

WaterCapital

Tapping into creative water businesses to achieve scale

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Executive Summary:

WaterCapital will fund and support scale in water distribution solutions



Lack of access to water is endemic

- 1.2 billion people lack access to clean water and sanitation
- \$38 billion is lost each year in economic productivity
- Health risks and crime increase at Bottom of the Pyramid

Poor scalability and awareness of water issues

- Although solutions exist, implementation has been slow and spotty
- Lack of awareness of water issue in both the developing and developed world

How can Water.org scale operations?

- How can Water.org™ scale its operations 100 fold and supply clean water to 100 million people in the next 5 years?

WaterCapital

- The WaterCapital initiative will source innovative water distribution business ideas from community entrepreneurs
- Venture capital funding will provide rapid access to capital at a sustainable return



Context:

Focus on household-level solutions will not reach needed scale in time

Summary

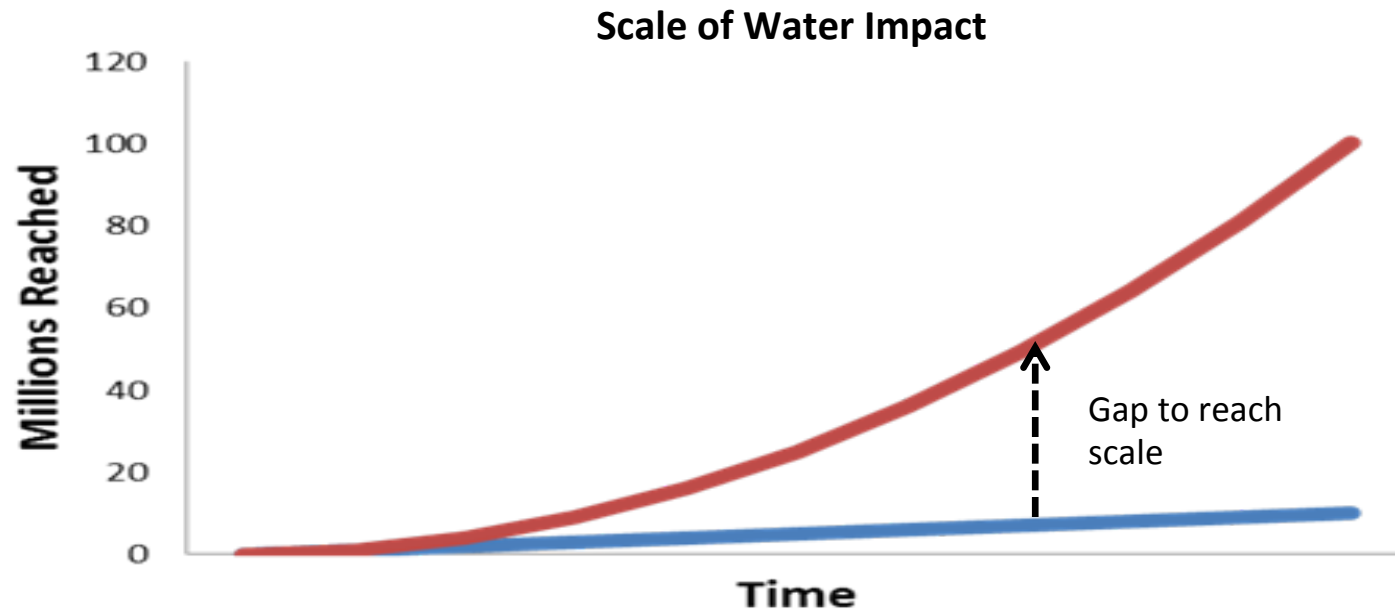
Context

Insights

Solution

Implementation

Risks



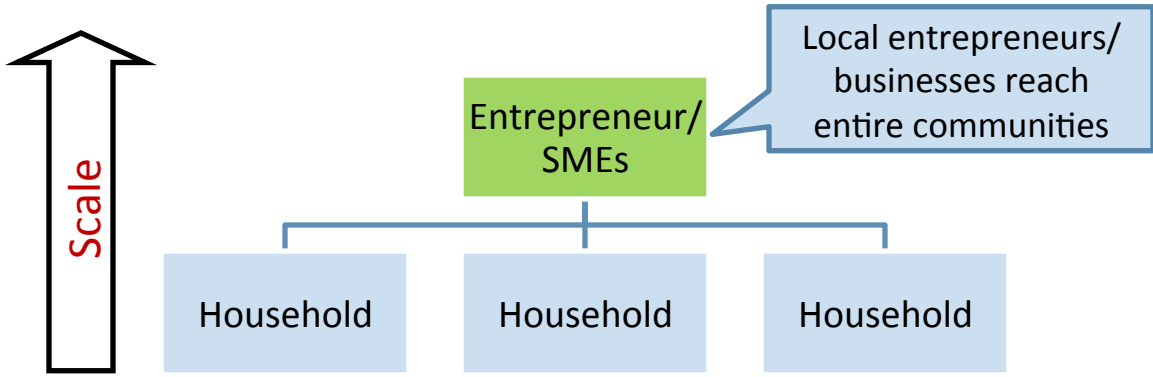
Obstacles to Scale:

