Chapter 9
High Growth, High Impact SEVs: Selected caselets

9.0 Introduction
The research on the phenomenon of social entrepreneurship is still at a very nascent stage. A case study approach is apparently considered as the most suitable method for describing and explaining this new phenomenon (Hoogendoorn et.al. 2010). Detailed studies on Indian social entrepreneurs are also very scarce. This current study collected a set of qualitative primary data from sixty four social entrepreneurs about their business model innovations in detail. Social entrepreneurs have expressed that they have to face harder challenges in many areas compared to mainstream entrepreneurs due to the nature of their target groups. Many of the business model innovations are in the areas of making the products and services affordable to poor customers, developing an integrated and accessible distribution system, creating efficient partner networks, finding employees who share the same mission as of social entrepreneurs, adapting technologies which are cost effective and so on.

A report by Asian development bank on social entrepreneurship states that more than three fifths of India’s population of 1.2 Billion lives in rural areas. Rural India comprises of 610,000 villages that are spread over 3.2 million square kilometres. The 700 million Indians living in these villages provide a huge opportunity for goods and services that today are not available due to absent of last mile connectivity. 41 percent of India’s population lives under the poverty line of $1.25 per day, adult literacy rate is 63 percent, average life expectancy is 64 years and infant mortality is 50 in 1000 births. This extreme income inequality brings in an array of social, economic and cultural issues. The work done by government and non-governmental organizations seems to be inadequate due to the sheer scale of the issues faced by these rural poor. Though they work closely with the poor in providing solutions to these issues, tangible, positive results are yet to be achieved. Many social entrepreneurs are evolving affordable solutions with viable business models to tackle issues in sectors like agriculture, education, health, energy, and livelihood and so on.

9.2 Ten promising social entrepreneurs – Caselets

Though the earlier chapters looked at the quantitative data on what and how SEVs and EVs create value, often the question arises of who are these social entrepreneurs and what do their ventures do, especially since the research on social entrepreneurs in India is at a very nascent stage and awareness is very low. “Successful entrepreneurs—whatever their field—tend to spin a good story” says Elkington (Elkington 2008: 99). Roberts et.al further supports this saying, “people understand the field of social entrepreneurship by anecdote rather than theory” (Roberts et.al. 2005:47). Below are the stories of ten most promising social entrepreneurs and their ventures out of sixty four SEVs. These caselets are based on primary data analysis of best practices and commonalities of their business model innovations. The intention of the research is to provide a set of solutions to the issues and challenges faced by social entrepreneurs. The selection of these ten social entrepreneurs is based on the following criteria.

- They belong to “effective cluster” (Cluster 1 in section 6.5) based on high scores on their business model,
- Annual turnover is more than INR 3 crores or $500,000,
- All of them were profitable social ventures,
- Created high social impact measured using different matrices in the context of the venture.

The data provided in these caselets is based on primary data (qualitative) collected from social entrepreneurs. The purpose of this chapter is to examine objectively what they have achieved than critiquing what they have not or could not achieve so far.

9.2.1 AquAgri Processing Private Ltd.20

AquAgri Processing Private Limited primarily focuses on creation of livelihood opportunities for the coastal communities in South India.

Mission statement: “To establish Aqua-Agriculture as a sustainable livelihood vertical for the coastal communities by creating viable and scalable business models, whilst operating in a manner that is environmentally responsible and beneficial to society on the whole”.

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20 www.aquagri.in

Page 169 of 236
Inspiration to start-up: It was felt that given India’s long coastline and coastal communities in search of better livelihood options seaweed cultivation could be a game changer.

Top 3 values: Enhance the knowledge base and constantly innovate; improve the livelihood potential and the income of the cultivators; ensure organizational, environmental and cultivators sustainability.

Products /services: AquAgri manufacture hydrocolloid carrageenan\textsuperscript{21} from seaweeds. Aquagri has grown sea plants that have naturally occurring growth hormones, micro-nutrients and rich amino acid profiles. They have developed specialized processes to extract and stabilize these elements from the sea plants identified.

Customer segments: Aquagri products are used by the food processing industry as thickeners, gelling agents and flocculants. Toiletry industry uses it as creamers and binders. Farmers use it as bio-stimulants to enhance crop and animal productivity.

Business model innovation: Co-production of hydrocolloids and agri-nutrients from fresh weed. Cultivators are organized as self-help groups.

Social Impact: Fishing is the mainstay of livelihood for coastal communities, however due to over exploitation it is increasingly becoming unviable especially for small fishermen. Seaweed cultivation provides a viable and sustainable alternative livelihood opportunity for them. Fishing also has gender bias as it offers limited opportunity to the women-folk. Seaweed farming helps in bringing women into the mainstream of economic activity and empowers them to better the lifestyle and well-being of the whole family. Today through Aquagri’s efforts, close to a thousand families are earning their livelihood through seaweed cultivation. A large number of primary workers are women.

Challenges: It takes time to build market acceptance and the number of cultivators.

Suggestions: Governments need to recognize the opportunity that sea weed cultivation can provide for creating livelihoods. Recognize aqua-agriculture as a livelihood vertical since, sea weed cultivation to date is not recognized as an agricultural produce.

