

Figure 1.1 Social Progress Index

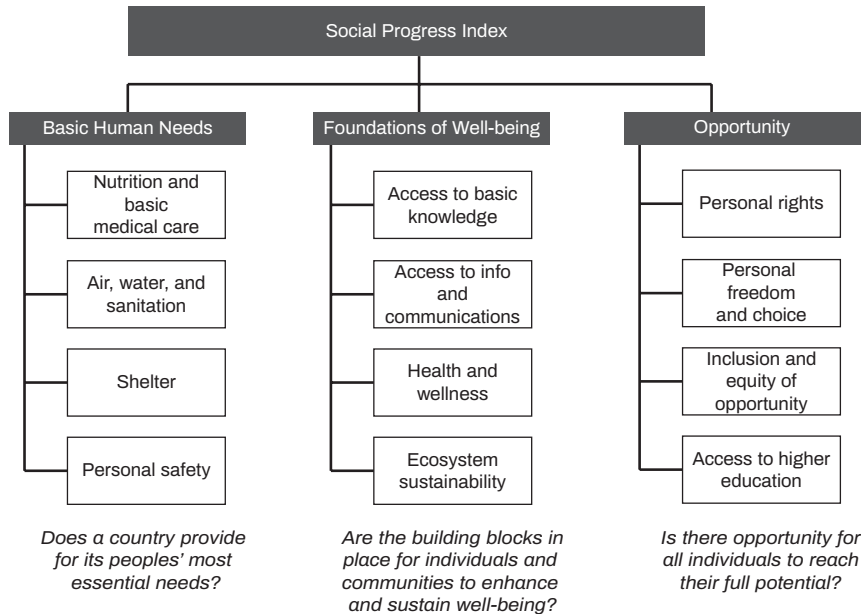
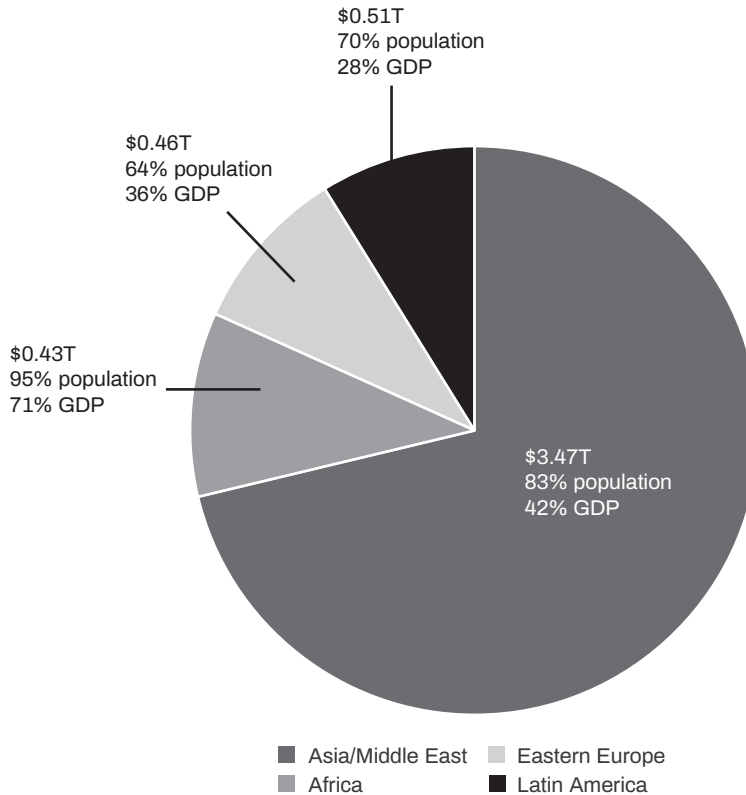


