the strategic plan. Tactical risk can affect part of your strategic plan, but not all of it. An example of tactical risk might be the failure of one business, but because of a cluster approach (having several businesses) the overall strategic goals will still remain intact.

**Operational plans** and associated risks have to do with specific procedures and processes that are carried out by the workers in your organisation. A one-time petty theft of company property is an example of operational risk.

### **Learn from other experts**

Clearly we are not the only group worldwide who have thought about business ventures within hostile environments. Many different organisations have useful insights into these issues, for example, the organisation *Competitive Advantage of the Inner City* set up by Harvard Business School Professor Michael Porter. He is also the author of one of the most widely respected books (Porter, 1980) on competitive advantage for businesses which is worth reading by those unfamiliar with his work.

BAM entrepreneurs must be willing to consider multiple points of view and learn from other respected thought leaders who have thought deeply about perceiving and managing risk. An influential thought leader, Nate Silver and author of *The Signal and the Noise* (Silver, 2012) suggests that people who are 'foxes' manage risk better than those who are 'hedgehogs'. Foxes, according to Silver, are "scrappy creatures who believe in a plethora of little ideas and in taking a multitude of approaches toward a problem". Silver offers evidence that foxes make better predictions because they are more willing to consider multiple points of view, and they are less likely to view everything through a narrow lens and point of view. This fox and hedgehog metaphor originated with the Greek poet Archilocus who stated that, "The Fox knows many things but the hedgehog knows one big thing."

Silver recommends that we *not* be like hedgehogs when making assessments about future events. Hedgehogs tend not to think in probabilistic terms. The approach of the fox is to incorporate ideas from different disciplines, being wise as a serpent in Jesus-like fashion. Foxes are tolerant of complexity, and are aware that some risks and problems do not always, or even usually, fit into neat little buckets. To read more about Nate Silver's approach refer to Appendix H. Successful BAM entrepreneurs should be adaptable and follow the lead of the Holy Spirit, adjusting their approach as new data comes along. With humility we need to recognise that we are always acting upon imperfect information. We need to be foxes or, in Jesus' words, "As wise as serpents" (Matthew 10:16, KJV).

### **Contextualise your business strategy to the kinds of risk you face**

One of the practitioners in our group works in a classically hostile environment. There are often personal safety concerns, a high level of corruption and an inefficient if not broken infrastructure. The challenge to run a successful business is obvious. This person is succeeding, but is having to step away from some business norms to do so. Jim Collins (2001) in his book *Good to Great* extols the virtue of the hedgehog principle of doing one thing excellently. In the context that this practitioner lives and works, that approach would lead to certain failure. Instead this person has adopted a '**cluster approach**', with multiple small businesses that are able to stand on their own. This is also seen as the only way that BAM initiatives can work in Iran, as can be seen in the summary in Appendix F.

### **Listen and seek wise counsel**

There is much we can learn from experts and also much to be learnt from listening to each other. It is common knowledge that no entrepreneurial effort is done alone, as all of us are dependent on a colleague, team, coach or consultant to cover areas of weakness. A best practice should require all BAM business start-ups to have complementary associates and some formal consulting. As the business gets started and begins to get up and running, it is strongly advised that an advisory board be developed to provide a broad range of counsel, expertise and encouragement. A metric for accountability is essential and where it is not built in to the investor's requirement or the franchising entity the business will need to self-structure it. In short, every BAM business needs consultants, a balanced leadership



group and advisors. The essential ingredient of listening well is no better stated than in Ernesto Sirotli's TED talk (Sirotli, 2012).

However, it is also essential that these consultants and advisors are well versed in the reality of working in hostile environments. Those standing alongside the BAM venture must be of one mind, which may mean that those in the 'backstage' need to get more experience or training in the unique challenges that hostile environments present. If not, advice and investment is likely to be structured according to the normal business environment of the home culture. This will certainly lead to unrealistic expectations.

### **Conduct a readiness analysis**

Not everyone is up to operating a business in hostile environments abroad. Therefore a readiness analysis should be mandatory. This will help show whether the subject is the right person for that business in that context, whether there are deficiencies in prerequisites, and whether missional goals can be realised.

Readiness analysis should include significant research using The World Bank's "Doing Business as..." websites ([www.doingbusiness.com](http://www.doingbusiness.com)) and other means to determine the opportunity and context for business operation. It should also include a missional research overlay to determine ministry openness, opportunity and risk. Even start-ups driven by experienced entrepreneurs need some indication of what they are trying to accomplish ahead of time. As the business develops a business plan, financial projections and other usual planning tools can be developed.

A self-assessment or readiness analysis must be periodically performed to assess the health of one's venture by an independent board and team willing to give and receive honest feedback. **360 degree feedback** is a human resource tool that can help prevent failure. Many BAM failures result from dysfunctional or unhealthy internal issues rather than from external hostilities. It may be true that the hostile environment is an aggravating factor, but unless there is an outbreak of a natural disaster or war, it usually is not the single cause contributing to a breakdown.

### **Know why you are here**

Risk is minimized if each businessperson has a clear answer to the question "Why are you here?" The answer must be understandable to everyone who asks it, from the highest political official down to the local street sweeper. Every BAM businessperson needs to keep in mind why he or she is there, with the business reason integrated with the spiritual reason. The importance of the 'Why' is clearly stated in the TED talk by Simon Sinek (2010).

Rick Love of Frontiers highlights the importance of having a common identity in an article for the International Journal of Frontier Missions (Love, 2008). He advocates that whether you are speaking to Muslims, the secular western world or in the church, your identity, mandate and message must be the same. The 'Why' you are there cannot change according to your audience.

### **Conduct a trustworthiness audit**

The BAM team needs to ask itself whether there are issues of trust that need attention or discussion in the following areas: finances and how money is handled, unresolved grey areas or hidden issues. What trust issues emerge within your BAM team and extended network? Are you avoiding difficult conversations?

## **Develop a 'Risk Watch List' for your family and BAM venture**

Begin by asking questions such as:

- How well do you understand the potential influence of your 'hostile environment' upon your BAM venture?
- Do you know what you don't know?
- Can you explain sufficient details of your business ecosystem so that you understand the vulnerable or weak points in the context of your hostile environment?
- How might these vulnerabilities influence your business or mission?
- What are more obvious examples of risk? (E.g. war, corrupt government agencies that could block approval, local mafia groups, spiritual opposition, isolation, etc.).
- What are more obscure examples of risk which may pose greater threat because they are hidden?

Asking good questions can help to address strategic risks as well as some tactical level and some day-to-day operational risks. This idea is expanded upon in greater detail in Appendix I.

## **Be a lifelong learner with great research**

Be a reader. It is important for BAM risk managers to be voracious readers. Wearing so many hats and needing to understand your hostile environment means that there is no substitute for sitting down periodically with a good book. Connect regularly with research groups that monitor political and economic trends in the country.

## **Prepare and train for launching BAM initiatives**

A typical BAM venture in a hostile environment will face many complex issues, often far beyond the scope of an equivalent business in a non-hostile environment. This demands that BAM practitioners in these contexts are well trained. Training is not necessarily about dealing with specific issues, rather to increase capacity and impart a broad skill set to deal with the challenges, risks and threats that will be faced on the way.

Currently there are two main types of BAM practitioners, those that have come from a missionary background and those with more of a business background. Both of these categories of people have strengths and weaknesses because of their backgrounds. We believe that it is essential that potential BAM practitioners should participate in specific areas of training to help them be aware of their own strengths and weaknesses.

We mention above that there needs to be a readiness analysis, an assessment of the individual to ascertain if they are ready to take on the challenge of their proposed project. It is clear that there also needs to be individually tailored training for each person. No two projects will be the same, whether they are in the same country or not. At this point no one individual or training programme has the capacity to do that, so the individual (or team) will need to pass through a number of preparatory stages to get them ready. The individual would do well to seek out a coach or mentor with the appropriate experience to help guide them.

## **Team up**

Those with a missionary training are likely to have more understanding of language and culture. In hostile environments, as in non-hostile environments, this translates into an ability to hear what is going on in the locality. This should make them more streetwise and therefore robust in the face of the risk factors specifically found in hostile environments, although they may lack business skills and experience.

Those from a business background tend to be weaker in language and cultural adaptation. They may also be operating a business that is outside their core area of expertise. However, in general they are going to be more competent at navigating the business through standard business processes and pitfalls.

It is rare for one person to have the full range of skills necessary for the unique challenge of BAM in hostile environments. A team with individuals with complementary experiences and skills will provide greater resilience and chance of success, as well as a commitment to an on-the-job learning process.

### **Establish a set of guidelines for decisions on business ethics**

A set of guidelines for decision-making on business ethical issues in hostile place invaluable. There will not be one document that will solve every issue for everyone every time but guidelines can help. For more details, see Appendix J.

### **Have authenticity and integrity**

In an era when many of these so-called BAM businesses are 'fakes' it is highly important to have authenticity and integrity. It is important for a business to create real value, i.e. create community and economic values, create jobs and help solve the basic economic problem of the region. Anything less lacks integrity and authenticity. A business plan is usually a good way to ensure you build and run a business for profitability and sustainability.

In a hostile environment a lack of authenticity and integrity can often lead locals to falsely accuse you of being a spy for your country. Alternatively they may jump to the conclusion that you are a missionary, which could be just as dangerous.

### **Integrate contemplative spiritual practices**

Spiritual disciplines and practices are essential to nurturing your discernment. In other words, learn to be led by the Spirit and commit yourself to a distinctive way perceiving risk. A list of helpful spiritual practices is included in Appendix L, a collection of wisdom from BAM experiences.

One must be aware that doing business as mission is a spiritual battle. Therefore, it is the responsibility of each individual and or business entrepreneur to be responsible for developing discernment and wisdom as part of their own spiritual discipline. If spiritual discipline is lacking then business leaders and their businesses are more vulnerable in the spiritual battle they face on a day by day basis. In order to reduce vulnerability it is also our recommendation that mentors, prayer teams and/or other support is provided as part of the ongoing discernment and wisdom practice for success in BAM business.

### **The Joseph Approach**

A different way forward within BAM was learned as a result of the Crossroads experience and has been termed 'The Joseph Approach' (see Appendix M for more details on this approach). The basic idea is the exchange of a western (Christian) business face for a more local 'Joseph face' to help mitigate the threat of becoming a target or 'lightning rod' for terrorists and extremists.

The Joseph Approach involves a paradigm shift from the external influence of a foreigner's business to impacting local marketplace leadership from within. As Joseph became an influence in the house of Potiphar and later with Pharaoh throughout all of Egypt with an



‘Egyptian face’, so other BAM practitioners may be called to be ‘Josephs’ in the context of established local businesses. And as Joseph was faithful to listen to God and follow His directives, BAM practitioners might also focus on hearing the Spirit of Jesus in the context of the business and be God’s witness and example from within, rather than from without. (see Genesis 47-50).

Joseph the Business Administrator is one of the clearest examples of God’s purpose for business. Joseph had experienced the negative side of life having been sold into slavery and later placed in prison in Egypt. Nevertheless God freed him and placed him at the head of Pharaoh’s agribusiness with authority through government. His management skills are apparent. He knew that seven years of bountiful harvests would be followed by seven years of scarcity. Joseph ordered that a large percentage of the bountiful harvests be set aside for the lean years (Genesis 47-50). Here we see one of God’s major purposes for business highlighted: God wants the resources of creation to be harnessed (through business skills) so that all of humanity can have its needs met (including meeting their creator and saviour). (Tsukahira, 2000)

The Joseph Approach could be considered a tent-making effort, but we suggest this specific nomenclature to highlight three foundational thrusts:

1. Years of previously established relationships in market place of the country.
2. Clear calling and direction.
3. Confirmation of this calling through invitations from local marketplace men and women.