9.2.2 Basix Social Enterprise Group\textsuperscript{22} (Public limited)

\textsuperscript{21} Carrageenan is used in processed foods for stabilization, thickening and gelatine.

\textsuperscript{22} www.basixindia.com
BASIX is a livelihood promotion institution established in 1996, working with over a 3.5 million customers, over 90% being rural poor households and about 10% urban slum dwellers.

**Mission statement**: “To promote a large number of livelihoods on a sustainable basis for the poor and women, using financial services and technical assistance in an integrated manner”.

**Inspiration to start-up**: Gross inequality and millions of people in absolute poverty in India despite availability of resources and knowledge to improve things.

**Top 3 values**: Greater equality of opportunity for the poor; Cost-effectiveness; Action orientation (as against just critiquing or analysing)

**Products/services**: BASIX\(^{23}\) strategy is to provide a comprehensive set of livelihood promotion services which include Financial Inclusion Services (FINS), Agricultural /Business Development Services (Ag/BDS) and Institutional Development Services (IDS) to rural poor households under one umbrella. Products include savings products, credit products, micro-insurance products covering life, crop, livestock and assets, mobile banking transactions off bank branches, agriculture and livestock services, vocational training, energy and climate change services.

**Customer segments**: Low income and poor households - farmers, landless, livestock rearers, non-farm micro-entrepreneurs, youth for skill training.

**Major business model innovation**: Several new products and channels are introduced in micro-credit, micro-savings, micro-insurance; pioneered weather-index based crop insurance, agricultural and livestock services, usage of many IT softwares, numerous HR practices, and several policy reforms.

**Social Impact**: Basix has an employee base (Full / part time) of over 10,000 of which 80 percent are based in small towns and villages serving 3.5 million poor customers. Basix operates enormous rural infrastructure across 27 States, around 240 districts and over 40,000 villages of the country. They have created both fixed-point and moving-point infrastructures. The fixed-points are called Basix convenience outlets or common service centres and provide G2C\(^{24}\) and


\(^{24}\)Government to Citizen
other services. Their business correspondent sub-agents provide banking services and more to villagers. Further Basix’ sub-K outlets which are strategically located at multiple-service points in remote communities act as training centres, offices and branches. Moving points comprise of “Basix people” who are local to the block/district and set up SHGs and/or farmer aggregates, enable credit operations, or educate and make available specialist products such as banking, insurance or pensions.

**Challenges**: There is a need for grants or seed funding for social enterprise but little is available.

**Suggestions**: More early stage funding to test innovations and equity to scale up the successful innovations. Policy needs to be more facilitative. Vijay Mahajan says, “Loosen up guys; we are only trying to do what you have not been able to do. Helps us, don’t thwart us”.

**Major achievements**: ICICI Inclusive India award, The Skoch Financial Inclusion Award 2011, Social Performance Reporting Award, Microfinance India Award 2009

### 9.2.3 Drishtee

(Website: www.drishtee.com)

Drishtee is a social enterprise focused exclusively on rural India. Over the years, Drishtee has facilitated and supported a network of over 14,000 rural enterprises to cater to the critical needs of base of the pyramid. Through this low cost, direct delivery rural supply chain network, Drishtee has created significant cost and time savings for villagers, and provided an effective channel for enterprises to sell products and services.

**Mission statement**: “To collaborate with marginal communities to develop and nurture rural enterprises and support the community eco-system”.

**Inspiration to start-up**: A deep desire and belief to create a difference in the lives of the rural poor.

**Top 3 values**: Passion; Integrity; Innovation

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25 Excerpts from the interview
26 www.drishtee.com
Products /services: Services in ICT, rural supply chains, agriculture, textiles, construction to rural consumers
Customer segments: Primarily rural farmers, women and migrant labour
Major business model innovation: Drishtee identifies and creates a number of ‘milkman routes’ in a given district. Through each route, they cater to around 20 to 25 villages. They identify a number of potential entrepreneurs and train them on the specific skill sets required in each route. These kiosk-based platforms deliver a series of banking, livelihood and health care services to the rural households. Apart from these, their kiosks also act as linkages for physical products such as eyeglasses, mobile phones and agricultural products. For each franchisee and micro-enterprise, Drishtee implements various services like community sensitisation, needs assessment, service customisation, community mobilisation, promoting and initiating transactions and setting up back end processes and infrastructure. Drishtee’s implementation strategy rests on the core supply chain model it creates. Once the route is economically viable, many critical services that have a positive social impact can utilize the same infrastructure.
Social Impact: Drishtee has facilitated and supported a network of over 14,000 rural enterprises to cater to the critical needs of base of the pyramid. Currently, Drishtee has strong presence in 3 states of India.
Challenges: Funds are very expensive, Building a team which is sensitive, passionate and smart is a challenge. Creating linkages / markets for the rural produce is most critical. Developing clusters and managing them to produce quality output is very important
Suggestions: More collaboration, particularly knowledge collaborations which facilitate growth.

9.2.4 Forus Health Pvt. Ltd

Bangalore-based, ophthalmic technology and solutions company Forus Health Pvt. Ltd. (Forus) develops affordable technology solutions that can easily be used by a minimally trained technician, thereby making health service accessible and scalable.

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27 Information and communication technology
28 forushealth.com
Mission statement: “Address health issues affecting developing world through innovative products and solutions combined with innovation in deployment in an inclusive environment”.