Figure 1.2 Approaches to Poverty Reduction

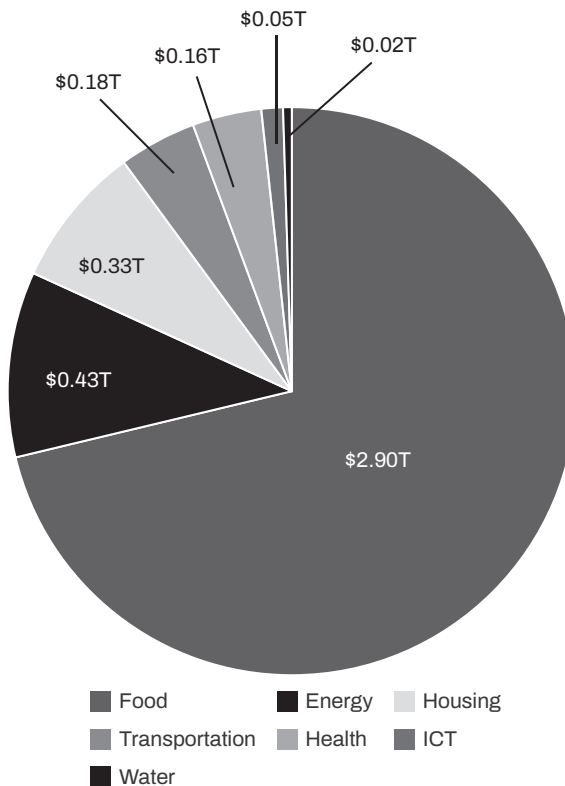
Factor/Approach	Mission/Focus or Dominant Logic	Economic Efficiency	Understanding of the Problem	Resources
Government programs or aid	Multiple missions; often co-opted to strengthen power/ political base; often changing	Usually high overhead, with multiple levels of bureaucracy	Many levels removed from actual clients; lack of empowerment	Finite, often changing
Philanthropic programs	Charity or wealth transfer	Usually high overhead, with at least two levels of bureaucracy	At least one level removed from clients; lack of empowerment	Finite, not often repeatable
Multinational corporations	Profitable revenue growth	Often well-developed and efficient operations, but may not work for reaching low-income customers	Often very limited knowledge of the problems of the poor and state of market development; marketing programs do not work in fractured markets	Amounts based on short-term priorities
Informal economy	Workaround poverty solution	Highly inefficient; may be corrupt	Personal, direct understanding	Limited
Social ventures	Impact on specific poverty problems	Can develop efficient solutions	Personal, direct understanding	Can grow with success of venture

Figure 2.1 BOP Spending



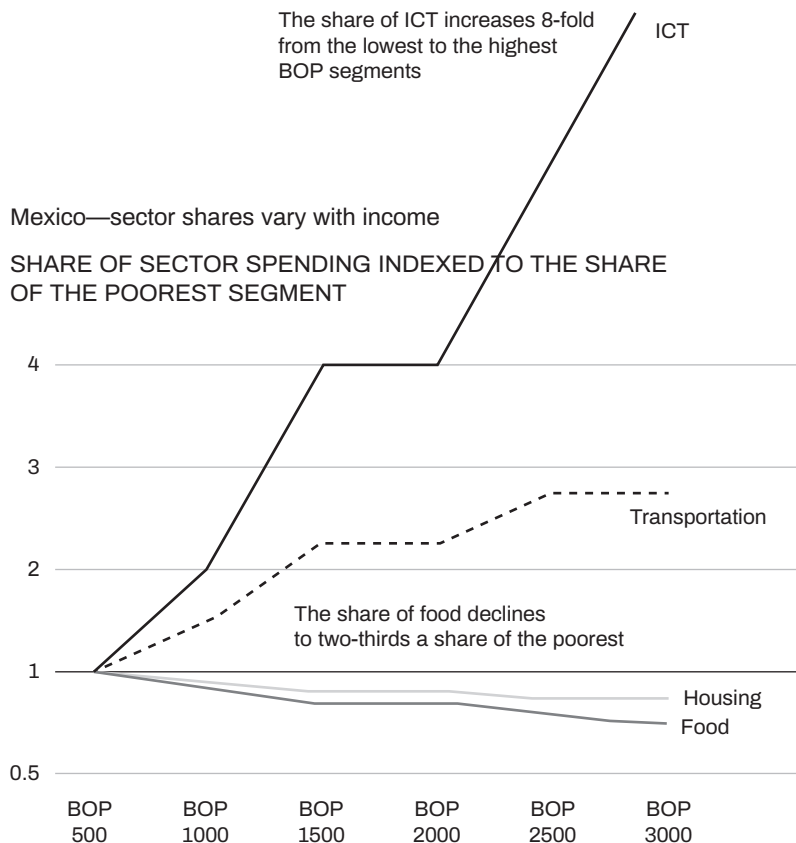
Source: A. Hammond, W. Kramer, J. Tran, R. Katz, and W. Courtland, *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid* (Washington, DC: World Resources Institute, 2007), 28.

Figure 2.2 Global Poverty



Source: A. Hammond, W. Kramer, J. Tran, R. Katz, and W. Courtland, *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid* (Washington, DC: World Resources Institute, 2007), 19.