Someone following the Joseph Approach would likely have been a tentmaker or BAM founder previously in the same country for at least three to five years, though likely many more.

### **Gain useful practical skills**

To illustrate some of the ‘unknowns’, we have given a short list below. There is a surprising list of helpful things that you can do to manage some of these risks. For example:

- Be the best driver that you can be, or make sure that someone in your team is an excellent driver. Many of the fatalities or serious injuries in the BAM community come from traffic accidents.
- Make sure someone in the team is practical, and has a working knowledge of mechanics, plumbing, electrics, etc. A surprising number of accidents happen at home as a result of unsafe local practices. Having someone that can spot dangerous practices is a wise idea.
- Learn how to read a map. In this world of increasing dependence on GPS systems our Western society is losing some of its traditional skill sets. The ability to make it home or to your destination may depend on map-reading skills, especially in those areas of personal danger.

## Conclusion

Properly identifying and managing risk can lead to improved decisions, fewer mistakes and better outcomes. Risk will always be difficult as it has many forms, and can change with time. Identifying and managing risk is a lifelong learning process. Because of the influence of risk in determining business, mission and personal success, it is important to think deeply about this topic, not just at a superficial level. Through gaining a respect for risk and taking into account the ebb and flow of risk over time, we can become better stewards in protecting our assets.

Reviewing definitions (ecosystems, risk management) and using categories (strategic, tactical, operational) can bring clarity to a fuzzy topic. Creating a 'risk watch list', will assist your team in identifying your vulnerability to specific risks. The case studies provide some examples of actual risks others have faced and we hope this will spark helpful conversation about risks related to your particular context.

There may be differing needs for preparation and education based on experience level (e.g. start-up or established BAM ventures). Experience can also vary by business sector, emotional/spiritual maturity, language proficiency and risk appetite. Mentoring and training should therefore be tailored to the individual.

There is no one comprehensive methodology to manage all risks, and we have suggested an interdisciplinary 'heart and mind' approach. What we mean by 'mind' is the combination of resources we can learn from such as case studies, good ideas from thought leaders and best practices. What we mean by 'heart' is related to the spiritual art of imitating Jesus' modelled discernment: his ability to read people's hearts and His acute sense of God's presence and leading. Discernment, like other skills, can be taught, practised, and developed. We believe this discernment can be nurtured through contemplative spiritual practices and will complement other risk management skills.

There is an overlap (complementarily) and distinctiveness (uniqueness) between these two modes of knowing (heart and mind). God uses the influence of risk to shape our character and spiritual formation. Our co-operation with the Holy Spirit in improving our discernment and risk management are part of our BAM calling. Although there is much more to discuss, this report has hopefully created a thirst for greater learning.

Since discernment is of such critical importance in enhancing perception and skills regarding risk, let us close with a biblical example of a leader who sought discernment. Possibly the most discerning person in history (after Jesus) is Solomon. The Lord appeared to him in a dream and said, "Ask! What I shall give you" (1 Kings 3: 5, NKJV). A common perception is that Solomon asked God only for wisdom. However, in looking carefully at Solomon's words in 1 Kings, we see that he requests more than wisdom: he also specifically requests discernment.

Hebrew scholars draw attention to the details of Solomon's request and argue that he actually desired a 'hearing heart' or 'listening heart'. So, Solomon received wisdom plus 'a hearing heart.'

God answers Solomon, 'Since you have asked for this and not for long life or wealth for yourself, nor have asked for the death of your enemies but for discernment in administering justice, I will do what you have asked. I will give you a wise and

discerning heart, so that there will never have been anyone like you, nor will there ever be (1 Kings 3:11-12, NIV).

We believe that God takes delight in giving us discernment if we ask for it in the context of the difficult choices we must sometimes make in hostile environments. Our prayer is that you will aspire to be a leader like Solomon, who over time became both wise and discerning.

## **Recommendations and Action Plans**

### **Recommendations:**

1. That a training program be established to prepare those wanting to do BAM in hostile environments.
2. Potential BAM practitioners and investors visit an established BAM venture in their formative stage.
3. Each business does a proper risk assessment, either driven internally or invites an external consultant to do it professionally.
4. Develop specific security guidelines for your business, see Appendix N for more information.
5. Develop discernment and wisdom because it is crucial to the success of a BAM initiative, see Appendix L for collective wisdom and more guidance. Engage mentors and prayer or other support teams to provide additional discernment and wisdom.

### **Action Plans**

1. Talk to IBAM Training about developing a hostile environments training module.
2. Create a list of mentors or advisors available to assist new and existing BAM ventures.
3. Produce an information pack for BAM events highlighting the need for preparation and training for hostile environments.

Those wishing to communicate with the editors or the contributing group regarding this Report or these Recommendations and Action Plans may do so at [info@bamthinktank.org](mailto:info@bamthinktank.org).

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# Recommended Resource List

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# Glossary

**10/40 window:** “Most of the people groups still unreached by the gospel live in places stretching across the maps of northern Africa and Asia. Christian missions strategist Luis Bush started calling this rectangular area or band: ‘the 10/40 window’. He used that easy-to-remember name because it lies across Africa and Asia from 10 degrees latitude north of the equator to 40 degrees latitude north of the equator.” (Culbertson, n.d.)

**360 degree feedback:** In human resources or industrial psychology, 360-degree feedback, also known as multi-rater feedback, multi source feedback, or multi source assessment, is feedback that comes from members of an employee's immediate work circle. Most often, 360-degree feedback will include direct feedback from an employee's subordinates, peers, and supervisor(s), as well as a self-evaluation. It can also include, in some cases, feedback from external sources, such as customers and suppliers or other interested stakeholders. It may be contrasted with "upward feedback," where managers are given feedback only by their direct reports, or a "traditional performance appraisal," where the employees are most often reviewed only by their managers. [http://en.wikipedia.org/wiki/360-degree\\_feedback](http://en.wikipedia.org/wiki/360-degree_feedback)

**Angel Investor:** An individual who invests his own funds, contrasted with a venture capitalists who manages a fund on behalf of others.

**Backstage:** A term used to define the stakeholders in a business that may not be seen by the public. Those having an effect on the business such as business partners, investors or supporters of a business that are usually hidden away in the background.

**Business Ecosystems:** First defined by James F Moore (1996) as: “An economic community supported by a foundation of interacting organizations and individuals—the organisms of the business world. The economic community produces goods and services of value to customers, who are themselves members of the ecosystem. The member organisms also include suppliers, lead producers, competitors, and other stakeholders. Over time, they coevolve their capabilities and roles, and tend to align themselves with the directions set by one or more central companies. Those companies holding leadership roles may change over time, but the function of ecosystem leader is valued by the community because it enables members to move toward shared visions to align their investments, and to find mutually supportive roles.”

**Cluster Approach:** This refers to BAM initiatives that run multiple small businesses to minimise the risk of failure. It is the opposite of the ‘all or nothing’ approach whereby it spreads the financial load across a cluster of businesses. In the event of the failure of a single business venture due to any one of a complex set of reasons, the others are able to keep the cluster going.

**Causation:** the term used in this report refers to the belief that events occur in predictable ways and that one event leads to another. (Shepard & Greene, 2003)

## Complex systems

“A CAS (Complex Adaptive System) is a complex, self-similar collection of interacting adaptive agents. The study of CAS focuses on complex, emergent and macroscopic properties of the system. Various definitions have been offered by different researchers.” (various, n.d.)



**Explosion of knowledge** is a term used to describe the speed at which knowledge is increasing.

**High-risk zones** is a term used to make the BAMer aware of potential risk that could range from danger to personal safety, to geographical areas that have a high degree of corruption, political instability or other potential challenges that may interfere with the success of a BAM business.

The **IMEI** number is used by a GSM network to identify valid devices and therefore can be used for stopping a stolen phone from accessing that network. For example, if a mobile phone is stolen, the owner can call his or her network provider and instruct them to "blacklist" the phone using its IMEI number. This renders the phone useless on that network and sometimes other networks too, whether or not the phone's SIM is changed. [http://en.wikipedia.org/wiki/International\\_Mobile\\_Station\\_Equipment\\_Identity](http://en.wikipedia.org/wiki/International_Mobile_Station_Equipment_Identity)

**Risk management** is a term used to identify, assess and prioritise risk to minimise, monitor, and control the probability and/or impact of unfortunate events. (Hubbard, 2009)

**Stakeholders:** In the corporate sense this refers to individuals, organisations or groups that are involved in the business and may be affected by the actions of that business. These can be investors, a board of directors, shareholders, clients, providers etc.

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# Appendix A – Business Profile: Boat Company in East Asia

## Business Overview

Name of business: Island Boat Builders  
Location: an East Asian Island  
Operation dates: 2008 to present  
Size of business: average of 30 employees  
Type of business: custom boat builders

## History

In 2009 I was approached by Josh who lived in East Asia and had an opportunity to buy a boat building company which was for sale. The company founder and owner was retiring and leaving for Great Britain. Josh saw the opportunity to own a company in an unreachable area and use it for the triple bottom line of BAM (be profitable and sustainable, create jobs, and live out 'Jesus' and try to make disciples of Jesus among the Muslim and Hindu population).

I was CEO of a BAM consulting firm at the time (BAM Consultants International – BCI), and listened closely as Josh presented his vision and the spiritual need as he saw it. I then brought together two senior consultants to prepare the due diligence process necessary to determine how viable this project was.

Josh brought the following to the table: he was a fully qualified architect; he had 25 years of boating experience together with experience of teaching design and construction technology; he had lived in country for five years and spoke the language fluently; he had made several disciples of Jesus on other islands, as a 'missionary'.

## The problem to be solved (using risk assessment techniques)

While Josh brought considerable assets to the table, he did not have a business background, he had no money and he had not rubbed shoulders with the cutthroat business world of the country.

The company for sale had proven profitable, building custom boats up to 80 feet in length in the category of power and sailing catamarans, custom power and sailing mono hulls as well as small runabouts.

The due diligence process discovered several hostile factors:

- The owner had not paid taxes and had a system for smuggling profits out of the country.
- The owner had some debts and potentially serious liabilities against the company.
- The country's tax and other typical business laws were not obvious or easily known.
- Josh had no sources for investors or business loans in this high-risk environment.
- Josh knew of no place in country where he could go for honest help.
- The location was isolated for a family with three children.

BCI agreed to provide consultant help in return for an IOU pay back when the company had a proven revenue stream and positive cash flow. We immediately sent a consultant to the site and another devoted his energies to tax and legal issues from the USA. This later effort resulted in retaining a trustworthy accountant in country to help determine what a fair

tax structure would look like and if profitability was attainable. The consultant visiting the site had marketing expertise, surveyed the markets and asked many questions.

My role was to ascertain how this company could have a commitment to the missional side of things in an integrated manner so as to simultaneously achieve business and missional goals. We also helped Josh find two investors who took equity positions in the company. This was worked out together with USA and in-country legal authorities. Josh agreed to put all of his own cash assets (which were very little) into the effort, so it was a full commitment.

### **Business summary**

The current new company website says they “Aim to build the highest-quality and highest-performance sailing yachts, power yachts and small boats in the region.” They go on to talk about “...a TEAM approach to design, production in all our business affairs where everyone in the process has a voice and no question or idea is looked down upon... at the very core of our business we believe in honesty and integrity in our relationships with our clients, our suppliers, our staff and each other. We trust that our constant search for truth, whether relating to technology, business practices, or people will always produce a win-win outcome in the end for everyone involved.”

I did a field visit in the summer of 2011 and observed a happy staff that (through personal interviews without the owner present) validated the stated aims. Profitability is being achieved and in fact the growth of the company has allowed them to apply for a business loan which will help them move to a new facility in 2014. BCI consultants helped them do the paper work for the loan, an activity that Josh had never done before.