Inspiration to start-up: A speech by Dr. Aravind of Aravind Eye Hospital

Top 3 values: integrity, Passion, Innovation

Products /services: Forus’ flagship innovation, “3nethra” is a mass eye pre-screening device solution. It is a single, portable, intelligent, low cost, non-mydriatic, non-invasive pre-screening ophthalmology device solution.

Customer segments: Ophthalmologists, Doctors, service providers and common man

Major business model innovation: The value proposition “3nethra” can screen a patient in less than 5 minutes for common eye problems. These devices are integrated with a unique cloud hosted telemedicine application ‘Foruscare’, offering a complete eye care solution platform. An automated “Normal” or "Need to See a Doctor" report is created which is useful especially during early onset of an eye disease when patients do not experience symptoms.

They have connected all the primary care centres to secondary or tertiary care centres through telemedicine for remote diagnosis. 3Netra is a low-cost device and thus the cost of screening is greatly minimised. Ophthalmic doctors can spend their time only on patients with urgent cases. Telemedicine connectivity helps doctors to offer remote diagnosis for a rural patient from the comforts of a hospital. Screening in rural areas helps hospitals to identify patients at early stages, thereby increasing inflow of symptomatic patients. Hospitals can also serve their “outreach” market better, thereby increasing their reach and potential. Patients receive pre-screening at low cost, integrated with remote diagnosis and other models can help a patient get screened for a problem right at his doorstep in a remote Indian village. This saves travel and associated time and cost, as well as lost wages among other indirect benefits.

Social Impact: Forus has more than 30 installations so far across the country which includes many leading ophthalmology institutions. It is also building cloud-based data centres which will connect doctors with patients even from the remotest locations in India.

9.2.5 Green Power Systems

29 www.greenpowersystems.co.in
Green Power Systems (GPS Renewables Private Limited) is a clean-tech company based in Bangalore. GPS’ inaugural product, the BioUrja, is a first of its kind viable bio waste-to-energy solution for urban establishments.

**Mission statement:** “To create a market for wet waste. This is by making it more and more valuable by continuously researching and developing or improving GPS waste treatment solutions”.

**Inspiration to start-up:** “The idea behind starting GPS was to tackle one major problem that India (and similar countries) faces. While there is no dearth of problems here, if we look around one that really hits hard is the waste. And this is what we happened to pick up first!” says Mainak, the founder of GPS.

**Top 3 values:** Continuous innovation (GPS find a lot of joy in building things from scratch, building new things, new solutions to the problems that they are tackling); transparency; hard work.

**Products /services:** GPS’ waste-to-energy solution, the “BioUrja”, is the first viable such solution for urban establishments. This enables bulk waste generators to have an in-house viable treatment solution, thus solving the problem of waste management.

**Customer segments:** Schools, colleges, corporates, religious establishments, hotels, restaurants, apartment complexes, and/or, any bulk waste generator in an urban setting.

**Major business model innovation:** The BioUrja is a proprietary bio-waste-to-energy reactor which takes in bio-waste and produces bio-CNG and digested slurry as a by-product, which can be used as manure. The bio-CNG can be directly used for cooking and thus help save on commercial LPG expenses. Alternately, the bio-CNG can be used for generating electricity. Modular design with the bulkier parts kept very simple so that they can be easily outsourced in the future, without the company giving away anything about the technology, as the "heart" of the solution is in the electronics, which will always be built by GPS.

**Environmental Impact:** Impact is measured by waste prevented from ending up in landfills, GHG emissions reduced, customer centric parameters, for instance, for Akshaya Patra, percentage reduction on external funds for recurring needs.
Challenges: Raising money in India for waste management is extremely difficult, probably because of past failures since the market is filled with waste-to-energy players with tall claims but no past record/successes. They need project finance support which is tough to source. It is expensive to find good guys at the early stage to join the company. Long sales cycle and complex selling hinders the growth since there is very limited understanding of the kind of solution they are trying to sell.

Suggestions: Policy makers most often take a bird’s eye view while framing policies. For once, they should step back, put them in an entrepreneurs shoe to understand their problems and draft policies bottom up.


9.2.6 ONergy

ONergy (Punam Energy Pvt. Ltd.) is a leading social enterprise providing decentralized energy solutions to underserved households and institutions.

Mission statement: “Empowering opportunities for sustainable & equitable development”.

Inspiration to start-up: “Eastern India is highly energy deficient. Grid electricity is unable to meet the demand, besides being environmentally damaging. Development has excluded and disempowered a large number of people. This situation is unacceptable” says, Vinay Jaju, one of the founders.

Top 3 values: Commitment to the rural sector particularly the BPO; excellence in product & services; empowered workforce.

Products/services: Solar light and lanterns, solar DC home electrification, solar AC inverter based system, institutional solutions including solar water heater tanks and street lights, solar water heaters, solar mini grids, solar computers, solar micro cold storage.