Figure 2.3 ICT Spending Growth



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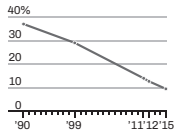
Source: A. Hammond, W. Kramer, J. Tran, R. Katz, and W. Courtland, *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid* (Washington, DC: World Resources Institute, 2007), 14.

Figure 2.4 Global Distribution of Poverty

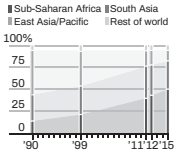
A Concentrated Problem

Although the percentage of people living under extreme poverty has fallen sharply, more than 700 million people remain in such dire straits.

Global poverty rate

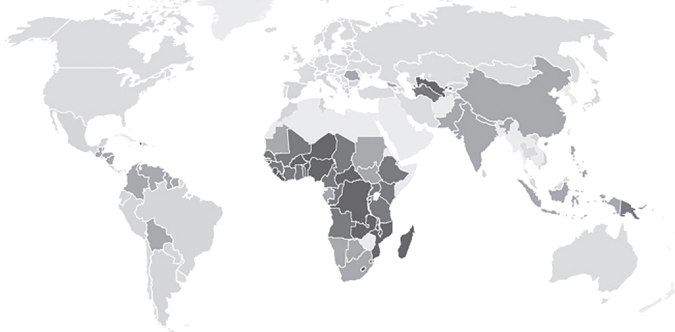


Share of world's poor



Percent of people living on \$1.90 or less* a day

1% or fewer 11–5% 51–25% 25.1–50% More than 50% No data

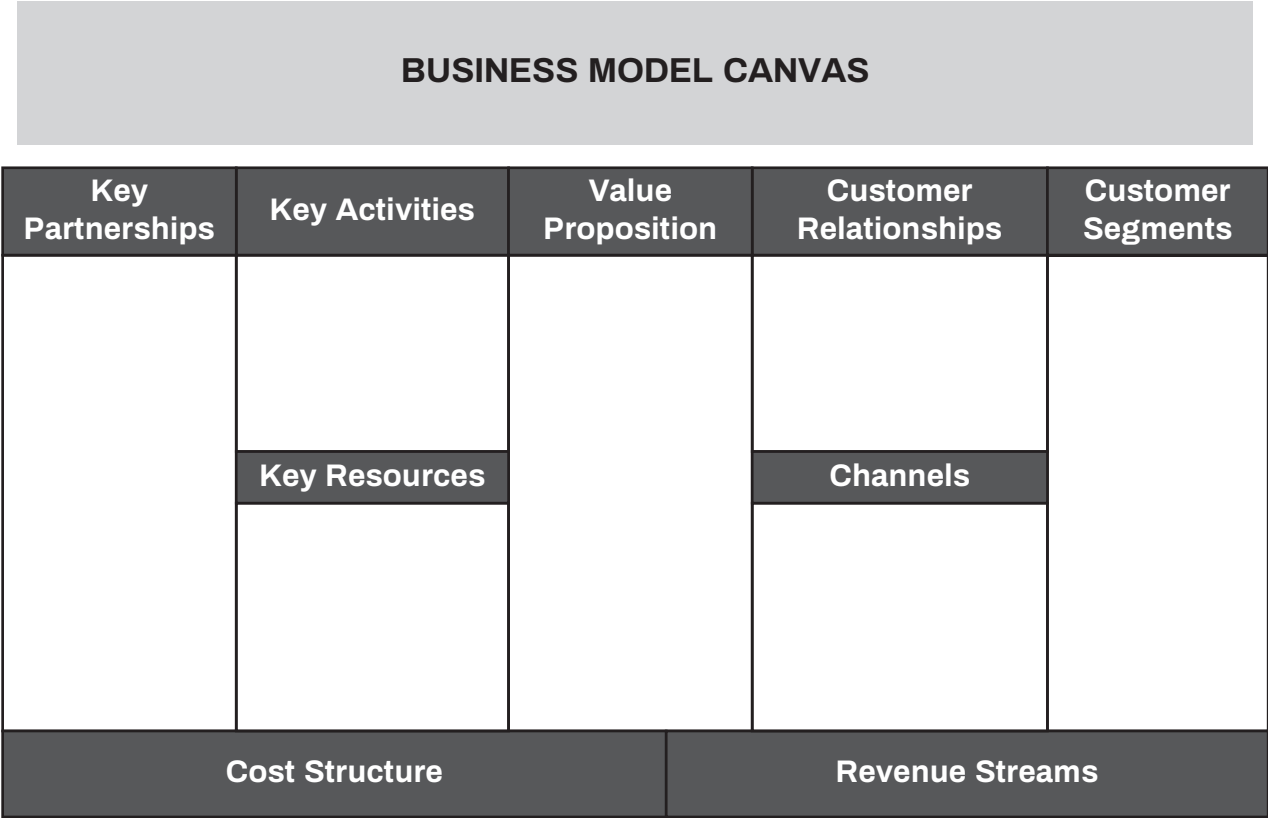


Source: World Bank

*Defined as extreme poverty. Data shown are most recent available, and range from 2008–2013 for most countries.