### **Missional summary**

Believing that every BAM effort should have a missional plan overlay, BCI was constantly interested in the disciple-making intentionality. This included:

- Proverbs from the book of Proverbs placed on the office door (without reference). The result was that workers noticed and began to ask where they came from.
- A Christian prayer every morning and allowance for Muslim prayers at work.
- An open office door for any topic. For example when a member of a worker's family died, the talk of the day was 'death'. When the all non-Christian work force remembered that the boss was a Christian, they sent a contingent to ask his views on death. The result was a Friday 'talk time' about such issues.
- Weekend camping trips once a month for any who wanted to go resulting in long hours around the campfire talking about religion and faith.

Josh recently related in an email:

A Hindu man of 56 years old just accepted the Lord and was baptized yesterday! He has a wife and two 20 something year old boys. He is a changed man and even his wife sees it... please pray for him and his family as his wife will seek approval from her family to follow his 'new faith' in Jesus.

### **Challenges of a hostile environment**

Josh was determined to do business in an ethical way in an environment where that was ill defined and dissimilar to his experience and training. Consultants helped him process this. He needed help raising capital in a very high-risk investment environment. People do not like to invest in such situations or to loan money, considering it too hostile. A BCI consultant helped develop strategies for doing that.

Josh came to us wanting to purchase the company which existed in a hostile legal environment. But the consultants determined that the best way was an 'asset acquisition' and a renaming of the company with a similar name for marketing purposes to avoid the old company's liabilities and ill-defined laws.

Josh had a family with a wife and three children who were now living in an area with few or no foreigners that were English-speakers, and no believers. Isolation, MK education and communication were issues that needed consulting and coaching expertise.

The above mentioned experience of a Hindu man following Jesus brought to the surface the hostility expressed in the extended family when people decided to follow Jesus. We were able to mobilise international prayer for that situation.

## **Key lesson learned**

There's one thing that all successful companies in the world have in common: None was started by one person. (Ernesto Sirolli, founder of the Sirolli Institute – from a TED talk)

In Josh's own words:

BCI helped me make a plan of action... they really were hands on in analysing the financial situation, providing due diligence and encouragement. BCI has been a tremendous help.

Case study presenter: Larry S.

Disclaimer: The process, issues and core study is accurate and real, but names and place identifiers have been disguised for security reasons.

# Appendix B – Business Profile: Mining Company in West Africa

## Business Overview

Name of business: Ethnic Mining

Location: Burkina Faso, West Africa

Activity: Artisanal and semi-industrial gold mining

Owner: Etienne A

## Personal background

I grew up in Africa in the 1960's and 70's. My father was a scientist working in a scientific co-operation. After I finished my studies in France, I joined Youth With A Mission (YWAM) in Switzerland, France and Africa. My main focus was frontier mission, reaching the unreached in the French-speaking nations, focusing on Africa. For five years I was the leader of this mission in France. Then, after hearing from God, I left YWAM to move into the business world.

Back in 1998, there were very few conversations going on about BAM. With my partners at the time, I created an organization called Ethnic International which was dedicated to economic development through the creation of businesses. Our primary target again was Africa. We managed a business in the UK, named ET'AL (Fairtrade craft from around the world retailing in shops all over the country) and an import-export company in Switzerland. These two companies went into bankruptcy after 9/11. At that time we lost our US financial partners because of the stock market crash.

## Ethnic International

Declaration of intent for Ethnic International (EI):

- Is an organisation dedicated to economic development through the creation of businesses.
- Offers training for lasting development.
- Advocates an ethical basis for promoting the values of individual rights and responsibilities and human dignity.
- Creates initiatives to support businesses until they become autonomous
- Supports lasting development initiatives
- Develops its own entrepreneurial initiatives
- Works in collaboration with complementary partners in order to attain its objectives
- Develops its activities first and foremost among populations in difficulty in the French-speaking world
- Pays very detailed attention to the profitability of the entrepreneurial activities, within the framework of the initiatives supporting the projects and/or companies.

## Business aims

*The autonomy of target populations.* EI aims to enable populations to attain a level of self-sufficiency allowing them to be free from dependency on outside help and to escape from the spiral of poverty.

*A dynamic of inductive development.* EI aims through its work to instil a development mentality and development initiatives in the targeted populations, for the long term and with a view to these values being passed on to subsequent generations.

*The merging together of economic, social, cultural and environmental potential.* EI aims to facilitate the merger of elements and actors toward a holistic development that will benefit the whole community—the creation of business alone does not meet all the legitimate and fundamental needs of targeted populations. Therefore, the creation of business must become the lever which empowers social, cultural, environmental and economic energies.

*Cultural and environmental contextualisation.* Development, if it wishes to last, can by no means disregard cultural and environmental elements (ecological realities, realities of local and international markets, workforce, history, social and political structures, etc.), which must be taken into account along with the development process.

### **Ethnic Mining**

From 2002 onwards I have been in touch with Africa again and the gold mining people there. I started to discover this very special world and learned a lot by meeting people, studying the businesses and the global gold market. Finally, after a trip in Burkina Faso, I started to work on a business plan for a gold mining company. Our goal was to create jobs, to develop an alternative economy based on fairness and to educate people to adopt better practices in their ways of mining.

In 2005 I first met with some Christian people to whom I explained the vision. We built a close relationship together and they finally decided to invest in our project. In 2006 I went again to meet these people and we put together a pool of investors to support the mining project in Burkina Faso.

We went on a trip together in Burkina Faso at the beginning of 2007. We spent two weeks together, and my financial partners had the chance to meet my team in Africa and they discovered Africa at the same time. During that trip we launched Ethnic Mining Ltd. The money arrived in May of that year and we started to move forward with the activities.

After three very difficult years, we agreed to put more money into the company and when we had new partners joining and things were really moving forward, my financial partners decided to fire the entire management team, including myself. Within three hours I had to leave the country. Eight months later, the company went into bankruptcy because of mismanagement by the new director.

### **Lessons Learned from Working in a Hostile Environment**

Note: from my personal experience as a missionary and as a business entrepreneur, a hostile environment is not only linked to the reality of the field where the BAM project is launched, but sometimes it is also connected with what I call ‘the backstage’ of the project. I mean by this all the peoples from whom you are expecting support (prayers, finances, relationships).

#### **Isolation**

BAM is all about relationships. Developing a BAM project means developing a community of stakeholders: investors, project managers, employees, customers, etc. Our weakness right at the beginning of the process of launching our business was the lack of relationship with the investors and with intercessors. They lived in a different country, with no real experience in investment and/or business before being involved with us, no clear understanding of the mining area or of Africa. In addition there were frequent power problems that prevented regular communication, and this all made things between us

more and more complex. This resulted in isolation for our team on the field and sometimes increased the feeling of insecurity.

Isolation can put great pressure on a BAM project and increase the sense of hostility. It is crucial to develop real relationship with investors and with a network of people who believe in the BAM project you are launching. Relationship has to be intentional and well-maintained. Face to face communication is very important, especially when working in emergent countries and African cultures. After some time, because of technical problems in communicating from Africa to people in the West, and the lack of real interest, distance was created between the investment community and the management team that we were never able to overcome.

### **Worldview**

The question of worldview is crucial. As much as the business of BAM is business, it is also mission as well. For this reason, worldview training to avoid any cultural clashes is very important. In our case, cultural differences were twofold: between investors and myself and between investors and the African people we were targeting.

One example is that the idea of time in Africa and in many African ethnic groups is a very different concept to that of the West. In many places in Africa, tomorrow doesn't really exist. So expectations from the investors were totally impossible when working with the people group we were involved with. This resulted in much pressure and incomprehension for all of us. Mining and mission in Africa take time!

Another example is that in terms of management and accounting, things in Africa do not happen in the same way they do in other places of the world, especially in the West. It took us an incredible amount of time, energy and money to provide financial indicators in the way that the investors expected. Management of people was not well understood by our partners from the West. Local laws and ways of doing things (e.g. the way of firing someone, recruiting someone, correcting an employee, etc.) were considered to be strange by our investors. Sometimes they thought that I was using this as an excuse to not give them what they expected.

Not all BAM investors and BAM practitioners are trained as missionaries. This is something that has to be seriously considered. It is also very important to note that it takes a long time and much perseverance to see a change in mentality and see people coming to the Lord. Actually, it is quite easy to plant new churches with people going to church every Sunday. But that does not mean that things have really changed in any depth. BAM investors have to integrate this understanding into their investment and expectation of spiritual and social returns.

Cultural differences can create an atmosphere of tension and hostility when there is no real hostility. Spending time with people we want to target with the BAM project is a very important and a worthwhile investment.

### **Corruption and lack of legal control**

At the time we received our money, right at the beginning of the rainy season, things started to go very badly in the country in terms of the control of what was going on in the mining area. A new gold rush was starting and the Government was not ready at all for it. This brought much corruption and mismanagement by the authorities in the mining sectors.



For example, our mining permits should have been released after a period of a maximum of 40 days (by law). We waited for eight months and put in a lot of effort before having them in our hands! We had no income during that period of time. We faced strong corruption from the Minister of Mines as he was expecting bribes from us. We decided right at the beginning not to act in this way. As a result of this, we 'lost' much time in obtaining authorisations, administrative documents, etc. This lost time was not included in the business plan. (And by the way, at the end of the day, this man was fired from the Government!)

At the same time, because of the gold rush and people laundering money, the price of the gold started to rise above the normal international market. It put an incredible pressure on us and made our cash situation worse, when we wanted to buy gold from our gold artisan partners.

An environment of corruption demands that more time is given to the preparation process of creating the business. The lesson is: always expect the unexpected!

### **Spiritual realm**

This is an aspect that I was not at all ready and prepared for. As a 'professional missionary' I knew a lot about spiritual warfare, but didn't expect such an incredible world going on around the practice in gold mining. Almost everything is based on witchcraft practices, with animal and even human sacrifices. As a team we faced situations like never before in our life. We had a 'contract' on our heads through the witch doctors all over the country! It is important to note that as far as I know we were and still are the only Christians working in this industry in Burkina. People are essentially from animist and Muslim backgrounds. At the end of a long period of time, when these witch doctors realised that they couldn't do anything against us, they simply said that our God was stronger than theirs.

Depending upon which social group or ethnic group the BAM practitioner is going to work in, it is crucial to be prepared spiritually for warfare and have a good intercessor network. Also, because of the intense spiritual atmosphere around us, it was very important for us all to have the capacity and discipline to come to the Lord personally and daily. BAM practitioners have to be autonomous in ability to build their faith. As the work in mining was considered to be a sin by the Christians in Burkina, it was very hard to find support from pastors and churches around. Corporate prayer was very important for us as well.

Case study presenter: Etienne A.



# **Appendix C – Business Profile: Crossroads Centre in Africa**

## **Business Overview**

Name of business: Crossroads Centre

Location: 'Akabar', Africa

Product or service: Café/ restaurant/meeting venue and hotel/Akabarian Cultural Centre

Type of industry: Food services; hotel and accommodations

Primary customer(s): Visiting workers including believing clients and missionaries working in Akabar; also local bank tellers, ministers, ambassadors, community interest groups, humanitarian workers, business men and women from the most wealthy to the lower scale business people of all races.

Number of employees: 21 when it closed.

Business ownership: Crossroads was registered as the first non-profit business in Akabar.

Revenue per year: Approximately half a million US dollars. It averaged \$1,100 revenue per day, about 200 clients. Special events and holidays would bring in approximately \$4,000 of revenues per day.

## **History**

Crossroads began in the first stage of business as a café and restaurant service. As soon as a larger building was able to be rented with additional rooms, it became a small inn and centre for business catering for the humanitarian sector which soon became ten per cent of its revenue. Shortly after this, the business started to become more of a centre for the arts and culture and a renovation to the roof of the building enabled them to hold special events. All was going well with the centre and it began to attract 200 clients a day.

However it then became a target for terrorism in the area and because the risks to staff were too great, the business had to close.