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30 Akshaya Patra is the world’s largest (not-for-profit run) mid-day meal programme serving wholesome food to over 1.39 million children from 10,631 schools across 10 states in India.
31 www.onergy.in
32 Excerpts from interview
**Customer segments:** Current target market include households, civic institutions, and village enterprises in three states

**Social Impact:** Till date, ONergy has impacted 120,000 lives by providing solutions such as solar lanterns, solar home systems, solar water heating systems, solar inverters, solar street lighting, cook stoves, KW\(^{33}\) installations for households and institutions. They have launched innovative products such as solar TV, solar computer, solar micro grids and solar irrigation systems. They also provide a unique full service distribution infrastructure by establishing Renewable Energy Centres (RECs). It operates through a network of trained rural entrepreneurs and leveraging the existing networks of local NGOs, SHGs and MFIs.

**Challenges:** Steady source of finance to fuel growth, finding the right people & fit, training & motivating.

**Suggestions:** Subsidy processing is very slow and any regulatory help is welcome.

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**9.2.7 RuralShores Business Services Pvt. Ltd.** \(^{34}\)

“Rural Shoring” is a rural-focused socio-commercial initiative dedicated to create employment in villages in India through its mission of impact sourcing in rural India. It is focused on providing underprivileged rural youth with sophisticated employability solutions and sustainable employment opportunities.

**Mission statement:** “Connecting Bharat with India through IT enabled services & business enablement services”.

**Inspiration to start-up:** To prevent migration of youth from villages to cities and to provide jobs to the people where they live instead of bringing people to the jobs.

**Top 3 values:** Win customer hearts and earn trust - everything else next; foster family fabric; care for community

**Products /services:** RuralShores provides employment to educated youth in Indian villages. Technology enabled services include transaction processing services (voice and non-voice processes), testing and technical services. Following services are provided,

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\(^{33}\) Kilo Watt

\(^{34}\) ruralshores.com
• Pure drinking water at a very reasonable cost
• Cooperative community diaries with chilling plants that can increase the yields and longevity
• Value based education at a cost less than the government schools
• Tele-medicine centres that provide primary health care at affordable prices
• Alternate energy solutions – power generator using solar, bio-gas or wind based
• Contract production involving small scale farmers, producers or artisans in rural supply chains
• Agri based solutions that helps farmers increase the incomes

**Customer segments:** Banking, Insurance, Telecom, Micro Finance, IT and ITES, Government and public sector and several other domains.

**Major business model innovation:** RuralShores has evolved an “operating template” that can be applied for successful rural delivery across processes and geographical regions. This consists of three key elements (i) talent model honed to work with rural youth; (ii) sustainable operating centre business model and (iii) knowledge intermediation approach. RuralShores is a proven model. Currently they have 2500 employees in 17 centres in 10 states, delivering over 45 processes to more than 30 blue chip clients.

**Social Impact:** RuralShores offers its employees an opportunity to support their seasonal family income with a steady monthly income without having to migrate to the next big city. Their success in turn encourages fellow villagers to educate their children, including the daughters. Women constitute nearly 50 percent of their employees. They have adopted Social Impact Assessment (SIA) to measure the social impact created. SIA is a process by which a systematic analysis and monitoring of intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions are done.

**Challenges:** Funding and people management

**Suggestions:** Government support to provide incentives for electricity, internet connectivity to rural centres.

**Major awards:** NASSCOM awards for business innovation, Asia Business award for best BPO and Asian innovation award.
9.2.8 SELCO Solar Pvt.Ltd\textsuperscript{35}.

SELCO Solar, is a social enterprise providing sustainable energy solutions and services to underserved households and businesses. They make lighting and energy solutions to the most underserved demographic of India’s population, provides unique financing opportunities

**Mission statement**: “To provide sustainable energy services to the poor”.

**Inspiration to start-up**: During his Master’s degree research Harish Hande spent time in Dominican Republic and was convinced with the idea that solar power is a viable energy solution for the poor.

**Top 3 values**: Poor are partners; no hierarchies; balance social, environment and financial sustainability.

**Products/services**: SELCO provide indoor home appliances, outdoor lighting, water heating, solar inverters, biomass cook stove and similar products.

**Customer segments**: Solar and clean cooking solutions to underserved clients in India.

**Major business model innovation**: Linked cash-flow based financial products for the informal sector through rural banks. SELCO has also incubated entrepreneurs, who maintain solar charging stations and deliver charged batteries to street hawkers.

**Social Impact**: SELCO has been able to successfully empower individuals to run their businesses through their solar lights and reduced their dependence on fuel based products for lighting and cooking. India’s extensive rural banking system did not have financial portfolios for solar lighting technology. This social venture has played a pivotal role in convincing the large commercial and rural banking institutions to finance sustainable energy systems for poor rural households. Since then SELCO has forged partnerships with numerous regional rural banks, commercial banks, NGOs and rural farmer cooperatives to develop financial solutions that match the cash flow of the target client base.

In its nascent stage, it took five years for SELCO to provide solar lighting for 500 houses. SELCO’s efforts of reliable after sales servicing and linking appropriate customized financial

\textsuperscript{35} www.selco-india.com
schemes was instrumental in sustaining faith in an unfamiliar technology. Focusing income generating activities through energy services has improved the quality of life for several members of underserved households. They also provide affordable channels to procure the technology thereby increasing work hours and hence productivity. Market linkages to income generating activities also contributed to increasing affordability of end user.

