Hult Global Case Challenge



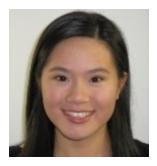
Experienced Team

With Global Network





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Problem: Access to Clean Water & Sanitation in Urban and Peri-Urban regions





Challenges:

- Availability: "Scavenger Hunt" for women & girls
- Accessibility: Multiple hours & paying too much
- Hygiene: Lack of potable water & sanitation facilities

Insights:

- Inequitable distribution of water
- Target population is poorest of the poor in BoP
- Power of community & aggregation economics

Water Ladder Business Model



Robust Solution

- ☑ Market based solution
- Actionable
- Sustainable
- ✓ Scalable
- Cost Efficient: Philanthropic cost = \$0.12 pp

Sustainable Economics

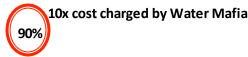
\$7,604

2.6yrs

Unit Economics for WaterChamp

Water Mafia					
Cost of Water/ 100 Gallons	\$0.10				
Cost of Water/ 1 gallon	\$0.0010				
Private Vendor Rev/gallon	\$0.0100				
Gross Margin	\$0.0090				

Global Water Intelligence Report, Avg for Asia/Africa



Water Champ
Water Champ Rev/ gallon \$0.0020
Service 5 Slum Communities 7,500
Gallon need per Community/ year 15,208,333
Target demand in Gallons 7,604,167
Market Penetration 50%

2.0x cost charged by water champ

Avg size of slum in India ~ 1500 ppl; 1 school services 5 communities 20 litres/day/person*365 days a year/3.6 liters/gallon 50.0% need can be met

Costs

Water Champ Revenue

Cost of water (COGS)	\$3,802
Wate Ladder Franchise Fee	\$760
Cost of free water provided	\$180
Gross Margin	\$2,862
Transportation/ Other G&A	\$380
Maintainance Capex (Containers etc)	\$500
Water Champ Operating Margin	\$1,981
Cost to Start Business for WaterChamp	\$2,000

Time for WaterLadder to breakeven

10% of Revenue

30% of slum community is children; 40% attend; 1 school for 5 slums

38%

10% of COGS

\$500 capex to build shop and maintain per year

26% Current Income of slum dweller ~\$1/day

Cost to build shop/ get Muni connection

Reduced Philanthropic Cost/person

Market Sizing								
# of Slum dwellers in the World today	1billion	Mike Davis' book Planet of Slums						
In city of Manila alone	6million	50.0% of population lives in slums; http://home.earthlink.net						
Total target reach	100million	10% reach as target						
Each vendor is serving	7,500							
# vendors needed	13,333							
Total Capex cost needed	\$26.7mm							

Water Ladder Revenue Model								
	<u>Year 1</u>	Year 2	Year 3	Year 4	<u>Year 5</u>			
# Vendors funded	333	667	2,667	6,667	13,333			
% of target reached	2.5%	5.0%	20.0%	50.0%	100.0%			
Revenue from Vendors	\$250,000	\$500,000	\$2,000,000	\$5,000,000	\$10,000,000	\$750 Franchise fee/year		
Cumulative \$		\$750,000	\$2,500,000	\$7,000,000	\$15,000,000			
Funding Gap					\$11,666,667			
Philantropic Cost per reached customer					\$0.12			

Leveraging Water Ladder to create Sanitation Ladder



- Sharing access to municipality's water source
- Generating demand within schools through education and Sanitation Champs
- <u>Construction</u> of latrines by Water Ladder
- Operations & Maintenance by schools
- Achieving higher female student attendance rate in schools

Key Challenges

- Reliant on existing community relationships
- Requires access to water supply
- Hinges on customer ability and willingness to pay (mitigated by our low price)

WaterLadder.org Q&A 9