## **Business focus**

Crossroads Centre had a café, restaurant and small inn and acted as an informal crossroads with many areas for meetings, the arts and for hosting special events. The centre was well on its way to becoming a commercially viable business when it was cut short, having to close because of terrorism jeopardising staff safety, after one associate was murdered by an Al Qaeda cell.

## **Faith integration**

Christian faith informed the way the business was run. Believing staff were encouraged to meet weekly for prayer as time allowed. Visiting workers reported interest among some Crossroads staff to share what they were learning about the gospel. The values of honest and transparent service and business practice were foundational to the business.

## **Person background**

Sami J. was the Director and Co-founder. Sami has been involved with work in Akabar since 1991, through international NGOs and then through business with Crossroads. Crossroads was a strategic 'following-up' of a 30-year leadership development and discipleship plan started in 1992 with the country director of World Vision. Sami Joseph is currently in Akabar with his wife and children, applying the lessons learned from this case study via a Joseph Approach. He is responding to Akabarian invitations to work with them.

Djigo was Co-founder and is Akabarian. Djigo was World Vision's micro-enterprise development director for 11 years and a key Akabarian leader from the outset of the 30-year leadership plan.

### **Business goals and objectives**

1. To become a hub where business people and humanitarian workers ate, met, worked together, trained staff and networked. This objective was achieved as it was the only place in the country where events and this degree of hospitality were regularly offered.
2. To become a commercially viable business. By 2009 this had not yet been achieved due to factors such as: low profit margin after taxes, recession, and international sanctions due to coup d'état and terrorism.
3. To become socially responsible as evidenced by community development projects by partner agencies and Crossroads staff. This was not completely achieved but the business had been offering its premises to community cultural events. Terrorism and the economic crisis delayed resources for development projects.
4. Crossroads sponsored entrepreneurial members to build their own non-profit, socially responsible businesses. This was yet to be achieved because Crossroads had to close too early due to terrorism. However two key self-employed national leaders are continuing on-going networking and support from outside Africa to the ex-Crossroads staff working towards creating new businesses.

Did the business meet BAM objectives?

- Profitable and sustainable business: yes and no (it closed prematurely)
- Intentional Kingdom of God purpose and impact on people and nations: yes
- Focused on holistic transformation: yes
- Multiple bottom lines – economic-social-environment-spiritual outcomes: yes

### **Successes and failures of the business (measurable)**

1. Due to the efforts of Crossroads staff and their influence on others in the market place, Crossroads became a valued partner and an example of a socially responsible business promoting the light of Godly principals in the dark Akabar context. It was measurable because its high public visibility in a business sector with little to no comparable competition contributed to its success in popularity and reputation, seen from the daily numbers of clients, over 200 a day.
2. Establishing business credibility and relationships through the café/inn/centre before launching the training centre was the correct approach.
3. Flexibility in the business plan in relation to the Akabarian clientele's culture and preferences. For example the original plan was to focus on specialty tea and coffee and not so much on food but the reality was that this was not working as they were selling less than ten per cent of the coffee and sandwiches. Adjusting to add a full menu was a good business move.

## **Key findings of the business**

Summary: the business was achieving its objectives but was cut short due to terrorism that made it too unsafe to staff and thus operations were closed.

Observations: some of the goals set out needed more time to develop well. For example, their objective to sponsor entrepreneurial members in building their own non-profit businesses was a two-year goal and it was recognised that it should have been a five to seven-year goal.

Analysis: the business was designed for a country that was not very developed but relatively safe to work in. In reality, however, the business was operating in a country that lacked security, reasonable laws that protected businesses and government officials with integrity. This country became unsafe physically and fiscally after Crossroads opened.

Bottom line impact: economic, social, environmental, spiritual. Some seeds were planted but due to the early closure of the business, anticipated results in discipleship and social work were not attained.

Key findings: influencing the people and businesses in Akabar must be done from within rather than from without. We are calling this the 'Joseph Approach' when expatriates need to be placed into established businesses owned by Akabar men and/or women of peace to avoid becoming 'lighting rods' for terrorist cells. In this way, the face of the business would not be as foreign.

## **Future plans and recommendations**

New businesses should follow a 'Joseph Approach'. Foreigners should volunteer their business services as a way to get to know reputed businessmen and women of peace. Once the Lord has confirmed those to work with, they should seek to be a Joseph to a Potiphar or Pharaoh, seeking to be the hands and feet of Jesus to others.

To be a BAM practitioner you do not have to own a foreign business platform. You can exchange the western (Christian) business face with a 'Joseph face' to mitigate the threat of becoming a target for terrorists, be more incarnate and more dependent on the Spirit for Kingdom results.

Don't underestimate the level and effects of corruption. To understand better the legislation in the country that protects and encourages business development, work with a business before starting your own. When all one's competitors are corrupt, paying only 25% of the taxes that the BAM practitioner would pay, then their business costs are much less. The result is that they can sell products much cheaper than the BAM practitioner and still generate a greater profit.

Depend less on our methods and strategies and more on God's Spirit to show us direction, who to work with and needed responses.

Case study presenter: Sami J.

# Appendix D – Business Summary: Up & Away in North Africa

## Business Overview

Name of business: Up & Away

Location: North Africa

Number of years business has been in operation: 16 years

Size of business: Maximum staff members:12. Maximum turnover: £80,000

End date: The company stopped trading in 2012

## Business Purpose

Overall vision/purpose for the business:

- To provide an excellent outdoor activity programme for N. Africans and westerners.
- To train local outdoor activity instructors.
- To envision people for the remote areas of N. Africa and recruit for mission to those places .

## Business focus

Products and services:

- Specialist training in outdoor activities
- Introductory activities, often in the medium of an activity camp
- Mountaineering trips
- Trekking trips
- Desert four-wheel drive trips
- Adventure days

Customers:

- Outdoor enthusiasts, both western and N. Africans
- Schools
- Churches
- Corporate clients (including Microsoft, Boston Consultancy Group, Goldman Sachs, Land Rover, Mercedes, Pepsi, Schweppes and many more)
- Region: the clients were international in scope, but we were local in our operations.

## Business Results

### ***Spiritual***

- Very effective in discipling, both pre-faith and for believers.
- Lots of trips into very remote regions with believers, lots of prayer, and saw people become Christians in the mountains and the deserts.
- Influenced many influential people (often through their children).

### ***Social***

- A number of social impact programmes grew out of the business, including a special needs school, medical projects and the closer to home reality of impacting families of employees.

### ***Economic***

- We always struggled financially, partly through our desire to have a large staff base and a focus on not-for-profit Christian outreach trips. We paid everyone in the company a good local wage, but we never managed to make a solid profit.

***Environmental***

- We ran a number of very good environmental impact programmes for schools.
- Our carbon footprint was never particularly good, however, as with the nature of the business our customers had to travel long distances.

## Appendix E – Business Summary: ICBM in Eastern Europe

International Christian Business Ministry (ICBM) is not a real name but the case study is based on an actual BAM experience. There are benefits to drawing lessons from success stories in BAM, and also important lessons to be garnered from reflecting on what can happen when things go astray. Assessing threats to the health of a BAM venture is an ongoing process, and often a confluence of factors evolve in ways that can lead to unexpected outcomes.

International Christian Business Ministry (ICBM) began as a consulting and loan programme to invest in small to medium businesses in the 10/40 window. Over time, it was able to raise funds from faith-based **angel investors** in North America, Europe and other more wealthy countries. These funds flow through ICM and are invested in a variety of BAM ventures such as manufacturing, farming and wood export. The various portfolio ventures are located in several countries worldwide, spanning from Asia to Africa, the Middle East and Eastern Europe.

There are dozens of employees in the various businesses affiliated with ICBM and some are well run businesses with spiritual impact. For example, part of the income from one business supports a shelter for women from abused backgrounds and an orphanage.

The founder has a fundraising role, and almost total control over the finances of the organisation and was accused of financial wrongdoing through the misuse of loans. Monies were used inappropriately for personal expenses (expense padding) and funds diverted for projects that were not agreed upon. The founder was kicked out of a prominent North American philanthropic organisation, but continues to operate the non-profit entity that raises funds for various BAM businesses.

This case study illustrates why discernment is so important for followers of Jesus Christ, especially in the context of BAM. Discernment has many levels, relating to the personal, cultural, economic, business competition, government and spiritual.

## **Appendix F – Business Summary: Iran Businesses**

Note: This summary is from the BAM Think Tank Iran Regional Group. Due to the nature of our country and the security challenges, this page is a generic summary and does not identify any particular business, person, location or sponsoring organisation.

### **Business Summary**

The businesses included in this survey:

- Range from 6 months to 8 years in operation.
- Out of 25, 3 or 4 have failed.
- Have 4 – 8 employees, and are often all members of one family.

### **Business Vision and Purpose**

The most common reasons given for operating the business are to:

- Provide employment
- Generate income
- Provide a platform for evangelism
- Provide a platform for discipleship

### **Types of Businesses**

The most common types of businesses are:

- Fast Food Stores
- Taxi cabs
- Beauticians
- Coffee Shops
- Grocery Stores

### **Business Survival Principles**

The following principles are followed by the businesses:

- Grow and expand by adding more businesses.
- High customer interaction or service businesses.
- Be a cash business.
- Stay under the radar.
- Avoid attention from Government inspectors and officials.
- Keep number of employees small.
- Keep capital requirement minimal ( \$10K-\$25K).

### **Lessons Learned**

The following are lessons learned through business experience in Iran.



- There is a difficulty in finding qualified people. There must be a rigorous application and selection process.
- There is difficulty in get funding into country, that means that local cash is better if it is available.
- No foreigners can work for these particular businesses; all employees must be nationals.
- Network leaders often have oversight and provide the resources, but the business is owned by the business person and they are responsible to make it work.

## Appendix G – Transparency International: Corruption Index

Transparency International (TI) is a global civil society organisation and a leading NGO addressing corruption. In 2012 they ranked 176 countries to develop the Corruption Perceptions Index (see Chart 1). Through a system of colour coding the TI Index ranges from 0 (highly corrupt) to 10 (highly clean). According to Figure 1 below, the areas of higher corruption are the African continent, parts of Eastern Europe, Russia, and Asia. Comparatively, the highest scorers in Figure 1 are predominately the wealthiest countries where they can take greater responsibility. Denmark is ranked first in the Corruption Perceptions Index by TI in 2012.