**Challenges:** Hiring people with holistic thinking who is a “SELCO type”.

**Suggestions** – Government needs to consider the inputs from practitioners while framing policies.

**Major Awards:** Ramon Magsaysay Award (2011), Financial Times Arcelor Mittal Boldness in Business Awards for Corporate Social Responsibility (2009). Ashoka Fellow (2008), Social Entrepreneur of the Year Award by the Nand and Jheet Khemka Foundation, UNDP, and CII (2007)

9.2.9 Serval Automation Pvt. Ltd

Serval is a social enterprise is engaged in the manufacture of socially relevant products, focused primarily on providing clean, green, affordable and indeed sustainable energy for cooking and lighting purpose.

**Mission statement:** “To bring appropriate technology to the bottom of pyramid, to enhance quality of their life”.

**Inspiration to start-up:** The passion to touch a critical aspect of human life and to give something back to the society.

**Top 3 values:** Social entrepreneurship based business model; strong focus on conservation of fossil fuels reduction and carbon emission reduction; indoor air pollution reduction and deforestation.

**Products /services:** Serval’s products reduce the net addition of carbon-di-oxide into the atmosphere. Their kerosene stoves and kerosene burners reduce kerosene consumption by around 30 percent.

**Customer segments:** Rural poor

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<sup>36</sup> www.servals.in

Page 180 of 236
Major business model innovation: Developed a patented “Plant Oil” stove - a stove that can run on straight, unrefined vegetable oil. Servals have put in a model by producing the stoves in association with “Trust for village self-governance”, an NGO and thus providing rural employment opportunities. The micro entrepreneurs provide raw materials, place and people and Servals provide the know-how. It is estimated that each entrepreneur will be able to make approximately INR 20 per burner sold by him. Servals work with NGO’s who network with self-help groups (SHGs) and use SHG members as marketing partners.

Environmental impact: Servals’ burners reduce carbon emission to the order of 44 kg of CO₂ per burner per annum (about 20 percent saving compared to other burners), Stoves compared to normal stoves (Thermal Efficiency of 50 – 55 percent), Stoves contribute a minimum of 5 percent (Thermal Efficiency of 60 – 65 percent) improvement in fuel use efficiency. Servals believe in improving the lives of the customers by helping them reduce their expenditure on cooking fuels, thus increasing their household income. It is estimated that there is a saving of $15 per month per household just by using Servals burners.

Challenges: Obtaining Project Finance for setting up cooking stove clusters that have low interest rates, cost management and vendor management, since target audience do not have affordability; their need for credit is also very high and very long. Automation is challenging because of the high investment cost.

Suggestions: Need more project funding. There is a need to work on building the whole ecosystem, not just the business.


9.2.10 Suminter India Organics

Suminter India organics is a pioneer in producing high quality, 100% GMO free organic food and fibre products under socially and environmentally conscious conditions that cause lasting transformations to the farmer groups.

Mission statement: “Produce high quality, 100% GMO free, high value added organic products under socially and environmentally conscious conditions that provide long term benefits to the farmer groups.”

37 suminterindiaorganics.com
percent GMO free organic food and fibre under environmentally and socially conscious conditions, causing lasting transformations to farmer groups by connecting the remotest part of India to the markets of the rich”.

**Inspiration to start-up:** Desire to start a sustainable business while creating value for marginal farmers

**Top 3 values:** Hard Work, Integrity, Quality

**Products/services:** Agriculture, Food, Cotton

**Customer segments:** Farmers

**Major business model innovation:** Suminter Organics adopts an integrated business model starting from procuring, monitoring and selling organic farm products. They offer organic certification and training to Indian farmers. They also ensure a consistent supply chain of quality organic goods and pay the farmers a premium over market prices and thereby make agriculture a viable option for these farmers. To make the process of procuring and marketing the goods as efficient, transparent and fair as possible, they have integrated each step into a viable business model.

The success of Suminter's model starts with forging strong relationships with local farmers. Suminter recruits farmers through local organizations and Suminter's own field officers. Once a farmer has decided to participate in Suminter's training and certification program, he or she has the option to sell organic crops to Suminter for a premium or alternatively in the local markets at conventional prices. The process of converting to a certified organic farm is a three year process. Suminter works with the farmers during this period to impart training in organic farming techniques and assist the farmer in selling the interim crops in the conventional and fair trade markets.

**Economic and Social Impact:** Currently, they are directly working with 20,000 farmers to procure, process, and package organic products. Farmers are paid a premium for their organic crops because of the superior quality and consistency of their crops. Prices for organic goods are always 10 to 15 percent higher than those for conventional goods. Suminter guarantees to its farmers purchase of each crop at the organic market price, allowing them to earn a profit on their production. Suminter seeks to break down the social barriers of caste and class and offer farmers, who often fall at the bottom rungs of the economic ladder, an opportunity to advance to higher income and education levels.
Environmental impact: Suminter's commitment to organic farming directly benefits those farmers living in and around the farms. These farms are converted to more environmentally friendly organic farmland by eliminating all kinds of chemical fertilizers, pesticides and insecticides. They not only do organic farming practices promote the health of the soil, air, and water in which crops are grown, they also produce crops that have no chemical residues and a higher nutrient content than conventionally grown crops. These factors benefit the health of the end-consumers, who are increasingly aware of the environmental and health benefits of eating and buying organic.

Challenges: Recruiting and retaining quality talent.