- Household-level focus means slow implementation
- Low awareness of water sanitation means low demand for solutions
- High philanthropic cost to reach a limited number of people

How does Water.org and sector partners scale to reach 100 million people in 5 years?

Insight:

Success will be driven by a shift in focus from households to community businesses



Why target entrepreneurs/SMEs?

- Have existing business experience
- Possess local knowledge and credibility
- Tap into latent entrepreneurial spirit of community
- Services reach entire communities

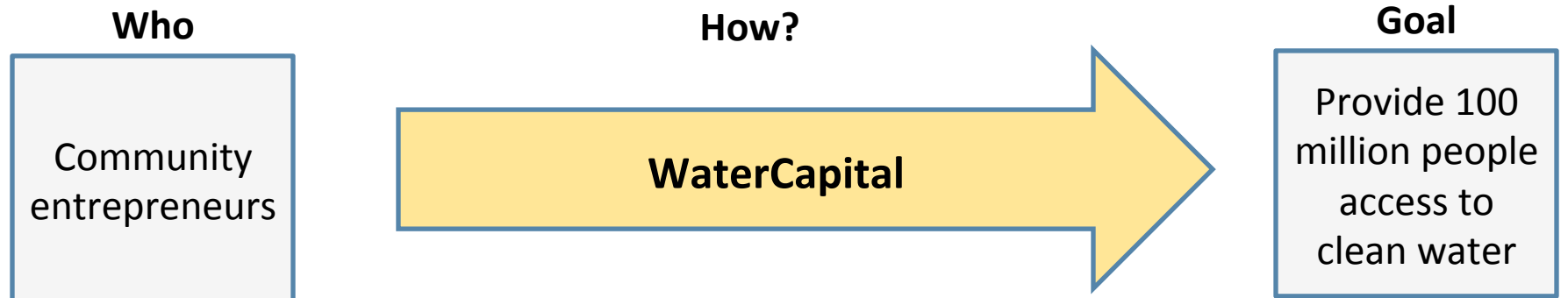
Challenges in targeting entrepreneurs/SMEs

- Lack of capital funding
- More government regulation
- Need for profit

The focus must be shifted up to leverage stakeholders and address larger communities

WaterCapital: Bridging the Gap

Small-business targeted support program for water based companies



WaterCapital uses VC funding to fund entrepreneurial water businesses

- Focus on high growth initiatives
- Faster speed of funding
- Willing to take on more risks
- Use \$1m funding as seed capital and education

Using venture capital to support small water related businesses is the most effective way to reach 100 million people

How it works:

WaterCapital taps into local entrepreneurial spirit; supports with funding and tools



Sourcing ideas

- Identify community entrepreneurs
- Host water business plan competition
- Use cellphones to raise awareness



Uncover the best ideas

Making it happen

- Secure funding through small-scale focused VCs
- Provide “skin in the game” entrepreneur funding through Water Credits
- Partner entrepreneur with local accredited NGO to provide business training and support



Adequately support

Building a sustainable business model

- Provide ongoing business training
- Reinvest funds following exit
- Use winning entrepreneurs as educators



Repeat success

Tap community entrepreneurs to create sustainable water access and distribution businesses

Partnerships:

Water.org must leverage new and existing relationships to ensure success



Entrepreneur identification, training, and capital investment

**Venture Capital/
Patient Capital**

- Agora Partnerships
- Grey Ghost Ventures
- RSF Social Finance
- Aavishkaar
- Acumen