CORRUPTION PERCEPTIONS INDEX 2012

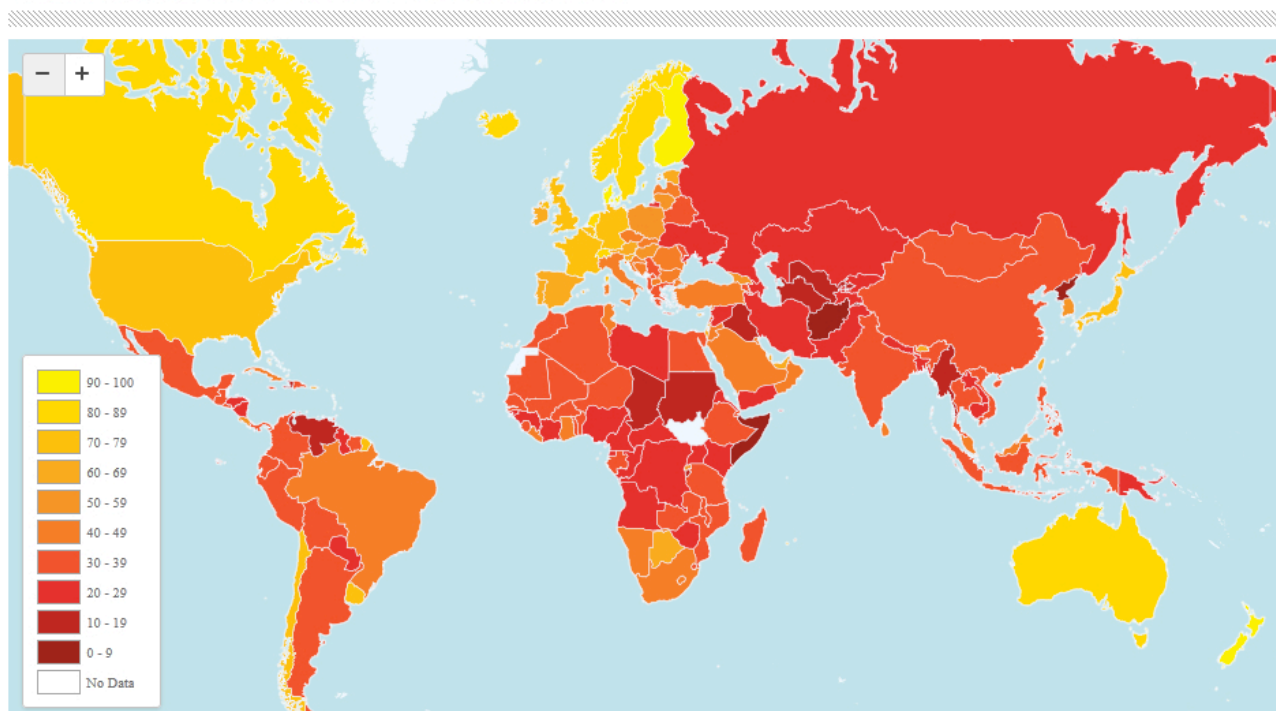


Figure 1: Corruption Perceptions Index 2012

To see how your country scores in corruption, visit the following site and you can also view an informative video: <http://cpi.transparency.org/cpi2012/>. Bribery and corruption are issues which have a huge impact in our world with over two-thirds of countries having high corruption.

## Appendix H – Book Extract: The Signal and the Noise

A table from Nate Silver's book *The Signal and the Noise* (2012) describes the differing attitudes of foxes and hedgehogs:

How Foxes Think	How Hedgehogs Think
<b>Multidisciplinary:</b> Incorporate ideas from different disciplines regardless of their origin on the political spectrum	<b>Specialized:</b> Often have spent the bulk of their careers on one or two great problems. May view the opinions of 'outsiders' sceptically.
<b>Adaptable:</b> Find a new approach – or pursue multiple approaches at the same time – if they aren't sure the original one is working.	<b>Stalwart:</b> Stick to the same 'all-in' approach – new data is used to refine the original model.
<b>Self-critical:</b> Sometimes willing (if rarely happy) to acknowledge mistakes in their predictions and accept the blame for them.	<b>Stubborn:</b> Mistakes are blamed on bad luck or on idiosyncratic circumstances – a good model had a bad day.
<b>Tolerant of complexity:</b> See the universe as complicated, perhaps to the point of many fundamental problems being insolvable or inherently unpredictable.	<b>Order-seeking:</b> Expect that the world will be found to abide by relatively simple governing relationships once the signal is identified through the noise.
<b>Cautious:</b> Express their predictions in probabilistic terms and qualify their opinions.	<b>Confident:</b> Rarely hedge their predictions and are reluctant to change them.
<b>Empirical:</b> Rely more on observation than theory.	<b>Ideological:</b> Expect that solutions to many day-to-day problems are manifestations of some grander theory or struggle.

Nate Silver suggests several principles that will benefit us:

### 1. Think Probabilities and Prepare For a Range of Potential Outcomes

Silver refers to this as probabilistic thinking. Too often, we only prepare for the most likely outcome. But what if several outcomes are possible: the most likely has a 40% chance of occurring, another has a 30% chance of occurring and a third has a 25% chance of occurring. The remainder are outliers. Sometimes we really don't know, and it's better to prepare for that range of outcomes.

### 2. Don't Get Stuck in the Past

Often, we're reluctant to change our approach or our predictions because yesterday we were heavily invested in a different approach or a different prediction. But Silver encourages us to make the best forecast possible *today*. There's no glory in being consistent and wrong. If the facts change, or we have information that we didn't have the day before, the brave thing to do is to acknowledge this, and take a different approach or make a different prediction of the behaviour of the market. In the words of John Maynard Keynes, who was accused of weakness as he changed his position on monetary policy in response to the Great Depression: "When the facts change, I change my mind. What do you do, sir?"

### **3. Look at Problems from Multiple Perspectives**

Silver notes that the evidence suggests that group forecasts are more accurate than individual forecasts. This is important for BAM teams to take into account. Teams can benefit from applying multiple perspectives toward a problem. As entrepreneurs who desire to emulate Jesus in his humility and openness, we need to be open to multiple perspectives.

### **4) Beware of Quick Fixes and Magic Bullets**

Simplistic approaches to the challenges we face offer magic bullet techniques that are going to provide shortcuts to difficult issues. Generally, however, there are no magic bullets, and good risk management takes skill and hard work. Recognise this, and prepare your team appropriately. We are not saying to ignore some valuable aspects of the 'hedgehog'. We need a mix, but perhaps with BAM entrepreneurs in hostile environments, we need a few more foxes.

# Appendix I – How to Create a Successful 'Risk Watch List'

By Mark B, Hostile Environments Issue Group

Follow the process below and you can create a powerful risk watch list to monitor potential threats to your venture. If you wish to seriously understand your risks, treat it like it's an important part of your business, *not a hobby*. The table below (taken from our case studies) lists critical elements of specific business ecosystems and how they interact with critical elements in the hostile environment. In order to create such a watch list of risks for your BAM venture you need to ask a few questions in order to identify and interpret the nature of particular 'risks':

Assessing risk and the interdependencies between your BAM venture and its environment —*the context* and interactions within the ecosystem provide a better framework for assessing risks. Understanding the interactions within an ecosystem provides a better contextual framework for assessing particular risks and the probability of a particular risk causing a minor or major problem for a particular BAM venture.

The hard work is the identification and interpretation process. The identification process involves looking at two ecosystems at least and understanding the unique interactions within the ecosystems. Interpreting the probability of certain risks becoming a threat is even more challenging and requires judgment. Having one person control all the cash for a BAM venture is an example of a potential problem. Being dependent on government approval in a corrupt country can be a potential problem. Having a business in which all the operations are in cash with no electronic records can be a problem.

<b>Nature of business</b>	Mining company	ICBM	Up and Away	Crossroads Centre in Akabar, Africa	Boat Building
<b>Size of Bam venture</b>		Multiple BAM ventures in several countries; average size is 20 to 50 people each.	14 Staff	20 staff.	30 employees
<b>Cash business and how its treated</b>				Local currency.	Local currency used and business financial reported
<b>Product or service</b>	Labor in gold mining	Loan fund for BAM ventures.	Adventure activities	Cultural center and large Starbucks style restaurant and hotel.	Building high end fiberglass boats (20-65 feet)
<b>Integrity of Each member of the team</b>	High	Founder is deceptive and misuses funds, but is also talented and has chosen good managers in countries with high corruption.	A culture of trust, openness and trust was foundational to Up & Away	Two expat and two local disciples with Muslim staff. 25-50 % of Muslim staff capable of theft.	Owners Christian; partner sympathetic in values

<b>Size of Loans where money is kept and how used</b>	Unknown	Hundreds of thousands of dollars, and money under 100% of founder and could be shifted to personal accounts.	No loans, money went through banks in the UK & N. Africa	Opened start-up with grants of \$155k and \$40k loan, spent within the first year.	\$30,000 loan from International loan fund
<b>Degree of interaction with government</b>	High, due to the need for mining permits	Medium	Little	Frequent, especially to keep out of trouble from corrupt officials.	Medium
<b>Country and region</b>	Africa	Eastern Europe	N. Africa	North Africa.	South East Asia
<b>Real Board, level of experience</b>		low	Good	Low to medium.	Advisory council
<b>What vertical sector does the business operate?</b>		Agriculture/farming, wood export, steel components manufacture, software development,		Cultural industries, hotel & restaurant management,	Manufacturing
<b>Distance, language, and ability for others to visit the venture (accountability)</b>		Because of the fact that there were multiple BAM ventures in far-flung places, he was able to hide some misuse of funds and how they were used. Very low accountability.	Visible, good amount of input	High profile and very accessible.	Very visible, many internationals
<b>Strength of the community of stakeholders</b>		Weak	Medium, busy people often having as much time as needed to input appropriately	Good, especially with one key local co-founder.	Strong involved investors
<b>Measure of degree of internal and external temptation.</b>		Internal threat from the BAM venture itself,	Medium to low	Within, high among some Muslim staff. From without, constant problems.	

<b>What kind of “Hostile environment”?</b>	Ministry of Mining controls permit	Founder has too much control over large amounts of cash as loans. (fraud) He was tempted to take portions of money through padding expense account, and would misuse funds or break contracts with gullible investors. He was kicked out of several Christian groups	Very anti Christian environment and medium anti western environment. Much corruption. Some potential for physical danger in some of the more remote areas we worked in. Dangerous environment to travel in, number of staff & clients injured, one killed due to road traffic accidents.	Physically hostile. A team member was shot in head by Al Qaeda member while resisting kidnapping. This shut down the business. Fiscally hostile as well. Ranked 165 out of 185 countries by the World Bank.	Uncertain, changing laws, anti-Christian, corruption
<b>Degree of corruption in the country</b>	Very high within government because of “gold rush”, and spiritual atmosphere very corrupt (witchcraft)	Corruption in the countries is medium to high,	High	Very high.	Medium-high
<b>Specific Sectors of Government which has power over business</b>	Ministry of mining wants bribe, and he delays mining permit for 8 months	Agricultural permits required, export licenses needed,	Tourism and local body responsible for training outdoor instructors	All sectors.	Tax authorities
<b>Other aspects of hostile environment</b>	Witches put out a “contracts”. Isolation.	Isolation of the founder from real accountability and his ability to “hide” and shift money to far-flung places of the globe, under the guise of BAM. But some aspects of the Bam ventures are legitimate...not black and white.	Nationwide expulsions of Christians.	Corruption infected keys services such as water, electricity and the internet – whose costs are both high and very poorly delivered.	Residue from former corrupt ownership



<b>What is impact on BAM venture of from “hostile environment”</b>	Lost time, opportunity and financial cost through delay and longer preparation time.	Lack of trust, lawsuits, kicked out of Christian organizations, team weak.	Business forced to stop trading as a result of expulsions.	Eventually shut down because the government feared an Al Qaeda attack on the centre, posting 6 armed police 24/7 near the business entrance (after the death of team mate).	Uncertainty re. gov't officials, tax law uncertainty
<b>Backstage' of the project</b>		Weak board, no real accountability.	Good trustworthy group of advisors, but hard to attract investors as N.Africa & company not seen as secure investments	Small board of advisors, involved and helpful.	Capital development risky for investors; isolation for family

The interactive diagnostic tool below was developed from Mark's risk watch-list questions from the table above and can be adapted for use with BAM companies. The aim of this interactive diagnostic tool is that people would fill out the form, to which it would be configured to give a certain set of responses. After the individual has filled it out, a document would be produced to give an overview of the responses, and then some comments and would give an indication of areas of risk, and suggestions on how to manage that risk. Please note that this version does not have an exhaustive list so any user needs to keep this in mind.