Major awards: In 2009, Suminter won the Sankalp Forum's “High Impact Award for Agricultural & Rural Innovation”.

9.3 Top Ten Lessons from Ten SEVs
Elkington says, there is no single entrepreneurial solution to world’s social and environmental challenges, instead we need much more entrepreneurial thinking and approaches across the spectrum (Elkington 2008). All the social enterprises listed are constantly striving to alleviate poverty and provide livelihoods through entrepreneurial solutions. Some of the common practices adopted by them are highly commendable and worthy of emulating by other enterprises. Ten such best practices are listed here, based on the analysis of their business model innovation practices.

9.3.1 Affordable solutions through empathy and market research
Porter opines that, for a venture, the starting point is to identify all the societal needs of underserved markets. The opportunities are not static; they change constantly as technology evolves, economies develop, and societal priorities shift. An ongoing exploration of societal needs will lead companies to discover new opportunities (Porter et.al. 2011).

Developing low cost products and services which are affordable for the consumers at the bottom of the pyramid requires continuous research and innovation (Seelos et.al. 2005). Forus Healthcare, a social enterprise’ patented innovation, 3nethra, can be used by not only
ophthalmologists and doctors but also by service providers and common man. The business model is built around providing the product and associated services like screening at the lowest cost possible.

Social entrepreneurs who work in energy sector have developed many solutions fitting the culture and context of the target market. The major challenge is to work so closely with the poor to understand the need for energy based on their occupations and life style. SELCO’s sustainable energy solutions are provided to underserved clients after thorough research not only on the need for energy but also the context and lifestyle of the poor. Harish Hande says, in one of the village, jasmine flowers were plucked by girls in the age group of 7 and 8 years. All of them had long hair to balance kerosene light to pluck the flowers at early morning hours from 3 to 5 am. SELCO designed a solar powered head lamp for them which not only provided brighter light, but also safer to use. Another innovation is a 50-50 solar-grid powered sewing machine which can work an additional 5 hours a day, in turn increasing the income of the household. SELCO also pioneered the income linked payment options after realising that the regular bank loans are unaffordable to their clients. All the successful social businesses in this study showed amazing patience and detail orientation to understand the real needs of the poor customers.

9.3.2 Low cost solutions by using locally available resources

Developing products using local resources can go a long way in inclusive growth. Zahra et.al calls such social entrepreneurs as “Social Bricoleur” who is uniquely positioned to discover local social needs where they can leverage their motivation, expertise and local resources to create and enhance social wealth (Zahra et.al. 2009:524). Porter says, advances in technology and awareness in environmental impact have catalysed new approaches to use local resources like water, raw materials, human resources and so on to the maximum (Porter et.al. 2011).

Aquagri proved that their solution using locally available seaweeds can lead to a successful business proposition for the company and the poor fishermen. For the coastal community, when fishing became less and less viable due to over exploitation, see weed cultivation was the way forward. Seaweed farming also helped for the first time in bringing women into the mainstream of economic activity and empowers them to better the lifestyle and well-being of the whole
family. Seaweed is grown on tethered rafts in the sea, and the required area was leased from the port authority, and the planting material was provided by the company. After 45 days, the seaweed is harvested, dried and carrageenan is extracted from it. Carrageenan is used as a thickening agent in foods such as chocolates, ice creams, custard powder and even pickles. Seaweed is also a good source of certain vitamins and minerals. The processed extract is also sold in international markets and also bought by many companies. Today through Aquagri’s efforts close to a thousand families are earning their livelihood through seaweed cultivation and a large number of them being women.

Suminter Organics sources organically grown local produce, from their pool of trained and certified farmers at a higher price than the market price. RuralShores trains local youth in villages and use their untapped skills and provide employment through their BPOs. Social enterprises make use the abundant renewable natural resources and skills of the villages, which is one of important ingredient to making low cost, affordable solutions to the poor.

9.3.3 Affordability through access to finance
As Bloom et.al says, since customers of social ventures are often poor, uneducated and unhealthy, they are very unlikely to afford to pay a “full cost” price to the services. Social ventures need to device some way of financing the gap (Bloom et.al. 2010).

When Harish Hande, after his PhD at UMass Lowell, and decided to start up a social enterprise by providing renewable energy to the poor, he stumbled upon this hard truth. A standard SELCO four-light system, for example, costs users approximately US$ 380, which was unaffordable to all of them. As a true entrepreneur, it never deters him and he ended up convincing commercial and regional rural banks38 (RRBs) to finance sustainable energy systems to rural poor households. New financial solutions were evolved that match the cash flow of the lender. Because of Selco’s efforts now a user can pay a small amount as down payment and monthly instalments of US$ 6-8 over five years. The user can also pay by generating extra income resulting from additional work made possible with the light and savings from eliminating costly fossil fuels with customized payment schedules.

38 Currently there are more than 40,000 Regional Rural banks In India.
Selco has been able to successfully empower individuals to run their small businesses without depending on fuel based lighting. Their energy products and services have led to improving the quality of thousands of people and children, who can now study better at nights. Onergy has created an integrated full service infrastructure, which not only sells their renewable energy products, but also provides the much needed financial assistance to the poor.