Large Players

- Goldman Sachs—GS Sustain
- JP Morgan
- Pepsi-Co
- Water Related NGOs

Management Training

- Kaufman Foundation for Entrepreneurs

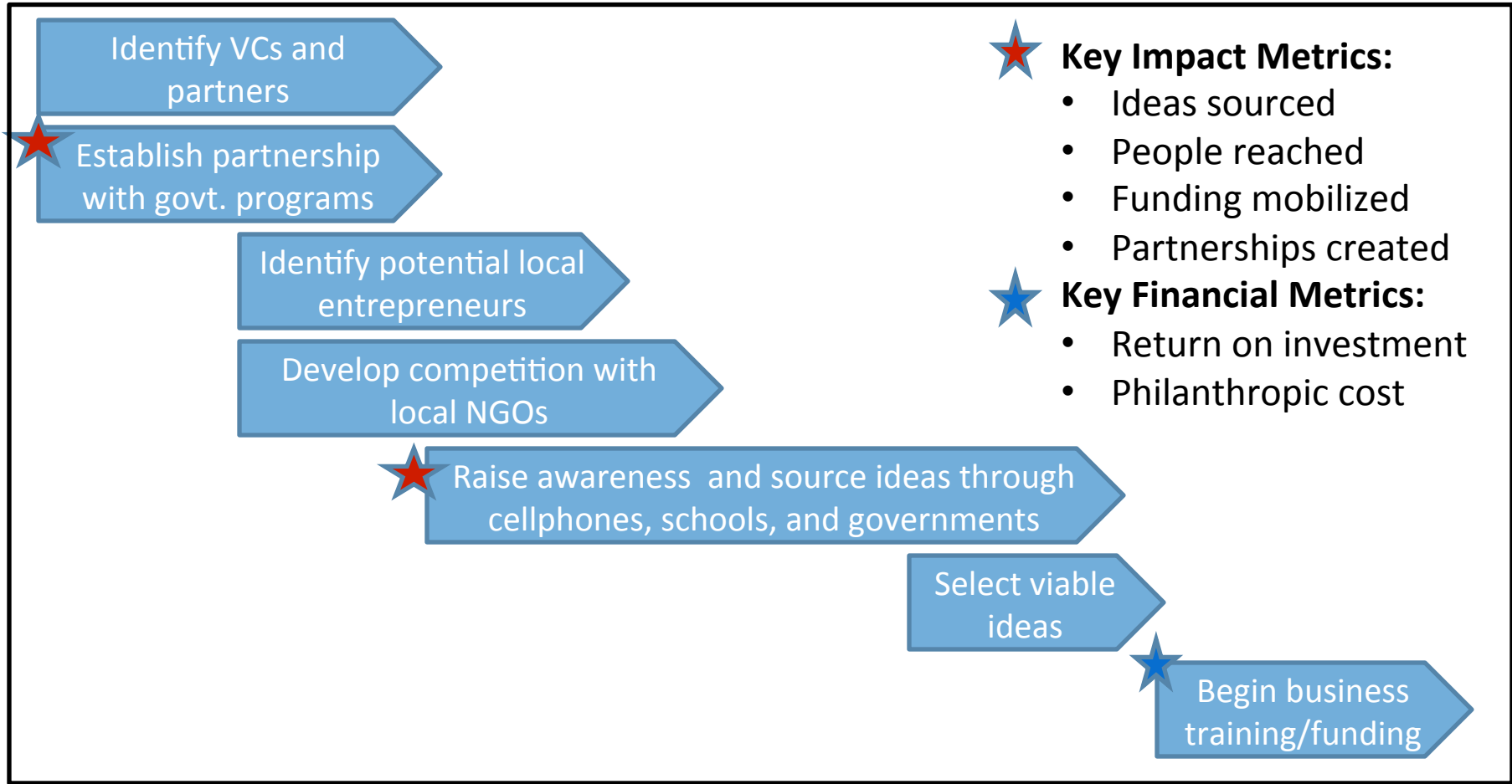
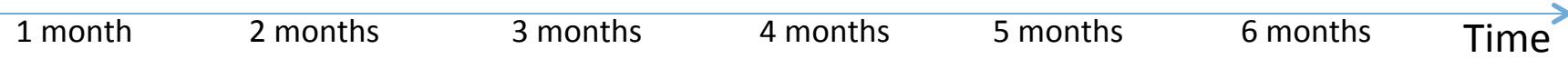
Government

- Local government buy-in
- Lagu Udyog Yojna (small business development)
- Jawaharlal Nehru National Urban Renewal Mission
- Employment Generation Scheme (entrepreneurs)
- Government banks

By sharing ownership of necessary tasks, Water.org will generate economies of scale and garner widespread support

Implementation:

WaterCapital can be running in 6 months given successful VC and partner selection



Risks:

Education to increase buy-in will maximize potential for WaterCapital success



Risk	Mitigation
Government resistance	Partner with government officials to motivate buy-in by highlighting benefits to government and country citizens
Implementation accountability	Market benefits to those in need to ensure mutual accountability among people, create and implement best-practices across communities
Training & development	Invest in and develop training program to motivate and educate entrepreneurs to ensure that demand is met efficiently
Water dealers' resistance	Educate current water dealers on benefit of WaterCapital and encourage their participation in the new program

Education will encourage participation and efficiency, but risks must continue to be gauged as implementation of WaterCapital progresses

Thank You