<b>Nature of business</b>	Select an option
<b>Size of BAM venture</b>	Select an option
<b>Country and region</b>	Click here to enter text.
<b>What kinds of “Hostile environment”?</b>	<input type="checkbox"/> War <input type="checkbox"/> Corruption <input type="checkbox"/> Anti Christian <input type="checkbox"/> Spiritual <input type="checkbox"/> Other Please State: Click here to enter text.
<b>Degree of corruption in the country, see <a href="http://cpi.transparency.org/cpi2012/results/">http://cpi.transparency.org/cpi2012/results/</a></b>	Click here to enter value %
<b>What is impact on BAM venture of from “hostile environment”</b>	
<b>Other aspects of hostile environment</b>	
<b>Does the business produce something or provide a service?</b>	Select an option
<b>Integrity of Each member of the team?</b>	Select an option
<b>Measure of degree of internal temptation?</b>	Select an option

<b>Measure of degree of external temptation?</b>	Select an option
<b>In your business how is cash handled?</b>	Select an option.
<b>Size of any Loans to the Company?</b>	<a href="#">Click here to enter amount.</a>
<b>Where money is kept and how used?</b>	Select an option
<b>Degree of interaction with government?</b>	Select an option.
<b>Specific Sectors of Government which has power over business?</b>	<a href="#">Click here to enter text.</a>
<b>Accessibility of Business for stakeholders (accountability)</b>	Select an option.
<b>Strength of the community of stakeholders</b>	Select an option.
<b>Real Board, level of experience</b>	Select an option.
<b>Backstage (Advisors &amp; Investors) of the project</b>	Select an option.
<b>What vertical sector does the business operate?</b>	

# Appendix J – Guidelines for Cross-Cultural Business Ethics

**By Larry S, Hostile Environments Issue Group**

This document is designed to help with decision making for business owners working cross-culturally in developing countries. It recognises that there are few absolute standards which apply to all contexts all the time and thus hopefully these guidelines will assist business owners in making tough decisions on matters related to ethics, corruption, morality, bribery and similar themes.

Some would like to believe that the Bible gives a single definitive perspective for all situations. While this is not true, the Bible does give us principles for decision making, thus in preparing for decisions it is important to understand *Biblical absolutes* in the light of:

- Biblical culture
- Our own culture of socialization
- Our host culture of doing business

Ethics may be defined as the moral philosophy of knowing the difference between what is right and wrong and acting accordingly. It includes a moral duty and obligation to do good, a statement which seems straightforward but which is complex in light of diverse cultures. Ethics has its root in the Greek word “ethos” which means character; therefore an ethical framework is a systematic set of concepts which provides guidelines for correct behaviour that demonstrates ideal individual and corporate character.

It is important that we treat these guidelines as just that – “guidelines” that are a means to guide our *customization* in the application of God’s principles to contextual situations in our modern world.

## **Basic Presuppositions**

1. The foundation of ethics for the follower of Jesus is not rules but the changeless character of God: “Christianity operates on the notion that ethics (the study of human character) logically follows theology (the study of God’s character)” (Hill, 2008, p.14). Actually theology and life are inseparable. Three of God’s divine characteristics are directly relevant to ethical decision-making and they are repeatedly emphasized in the Bible. These are *holiness*, *justice (righteousness)* and *love*.
2. A second presupposition is that since man was created in the image of God (Gen 1: 26-27) we have a need to live an integrated life, with God’s ethics and values in all aspects of our life. Therefore business ethics are integral to other aspects of our life, thus refusing a sacred-secular dichotomy between faith and the way we live in the marketplace. As the former Christian CEO of Alaska Airlines says, “CEO is what I do. It’s not who I am.” This concept can be understood by noting the differences between our occupation and our vocation. An occupation is what we do and our vocation is what we are called to do.
3. These guidelines presuppose that our work is a high and holy “calling” and is no less of value to God than a “calling” to priestly or clergy work. “We should accustom ourselves to think of our work as sacred...” (Martin Luther). A proper theology of

work suggests that all work (i.e. vocation) is a calling (i.e. vocation) and we fulfil our vocation by submitting to God's will and serving humanity – something much bigger than our job. For Christians there is no artificial division between work and life. We are to be the same wherever we go, and whatever we do (Hill, 2008).

4. Fourthly, these guidelines acknowledge variant cultures lying between two extremes: “rule-based cultures” and “relationship-based cultures”. While not negating the clear nature of Biblical ‘absolute rules’, it is important to realise that those same Biblical rules sometimes look different in “relationship-based cultures”. For example, behaviour such as cronyism (which would seem to violate I Tim 5: 2) that is corrupting in rule-based cultures (conflict of interest) may be functional in relationship-based culture (which builds trust in the relationship). It is important to observe carefully and learn to appreciate the manners, mores and behaviours of local people, testing them against ethical principles that are noble, right, pure and lovely (Phil. 4: 8).

God established the Ten Commandments through Moses but the Israelites developed hundreds of rules to “clarify” and ensure compliance. What this legal framework did was to prove that we are all sinners. When Jesus came he simplified it all by boiling the law down to two requirements: 1) Love the Lord your God with all your heart, soul and mind; 2) Love your neighbour as yourself. Thus Jesus establishes a higher standard and a guide for decision-making.

5. It is important to realise that with all the emphasis on corruption, bribery and political hostility, ethics is a much broader topic extending to issues of fair wages, caring for employees, avoiding exploitation of workers, discrimination, stewardship of creation, etc.

### **Factors Undermining Ethical Behaviours**

It is critical to be so close to Jesus and dependent on the Holy Spirit for wisdom that we follow his leading on a moment by moment basis. The tactics of the evil one are geared to get us to compromise and weaken our hearts for the time of decision, so we must give attention to our heart. John Maxwell (2003, pp.55-70) in *Ethics 101: What Every Leader Needs to Know* provides a list of five factors to watch for:

1. Pressure (to take shortcuts, compromise, break promises, etc.)
2. Pleasure (to succumb to the hedonistic focus on what feels good to us)
3. Power (is for the purpose of service, not to be kept at all costs)
4. Pride (CS Lewis believed pride to lead to every other vice)
5. Priorities (“Things that matter most must never be at the mercy of things that matter least” Goethe)

### **A Practical Decision Making Process**

The following process is suggested by Wong and Rae (2011, pp. 187-8) as a way to go about our thinking process.

- A. *Gather the facts* and take stock of what we know and what we need to know, thus eliminating communication problems, misunderstandings or strategic issues.
- B. *Identify the ethical issue* – who are the parties involved, what are their interests and what are the values underlying them? The reason for the conflict is tension between values.

- C. *Clarify the values and virtues* that are involved. What moral principles and biblical virtues should be brought to bear?
- D. *What are the alternatives* that could bring a win-win situation? Try to be creative and realise that sometimes the best solutions are ones few people have thought of before.
- E. *Weigh the values* realising that some values are more influential than others, something Jesus modelled for us (MT 23:23).
- F. *Consider the consequences*. What happens if you do; what happens if you don't? This will not resolve the dilemma but consequences should still be considered.

### **A basic 'starter kit' of questions to consider when facing ethical decisions**

1. **Will the decision negatively impact the Gospel and our testimony?** It is vital that our proclamation of the "good news" by what we say is correlated consistently with who we really are in our testimony. Integrity must be paramount because it is our actions that open doors for understanding and sharing the hope that is within us. Daily we must trust God that our conduct will not discredit our Saviour. Decisions must not be made based on short-term gains or expediency but on long-term operations, goals and relationships that allow us to proclaim the whole gospel.
2. **Will the decision demonstrate our identity in Christ?** It is Jesus whom we seek to please and any compromise in the direction of being a "people pleaser" or pleasing a "grade giver" will result in lost potential for optimisation of our life and testimony. Short cuts to spiritual maturity invariably are a result of a lack of trust in God. Driving toward ethical decisions demonstrates a strong identity in Christ and that we have our priorities straight and our spiritual formation is on target.
3. **Will this decision violate the moral authority and principles of God?** This of course requires we be students of the Word and always growing in the ways of God. As we understand more and more of the character of God (see presupposition 1), we learn what His holiness, justice (righteousness) and love look like in the scripture, in our own culture, and thus can more easily apply that to the culture of our business.

Rotary International works hard to promote ethical practices and decision making in every society and every nation and every cultural and religious context. They have adopted "The Four Way Test" for everything they say, think or do. It aligns with God's moral principles:

- Is it the truth?
- Is it fair to all concerned?
- Will it build goodwill and better friendships?
- Will it be beneficial to all concerned?

4. **Does this action violate a law?** While a law is a human standard and not benchmark to holiness, justice and love, it is important to acknowledge and respect the law, while at the same time understanding that it is not exempt from divine authority. "A just law is a man-made code that squares with the moral law or the law

of God.” (Welch ed, 1987, pp.153-4) Keep in mind that “... in free societies law is a moral floor, providing only minimal standards for acceptable behaviour” (Wong & Rae, 2011, p.98).

For example, Americans doing business abroad need to be familiar with the Foreign Corrupt Practices Act, the sanctions of the Office of Foreign Assets Control (OFAC), Export Administration Regulations (EAR), Taxes and Limitations on Overseas Investments, US Rules on Controlled Foreign Corporations (CFC), the pros and cons of choosing the right business structure, HR considerations on how to conduct business in the host country, etc. Local, international and American laws must be understood and operations planned and executed in compliance with these laws. Legal and accounting experts often need to be retained to interpret these laws in the given context. Decisions should be made to ensure we aim for the highest standards, especially when local standards might be minimalist in terms of benefits to the local society or the environment.

5. **Can you proudly tell anyone about the decision?** The idea here is that you should have nothing to hide and if investigative reporters or legal entities showed up to ask about the practice, you can readily and honestly reply, “Glad you asked!” You would know your conscience is clear and you have done your best to be honest, forthright and honourable. Some call this the “New York Times Test”. “If you would not feel comfortable with everyone you know reading about what you are currently doing, don’t do it.”
6. **Can I put this decision to the same rigour as financial analysis and auditing standards?** Everyone in business agrees that financial analysis needs the highest degree of rigour. The annual audit is a common business event. We should strive to be as disciplined morally as we are financially and consciously analyse our actions from a moral perspective the same way we analyse our actions from a financial perspective. Consider writing down the standards you want to practise and use them as principles metrics similar to the regular fiscal evaluation.

Michael Josephson (2010) of the Josephson Institute says, “Ethical executives acknowledge and accept personal accountability for the ethical quality of their decisions and omissions to themselves, their colleagues, their companies and their communities.” Every decision and action must demonstrate honesty and integrity. Develop a welcoming attitude to all kinds of audits as they help identify potential shortcomings and develop more robust systems.

7. **Have I subjected questions of bribery and extortion to the Biblical test and then contextualised them to the culture of the business?** Noonan defines a bribe as “an inducement improperly influencing the performance of a public function meant to be gratuitously exercised” (cited by Yung, 2010, p.16)
  - a. *Does a bribe create partiality?* The Old Testament commands us to not “show partiality to the poor or favouritism to the great.” (Deut 17: 1). Likewise in the New Testament, “...keep these instructions without partiality, and do nothing out of favouritism.” (I Tim 5: 21). If the activity causes one to be unfairly advantaged or disadvantaged, the decision is likely unethical and unfair.
  - b. *Is the activity based on greed and does it oppress the powerless?* If a gift or “bribe” causes you to be advantaged and another to wait unfairly, the act has



oppressed the powerless and is strongly condemned in the Old Testament (Isa 1: 23; Eccl 7: 7). Friedman (2003) uses the Old Testament to provide principles for businesses such as “Helping the Needy and Powerless”, and “Fair Treatment of Employees”, and “Not Engaging in Dishonesty and Immoral Business Practices.”

- c. *Does the activity clearly result in doing something illegal?* While it is difficult to determine what the law really is in many developing countries, it is important to determine some standard to follow through your own research or by following trusted national experts. Take the position that it is never right to sin or disobey a law in order to accomplish a good purpose. When a developing country does not have laws as robust as developed countries, don't jump at the opportunity to take advantage of lenient local laws but use it as an opportunity to consider what is right and operate accordingly.
- d. *Does the activity “pervert the course of justice” (Prov 17: 23, Ex 18: 21)?*  
Another definition of bribery suggests it is the “bestowing of money or favour upon a person who is in a position of trust (for example a judge or government official) in order to pervert his judgment or corrupt his conduct.” In quoting this Falkiner (1999) states, “Perverting justice through bribery can take the form of paying for an unfair advantage, such as buying entrance to a school that has limited enrolment, or fixing a traffic ticket, or receiving a visa for which one is not qualified. The common denominator is that a perversion of justice has taken place.”