9.3.4 Using existing channels and network

Porter is of the opinion that underserved markets have many unmet needs which often requires the entrepreneurs or companies to redesign not only the products and services but also the distribution methods which can trigger a set of innovations which may also be relevant in traditional markets (Porter et.al. 2011).

Rural markets are highly networked with self-help-groups, NGOs and many local groups. India has a huge network of SHG and if a successful model is put in place, replication will be easy and the scaling up will be huge. Social Engineers according to Zahra et.al, produce very large scale transformations which is national to international in scope and which seeks to build lasting structures that will challenge existing order (Zahra et.al. 2009:523). Social enterprises like Drishtee and Basix have transformed the basic rural supply chain into vibrant, ICT enabled access points to rural poor.

Drishtee, uses a network of 14,000 rural enterprises which provide various services to the people at the bottom of the pyramid, making it one of the world’s largest rural distribution networks. Drishtee through each of its ‘milkman routes’ caters to a minimum of 20 to 25 villages. These trained rural micro-entrepreneurs who run these kiosks deliver services like banking, micro-finance, livelihood, health and education. These multi-utility kiosks also provide as access point to buy physical products like eyeglasses, mobile phone and agricultural products.

39 A recent study by the Government of India, estimates the number of NGOs in India to be 3.3 million. (An NGO for every 400 Indians, possibly the highest in the world) This number includes several temples, religions associations, cooperative societies and so on.
Basix is one of the largest public limited social enterprises in India serving rural customers with multiple products and services. The Basix convenience outlets which are set up across acts as access point for savings products, credit products, micro-insurance products covering life, crop, livestock and assets; Mobile banking transactions off bank branches; agriculture and livestock services; vocational training, energy, climate change services and many more. The impact has been phenomenal with 10,000 and more rural staff serving 3.5 million poor customers, using these rural infrastructure and networks.

Onergy has created a unique full service distribution infrastructure for their renewable energy products and services operated by trained rural entrepreneurs and also leverage on the strong network of NGOs, SHGs and MFIs. Rural India has good inbuilt resources and infrastructure but mostly underutilised. An entrepreneurial nature of social ventures can tap these promising opportunities and improve living standards in these villages.

9.3.5 Use of technology to reduce cost
Developing the right technology at affordable cost is another major ingredient for the success of most of the social enterprises. “Today there is a growing consensus that major improvements in environmental and social performance can often be achieved with better technology at nominal incremental cost and can even yield net cost savings through enhanced resource utilization, process efficiency, and quality”, says Porter et.al (Porter et.al. 2011:6). Onergy and SELCO solar, the leading renewable energy service providers in rural India are able to create customised energy solutions catering to households and small businesses.

RuralShores have developed technology enabled services like transaction processing services, testing and technical services and provides employment to educated youth in Indian villages. Forus healthcare’s 3netra is a breakthrough technology in mass eye care and is of low cost. They have developed an integrated system using telemedicine and remote diagnosis which reduced cost of treatment significantly not only for poor patients but also for hospitals.

Aquagri, a social enterprise helps the coastal families to cultivate seaweeds from which carrageenan, an approved food addictive is extracted which has found markets in national and
international markets. It is used worldwide to enhance ice creams, chocolate milk, custard, cheese, jellies, confectionary, processed meat, and protein drinks.

Most of the social entrepreneurs in this study spend considerable time and money in understanding customer needs and creating customised solutions and developed adaptive technology based products through research and development. All of them registered their innovations under IPRs and a few believe in sharing the technology freely with other enterprises. SELCO is a pioneer in rural electrification and they helped Onergy and other similar ventures to set up similar enterprises.

9.3.6 Interdependence through meaningful partnership

Austin et.al, reiterates that one of the distinguishing feature of social entrepreneurs compared to commercial ones is their need to establish multiple partnerships with a diverse array of individuals and organizations (Austin et.al. 2006). In general social businesses need more partners than regular entrepreneurs due to the terrain they operate in and the nature of their target groups. The empirical study in the earlier chapters also discussed this and the managerial challenges rising out of this diversity in partnerships.

Almost all the social enterprises described here leverage on the extensive partner networks with MFIs, NGOs, SHGs, Governments, commercial and rural banks, technology incubators and so on. Most of them partner with several NGOs which also work as efficient distribution system. Gram panchayats\(^{40}\) are also an integral part of the rural infrastructure in India which is considered as more trustworthy insiders. They also partner with regional rural banks, microfinance companies and various self-help groups. Their aim is to bring affordable, accessible and authorized transaction points in the village and these points can multi-task for the benefit of the partner organizations seeking outreach. Drishtee works with more than 1000 external organizations. Basix works with around 150 organizations and Onergy partners with more than 100 organizations in their attempt to serve the rural poor. It is imperative to partner with NGOs and SHGs to do business in rural areas.

\(^{40}\)A Gram Panchayat is a local self-government institution at the village or small town level in India and has a Sarpanch as its elected head.
9.3.7 Creating micro-entrepreneurs

One of the biggest contributions of most of the successful social enterprise is that in the process of providing solutions to rural poor, they also create micro entrepreneurs. SELCO solar and Onergy have trained many rural youth to set up full service renewable energy centres that maintain solar charging stations and deliver charged batteries to hawkers. SELCO further spreads the sustainable technology through “business associates”. These entrepreneurs lease solar-powered lights to street vendors in the evening.