With regard to bribery and extortion, the Bible seems to promote the morality of paying a bribe or giving a gift for something clearly legal or good. Likewise the Bible seems to never condemn giving a bribe though it does clearly condemn taking a bribe. Proverbs speaks positively in terms of gift giving (18: 6, 21: 14). There are cases where gifts (bribes?) are not a way around the law (which is wrong) but an incentive for officials to do their prescribed jobs, or to expedite what they should be doing anyway, or to encourage justice. Bribery in the Old Testament is condemned if it exploits or oppresses the poor. It is condoned if it establishes a relationship. (Adeney, 1995, p.153)

In relationship-based cultures which are poverty stricken, sometimes “bribes” may be helpful to officials who have not been paid for months, and need encouragement to do their rightful job. Clearly there are difficult cultural nuances at play here, and careful study of scripture, the laws and culture are important.

In a relationship culture, gifts can be a way of developing a friendship and working relationship. Many non-western cultures expect an incentive gift as a way of solidifying a relationship and, when not perverting justice, this can be a healthy way of living in a culture. One way to test this would be to ask: can it be given openly as opposed to subtly? “A tip is for proper performance of a job; a bribe causes a person to betray a job.”

***“Be wise and give serious thought to the way you live.” (King Solomon in Proverbs 23:19)***



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# Appendix K – SWOT Analysis: Hostile Environments

This analysis of Strengths, Weaknesses, Opportunities and Threats was compiled by BAM practitioners working in the Hostile Environments Issue Group.

## **Strengths (Internal) BAM practitioners and initiatives in hostile environments**

- They are called by God and have faith that God can do the impossible through them
- Their goal is bigger than their business
- The resources such as: the team, leadership and training and intercessor network make their BAM business successful
- They do better than anyone else because, they will move led by the Holy Spirit more than business logic because of being in a hostile environment
- BAMers have generally learned to love and live with second and third languages and cultures

## **Weaknesses (Internal) of BAM practitioners & initiatives in hostile environments (or from it)**

- Do not seek advice easily because of their environment, fear can easily mislead them
- Some disregard the importance of a good understanding of culture and language
- Real BAM training program (things are moving in this area and it is very positive), including character, missional and business training all can be improved
- BAM practitioners are kept from being successful because of: lack of preparation; lack of comprehensive business background - understanding of markets, financial projects etc.; and lack of a vision for scalability

## **Opportunities (External) for BAM practitioners in hostile environments (or from it)**

- English schools generally
- IT schools
- Tourism in places like North Africa, India etc.
- Food security (improved agriculture like chickens in Kyrgyzstan; Soy mills in Iraq and aquaculture - fish)
- Agricultural businesses which add new crops for farmers in Iraq such as Soybean production which also helps in food security at the same time as it is a cheap protein for chickens and improves local production  
Some of the trends are:
- NGO's no longer allowed in countries create themselves into a business which is allowed entrance to country and can run things less expensively.
- Operating loans available for established BAM businesses to help them grow ( but not for startups)
- Labor pools with high unemployment (more than 30 countries have 30+% unemployment)
- Changes in technology provide opportunities especially in countries without credit need systems like websites to provide banking transfers
- In some countries, NGOs are not very welcome anymore because of their multiplication and wrong doing, legal authorities have better understanding and visibility when creating a business

## **Threats (External) to the BAM practitioner in hostile environments (or from it)**

- NGO's no longer allowed in countries create themselves into a business which is allowed but may not be business
- Lack of investors with a clear understanding of the BAM's challenges.

- In the French speaking nations, BAM is not really known, understand and communicate. It is hard to find a Christian organization or church to support BAM initiatives.
- Obstacles are caused by: unstable political regimes and unreliable economic conditions
- In some business areas, it takes time to implement a project. Lack of finances and support becomes a very heavy burden on the team.
- Very few investment groups investing in BAM start-ups, the startups have to prove themselves first before they can get loans for future growth.

# Appendix L – Collective Wisdom

Think of the following as a sample of some collective wisdom from 'lessons learned' that may be helpful to BAM entrepreneurs.

Recognise your own limitations, sometimes it is better to wait than to press ahead. "Bring the matter to Jesus" (Mark 9: 14-24).

## Lessons from Experience

### Historic recurrence

Risk managers sometimes make the mistake of using hindsight as foresight. Usually, past events don't bear any relation to future shocks from hostile environments. Major events like 9-11, outbreaks of major wars, stock market crashes, all lack exact precedents; history has a tendency to fool us. On the other hand, there is some wisdom from Mark Twain who has been quoted as saying that, "History does not repeat itself, but it does rhyme."

### Avoiding losses

Chess masters focus on avoiding errors; rookies try to win all the time. We tend to think of advice for business ventures falling more into the "do" category rather than the "don't do" category. The Lord's Prayer distinguishes between acts of commission and omission. And most entrepreneurs don't treat a dollar gained and a dollar lost equally; instead, they place a greater emphasis on earning profits than avoiding losses. A BAM venture can be deemed successful by preventing losses while other businesses fail and can even take business from them. That's why smart chess players focus a lot more on not making errors, than simply on trying to go for the big win. We think this advice is quite important for BAM entrepreneurs in hostile environments. During the last financial crisis of 2008-9, many lost their entire retirement portfolios while others remained intact. We think that not losing half your retirement fund can be deemed a victory. In short, it is very important to listen to advice about what we should NOT do.

### The difficulty of recognising risk and taking appropriate action

What area of risk do you worry about the most? What don't you know how to manage well? What reasons influence why you may not recognise risk? Remember that today's dangers are more dangerous than yesterday's dangers because they are less well understood. How well can you recognise corruption and deception? "Take care not to be deceived," Jesus said.

How do you recognise the potential vulnerabilities in your BAM venture that may be influenced by some elements in the hostile environment in which the venture operates?

- Arm yourself for battle - regardless of the hostility, stay alive (Eph 6: 10-17).
- Keep your head in all situations (2 Tim 4: 5).
- Do not try to explain events, risk and historical occurrences in life or in BAM by one method of analysis alone.
- Don't use yesterday's risks factors, as probably there are new ones today. Forecast tomorrow's risk.
- Take a long run view.
- Have realistic expectations.
- Control your fear of losses.

- "If you're unwilling to try new things, and to fail and learn, you don't have a shot," (Eddie Lampert, CEO Sears) "That doesn't mean you're going to be successful, but you have to try to change."
- Look at decisions and risk from all points of view.
- Look at what to reject, not just what to select.
- Acknowledge the role of chance, randomness and unusual occurrences.
- Treat trends and fads with scepticism and caution.
- You can know too much (don't subject yourself to an endless stream of meaningless information).
- BAM is a learning process... and sometimes the path is steep, rocky and curvy.
- Understand dominant trends.
- You can fail at business and through the way you fail possibly still have spiritual impact, or not.
- Rid your decision process of ego's misguiding influences.
- Accept that most people lie and many cheat.
- 'Costs' equal losses... know what all of your costs are and might be.
- Assess your physical condition (physical health is related to your business and mission success).
- Manage your affairs and business quietly, but know where to get a 'big stick' if you need it.
- Develop your sense of humour - it is essential.
- Nothing works all the time.
- Adapt and teach your team to adapt—or die.
- Pick strategies and tactics which match the conditions of your environment.
- Specialise in one sector.
- Mistakes are adjustment opportunities.
- What is said and what is written are completely different things.
- Character witnesses are critical.
- Can you handle illiquidity? For how long?
- Know your risk tolerance and that of your team (financially, emotionally, spiritually).
- You will lose money.
- Don't invest in a business you don't understand.
- Don't follow the herd. When people are free to do as they please, they simply imitate one another (not creative, and usually boring).
- Rent expertise if you don't have it.
- Think timeframes, particularly medium term or two to five years.

## Spiritual practices

**Simplicity.** Moderation in our possessions and distractions in our daily lives, and clarity in relationships, all leave us free to perceive the whispers, warnings and leadings of the Holy Spirit.

**Centring Prayer/Recognising the presence of God.** Pursue centring prayer and activities that still our minds and bring us into a place of attentiveness to the Holy Spirit. Centring is an intentional way to leave behind our busy schedules, noise and the incessant demands on our time.

**Silence.** Sitting in silence for a few minutes extends this time of stillness before God.

**Journaling.** This is a wonderful practice to maintain balance, and not forget key insights of what we learn in our personal, business and mission experiences.

**Confession.** Ask what may be dulling your senses or where your conscience might not be clear.

**Prayer of Examen.** Pray through consolations (those things that have given a sense of life-giving connection to God, others and yourself) and desolations (those things that have made you lose your connection to God).

**Transformational edge of God's activity in your lives.** Where are you most aware of God's transforming work in your life? What would give God the greatest opportunity to continue that work? What is the greatest hindrance to what God is teaching you? How is it with your soul? Sharing our sense of our own spiritual state places each of us in a very vulnerable position.

**Lectio Divina.** This is a prayer technique kept alive in the monastic tradition. It draws us into the presence of God opening our hearts and our minds to the activity of the Holy Spirit in and around us.

## **General Spiritual Advice**

**Be a BAM leader that non-believers publicly trust and acknowledge before others.**

Discernment and wisdom operate together. We can see this in the life of Joseph as it was acknowledged publicly by Pharaoh prior to Joseph being put in charge of the whole land: "Then Pharaoh said to Joseph, "Since God has made all this known to you, there is no one so discerning and wise as you. You shall be in charge of my palace, and all my people are to submit to your orders. Only with respect to the throne will I be greater than you." (Genesis 41: 39-40, see also Acts 7: 10, NIV)

**Know what tends to get you in trouble the most!**

And know what it is for your BAM team members as well.

**Pay special attention to 'wounded warriors' who have suffered loss.**

Areas to explore and pray through include: What is the nature of the pain or loss that you experienced? What has been life-giving and life-draining?

**Pay attention to sin and risk.**

Making distinctions can sometimes be helpful. Where did sin influence the outcome? What about mistakes and negligence?

**Discernment**

Remember that discernment is a process both to learn and to employ.

**Confess sin**

If you don't confess sin, its blinding effects may distort your senses and you will not fully perceive the nature of the risk in your environment.

**Pray for an increase in your ability to detect deception.**

We read in John 1: 47-48 that Jesus saw Nathanael coming towards him and exclaimed, "Look, a true Israelite in whom there is no deceit!" Nathanael asked him, "How do you know me?" Jesus replied, "Before Philip called you, when you were under the fig tree, I saw you."

Ask God to sharpen your discernment: "And I have filled him with the Spirit of God, in wisdom, in understanding, in knowledge, and in all manner of workmanship." (Exodus 31:3)

**Make a top 10 list with your BAM team of risk management and discernment skills you would like to learn more about.**

**Discuss how to find God in the unexpected things that happen in your life and BAM venture.**

See: <http://faithjourneywithgod.wordpress.com/2007/06/12/finding-god-in-the-unexpected-2/>

**Make a top 10 list of things you need to grow that related to perceiving risk.**

Examples might include: discernment and mature judgment, how to listen and pay attention, developing fluid leadership skills.

**Learn from a variety of sources and blend solutions appropriate for your venture.**

**Figure out how to be as 'wise as a serpent and innocent as a dove'.**

**Avoid devastation! Watch for red flags and clues to uncomfortable situations and people.**

God says, "Take heed to yourselves." This means pay attention! Take care. Guard yourself. Watch out. We cannot just skip our way to successful BAM outcomes. According to TD Jakes, "Every major ministry that has collapsed, collapsed from somebody on the inside" and "Your enemy is never on the outside. Your enemy is on the inside."