Servals’ theme itself is rural employment generation. They have put in a model with open source of information and sharing the knowledge to manufacture kerosene burners and provide rural employment opportunities. These micro entrepreneurs provide all the materials, place and people and Servals provide the know-how. Servals also believe that with its long-term vision of energy entrepreneurs, extreme hunger and poverty can be alleviated at least among some segments of the BOP. Basix convenience outlets are managed by micro-entrepreneurs. Drishtee’s milkman routes and kiosks are managed by micro-entrepreneurs.

Empowering rural youth through training and providing access to required resources and capital to run their own small business brings significant improvement in their income generation and a sure way forward for inclusive growth.

9.3.8 Comprehensive solutions

Many of the social entrepreneurs go beyond just providing their products and services to their clients. In the fishing analogy, it is not just teaching them fishing, but, providing them access to capital, fishing resources and even providing access to market their produce. Suminter Organics adopted an integrated approach to procuring, monitoring and selling products from the farmers. The business model is built on the premise that by training and certifying farmers on organic production. They provide linkage to the markets and ensure a consistent supply chain of quality organic goods. Suminter is able to pay the farmers a premium over market prices and thereby make agriculture a viable option for these farmers. It takes about three years to impart training in
organic farming techniques and assist the farmer in selling the interim crops at various fair trade markets.

BASIX strategy is to provide a comprehensive set of livelihood promotion services which include financial services, agricultural and business development services to rural poor households under one umbrella. They provide a gamut of financial services and products like savings, credit products and micro-insurance products covering life, crop, livestock and assets. They also provide mobile banking, agriculture and livestock services, vocational training, energy and climate change services.

SELCO solar does thorough market research to understand how their products fit into the culture and lifestyles of the poor and customise the designing of the products based on their needs. They also customised finance schemes to match the cash flow of the target groups. Hande says, “The underserved at the bottom of the pyramid require innovations in product and finance for them to afford and access these energy services. A combination of innovations in products, finance, supply and the service can ensure that reliable and affordable energy can be used to improve the quality of lives of the poor, rural households.”

9.3.9 Environmental friendly products
Developing environmentally responsible products is equally important objectives to most of the social businesses. Companies like SELCO and Servals strive to reduce or eliminate the consumption of fuel through their products. Servals’ cooking burners reduce carbon emission to the order of 44 kg of CO₂ per burner per annum. (About 20 percent saving compared to other burners), Servals believe in improving the lives of the customers by helping them reduce their expenditure on cooking fuels, thus increasing their household income. It is estimated that there is a saving of INR 900 per annum per household just by using Servals burners. Clean, green, affordable and sustainable energy source to rural poor. Their products reduce further emission of CO₂ into the atmosphere and thus making it more environmentally friendly.

41 Excerpts from interview
Green Power Systems’ proprietary bio-waste-to-energy reactor, BioUrja, takes in bio-waste and produces bio-CNG and digested slurry as a by-product, which can be used as manure. The bio-CNG can be directly used for cooking and thus help save on commercial LPG expenses. Alternately, the bio-CNG can be used for generating electricity. The environmental impact is measured by waste prevented from ending up in landfills and GHG emissions reduced.

As most of the social businesses in this sample study strive to achieve a triple bottom line impact, developing environmentally responsible solutions is one of their primary missions.

9.3.10 Earning trust through improving quality of life
It took more than five years for SELCO to earn the trust of villagers to sell solar lighting. They earned their confidence, by going beyond selling; linking customised financial schemes, after sales services through transparent and open communication. The communication was mainly to prove how SELCO products can improve the quality of their life. SELCO is able to improve the quality of life of many underserved households by connecting income generating activates with energy services.

Suminter works with farmers more than three years in training them and convert their farmland into certified organic farms which produce better quality produce and commands a price premium in the market. They also seek to break down the social barriers of caste and class and provide an opportunity to increase their earnings through farming.

Since most of the villagers are sceptical about the invasion of their simple lives by various MNCs, these social entrepreneurs have shown sheer courage and perseverance to convince them through genuine, culture friendly solutions.

All ten social entrepreneurs and their social businesses have been extremely successful in their sector and command respect. The lessons learnt from them are depicted in figure 9.1.
9.4 Conclusion - Change makers\textsuperscript{42} for a brighter tomorrow

A true social entrepreneur spends time in understanding the needs, culture, lifestyles of the target customers and uses locally available resources; man, machine, materials and money, and adapts relevant technology, to develop an integrated, environmentally responsible solution(s). In this process they will explore right partners and train and develop more and more micro-entrepreneurs. They also provide the necessary finance to the rural poor to acquire their products. The end goal is inclusive growth by improving the lives of the poor, thus creating social impact along with financial sustainability for their social venture.

Social entrepreneurs are change makers, who bring innovative and integrated solutions to world’s intractable and long lasting social issues. They understand that the poor not only needs training on fishing but also need initial capital to buy the boat and working capital to buy the raw materials for fishing and a market to sell his daily catch and do this on sustainable basis. A true social entrepreneur works to create a comprehensive value chain. The poor needs holistic solutions to their problems. These ten social ventures have been striving hard to bring this huge paradigm shift of inclusive growth.

\textsuperscript{42}Ashoka calls social entrepreneurs as change makers.