**Be ever aware of everything going on around you.**

The meaning of constant vigilance is relatively simple: be aware because some enemies are cunning, baffling and powerful. Our guard has to be up against deception all the time.

**Remember that God uses danger to get our attention.**

Psalm 120 gives us a number of examples of different ways that God uses to get our attention. "Woe to me that I dwell in Meshech, that I live among the tents of Kedar! Too long have I lived among those who hate peace. I am a man of peace; but when I speak, they are for war." (Psalm 120:5-7) Meshech and Kedar symbolise places where we do not like to have to live. Are you living in the 'wrong' place? Meshech and Kedar also symbolise places of danger. Kedar, for example, refers to the Bedouins who were a perpetual problem to the travellers

**Recognise the danger of living without spiritual perception.**

This was taught by St Gregory of Sinai and we also read about it in Hebrews 5: 11-14. An analogy of this principle can be found from great chess players who emphasise the importance of *perception*. Grandmasters see the board better, instantly translating the 32 chess pieces into a set of meaningful patterns. They don't focus on the white bishop or the black pawn, but instead group the board into larger strategies and structures.

**Ask yourself, "How has God used 'hostile environments' and exposure to risk to shape your character, work His deeper purposes and foster spiritual growth?"**



# **Appendix M – The Joseph Approach**

**By Sami J, Hostile Environments Issue Group**

The basic idea of the Joseph Approach is the exchange of the western (Christian) business face for a more local 'Joseph face' to help mitigate the threat of becoming a target or 'lightening rod' for terrorists and extremists.

One of the potential benefits of the Joseph Approach is that the 'lightning rod effect' is positively addressed and could potentially be mitigated if not eliminated in, for example, many Islamic Republics. The lightening rod effect has to do with the perception of the foreign worker's life and work motivation in countries that are both physically and fiscally hostile. Nationals continually ask, "What is the real reason for this foreigner's business here?" For example, American foreign workers all over the world, from Peace Corps volunteers to humanitarian workers or missionaries, are suspected of being 'CIA or missionary or mercenary'. There is nothing new about this kind of perception and question.

However, when that suspicion is combined with the reality of a rare and highly visible Western business person living in an area where active Al Qaeda cells exist, it is much more dangerous. This is especially true when the host country is corrupt and ineffective in every area of government, especially in the realm of national security. Then one has a highly volatile situation that puts the business and lives at risk.

What most nationals on the street think of a BAM practitioner's motivation and *raison d'être* may directly influence the next terrorist target. Why? Because word of mouth in oral societies is an extremely effective mode of communication. Every terrorist cell in the country is connected to street-talk. But with the Joseph Approach a foreign worker is more low profile and likely to be respected as a protégé of an influential national leader and businessman when working as a Joseph with them.

## **Appropriate positioning**

We can see then that someone going into a hostile environment to work in a BAM context needs to position themselves appropriately to face the realities of doing business in failed states. By 'appropriately' we allude here to the 'Joseph' supporting the local business person who is responsible for taxes and other such financial matters. This Joseph can advise and influence the local business in areas of taxes and corruption, but they are now in an appropriate position because they are not the target of the government tax services who would seek to ring them out and leave them out to dry. Outside of the Joseph Approach, they are foreigner business owners and, as such, there to be sifted, taken advantage of and then thrown out like chaff.

Due to unreasonable tax systems alone, one might conclude that working in fiscally hostile countries might be considered irrational. This is a complex subject that requires more time and detail. But others should be warned that the ramifications of paying the high and unreasonable taxes requested on paper by corrupt countries could lead to little or no profit (bankruptcy), social irresponsibility and/or trouble with the authorities. Good will, faith and conviction alone will not overcome these kinds of obstacles overnight. The enemy has carefully nurtured proud, selfish and racist leadership in such cultures for centuries. And while our *raison d'être* in such countries is to see the effects of ungodly leadership reversed, we should first redefine what we can and cannot influence before launching businesses in their midst.

Instead, many of us have learned the hard way that all businesses in these failed states are intentionally forced into varying levels of corruption by unreasonable government systems and laws. Such legislation is specifically designed to keep tax payments going under the table and staying off the books. We discovered that no local businessman would dream of paying taxes to the letter as required by local government law – if at all. To do so would be disincentive enough to keep anyone from going into business. Corruption makes the most simple of tasks difficult. Sami Joseph is currently in Akabar with his wife and two young children, applying the lessons learned from this case study via a Joseph Approach. He is responding to Akabarian invitations to work with them

### **The incarnation value and sustainability factor**

The potential for a westerner to be more incarnate is likely to be greater when working with an established national businessperson and community leader. By incarnate we mean living and working appropriately at the level of the local population, in an already established local business.

For example, let us consider the work of a humanitarian worker. Such a worker is more incarnate when supporting a community's plans and efforts for their own development than when doing good projects for the community. If the development organisation does for the community what they could and should be doing for themselves, they cripple their development process. They make them more of a dependant and reactive victim than the proactive and creative humans God wants them to be.

In the same way, the sustainable impact that a business professional Joseph seeks in a local business is potentially greater when the local business owner and team they work with 'owns' and adopts the new godly paradigms they model in everyday life.

When a local business culture walks through the process of living out principles of honesty, transparency and integrity through the influence of one or more Josephs, the nucleus of a new truth and habit is much more likely to be owned and authored by the local business team than only observed in a business founded and directed largely by foreigners. A seed of God's Kingdom is planted from within, not from without. It is no longer a foreign oddity that may or may not work in their minds. And if the expatriate Joseph is forced to leave the country, then God can continue to work long-term in the hearts and lives of those nationals whose hearts are already listening and obeying Jesus in the workplace - and are not forced to leave as an expatriate might be.

The focus for influence falls more naturally on what God directs and does through the BAM worker. The hope of being used by God as a positive influence and witness of God's kingdom can no longer be based on what the expatriate workers expect to produce by way of an example of a Godly and socially responsible business. With the goal of being a shining foreign business example out of the way, the focus can more easily be on the miraculous will of God in the moment of each working day. It shifts the vision off the potential of the 'good work' and example, to needing to hear God in the moment for a solution.

### **What are the risks of this approach?**

Low impact. However, nationals will always question motivation, and this is a risk but the risk is mitigated to a large degree by the well-known national man or woman of peace who is now backing the Joseph. A Joseph is at less risk than a foreign business owner. The Joseph Approach assumes a high level of dependence on the Holy Spirit. Concerning the likelihood of a local group paying enough to maintain an expatriate's lifestyle, well-

established local businessmen do offer such jobs, and their incomes often soar well above six digits existing in the poorest counties. Such locals with large businesses need expatriates with good attitudes and skill sets and cultural insights to be able to compete in a global marketplace. For example, a Joseph currently working for a national who earns \$70,000 per year running a training centre was able to earn about \$50,000 in the first year. This allows the Joseph to focus more on raising prayer support than financial support because of being able to live off what is earned in country. This discipleship platform is more 'level' and incarnate this way, avoiding other monetary related pitfalls many missionaries fall into.

The BAM practitioner must be called to this country and fairly disgusted with any aspect of their life that is not directly led by the Holy Spirit. If the worker is still living mostly on the wave of their business career, skills and education, then they may see little to no spiritual impact. Why? Because the BAM worker is then blessing the local business owner only with their experience and skills, while bringing little to nothing of God's will and Kingdom to the daily business grind.

One might spend much time working with a local business owner before learning that they are wasting their time. A high level of familiarity with the country and its people may be a prerequisite, especially if the ability to be led by the Spirit is lower than need be. Working as a Joseph for a local business person may be a good school to learn how to better follow the Spirit's leading, but the risk would be spending many years working for someone less than God's will for the Joseph. The aim of a Joseph most certainly is to work for a local businessperson as Joseph worked for the Pharaoh. The risk to be highlighted here is that there are consequences and risks to working more from our common sense and experience, than continually practising the presence of God and walking in the Spirit. If I favour the former, then I may choose to work for someone less than the Pharaoh that God had in mind.

# Appendix N – Internet and Email Security Advice

By David M, Hostile Environments Issue Group

## 1. Basics:

Do the absolute basics of making sure you have a reputable; firewall, antivirus, anti spyware and anti malware programmes. Sometimes these come as all in programmes, do a lot of research to find out what is best at the moment as the market changes rapidly.

For a step by step wizard to give you security guidance visit: <http://www.techsupportalert.com/SecWiz>

For a more in depth look at what security steps you can take click on the link below, it is very comprehensive, and not for the basic user. It is called “Probably the best security list in the world”: <http://www.techsupportalert.com/content/probably-best-free-security-list-world.htm>

## 2. Email Security:

Gmail, Yahoo and Hotmail are not secure enough email options for people working in the non-secure world. At the very least they are vulnerable to passport hijackings. At worst it is quite possible for security agencies within the government to be regularly reading your emails.

Good secure email options, unfortunately, usually cost money. Many organisations give a secure email options. Otherwise you could use something like Swissmail: <http://www.swissmail.org/Swissmail/home/home.asp>

## 3. Browsing:

If you do a Google search on your web browser; that information will be stored. In non-secure countries national security agencies will have access to that information. Also, assume that any web page you look at will be noted. Therefore, it is wise to avoid web sites that may cause you problems.

There is a common way around this issue, and that is to route all of your information through a VPN (Virtual Private Network). If you want more information on this see here: <http://www.techsupportalert.com/best-free-anonymous-surfing-service.htm>

There are also search engines that do not store your search information like: <https://startpage.com/>

It is also a good idea to regularly clean the cache (The area that stores downloaded internet information). If you do not know how to do this on your web browser, use a programme like CCleaner, which will also provide other useful computer software fixes.

## 4. Data Storage:

Storing sensitive information on your computer is also worth thinking through carefully. Many people have no other security apart from the password at the login screen. Any government agency, and many criminals, will be able to bypass (or force) the password.

There are a number of programmes out there that will provide a way to store information securely, often by providing an encrypted area on your hard drive that hides behind a separate password, e.g. Truecrypt.

#### **5. Password Security:**

Password security is a massive subject! Many people use one password for everything, and often a password that is highly guessable. This is not a good idea! At least have a number of passwords that you cycle through. A better approach is to use a dedicated password creating programme like Lastpass: <https://lastpass.com/>

#### **6. Social Media:**

Facebook, Linked In, Twitter and all social media sites are a minefield for anyone working in the non-secure world. People have been expelled, outreach trips cancelled, and lots of unwanted information ending up in the wrong hands. If you can survive without social media and you want to work in the non-secure world, delete your account. If not, you have to work very hard to manage your content, friends, wall etc. For basic information on how to stay secure in the social media world look here: <http://www.getsafeonline.org/social-networking/social-networking-sites/>

For a little look at where technology is going to help governments keep an eye on their citizens via social media sites have a look at the following article: <http://www.telegraph.co.uk/technology/news/9861155/Warning-over-social-networking-snooping-technology.html>

For more advice, and a warning, for missionaries serving in non-secure parts of the world: <http://www.christianitytoday.com/ct/2009/march/8.14.html>

See the article, “Your government is spying on you through Facebook right now” for information on how governments in the West are legally gathering information. Assume that the non – secure world is putting in just as much effort, but don’t have the same legal foundations as Western countries: <http://singularityhub.com/2011/05/18/the-government-is-spying-on-you-through-facebook-right-now/>

If you use Mailchimp for newsletters, be aware that the newsletter is effectively a web page. Yes it is secure on their server but all servers are vulnerable to hacking.

#### **7. Removing Web Information**

If your name is on a web site that has content on it that could cause you problems, there is a way to remove your name from the internet, but it is a long process that may or may not be successful. Really this is a subject for a more in depth study. However, if you do a good web search, you will find some good advice. It is all out there if you look hard enough!

**David M**  
**June 2013**