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Figure 3.1 Business Model Generation



Source: Alexander Osterwalder and Yves Pigneur, *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers* (New York: John Wiley & Sons, 2010).

Figure 3.2 The GSBI Paradigm

Paradigm Element	Why Salient
1. Mission/Opportunity/Strategies	Focused theory of change
2. External environment	Local context and risks
3. Beneficiary needs (“market”) analysis	Customer identification
4. Operations and key processes	Value chain innovation
5. Organization and human resources	Pivotal jobs and skills
6. Business model	Revenue and expense drivers
7. Metrics	Performance monitoring and measurement
8. Operating plan and budget	Cash flow and milestones
9. Financing	Capitalizing the venture

Figure 3.3 Grameen Shakti Business Model

DELIVERING VALUE				
GRAMEEN SHAKTI BUSINESS MODEL				
Key Partnerships	Key Activities	Value Proposition	Customer Relationships	Customer Segments
Financial: <ul style="list-style-type: none">• GEF (Worldbank)• USAID• IDCOL (Worldbank)• CDM (Worldbank) Branding: Rural business experience: <ul style="list-style-type: none">• Grameen Bank Technical: <ul style="list-style-type: none">• Suppliers of all major system components (natl. & internatl.) Scientific: <ul style="list-style-type: none">• Tech. Univ. Dhaka• Asian Inst. of Development• Worldbank	<ul style="list-style-type: none">• Marketing of: SHS, stove, biogas plant bio-fertilizer• Support of customers' income generation• Creation of rural jobs	<ul style="list-style-type: none">• Light• Health (via stoves)• Education• Information• Communication• Entertainment• Saving of (energy) expenditures• Additional income• Meaningful jobs for staff• Self-reliance for deprived women	Full service: <ul style="list-style-type: none">• System installation, maintenance, repair• Customer financing, training, counseling	Rural clientele: <ul style="list-style-type: none">• Farmers• Fishermen• Merchants• Craftsmen• Teachers• Clinics, schools BOP segments 1000 to 3000 <ul style="list-style-type: none">• Few urban clients• No industry• No public offices / ventures
	Key Resources		Channels	
<ul style="list-style-type: none">• Qualified local staff• Branch network• Internal staff-network• Training facilities• Trusted brand name• Revolving fund		<ul style="list-style-type: none">• Network of branch offices• Technology centers• Energy entrepreneurs• Micro-utilities		
Cost Structure			Revenue Streams	

Figure 4.1 A Logic Model for Access to Affordable Eye Care

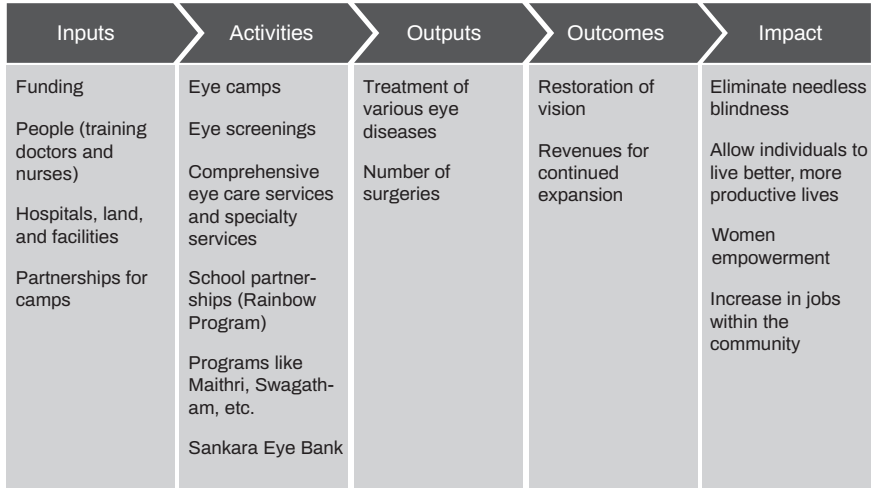


Figure 5.1 Embedded Systems View Of External Environment

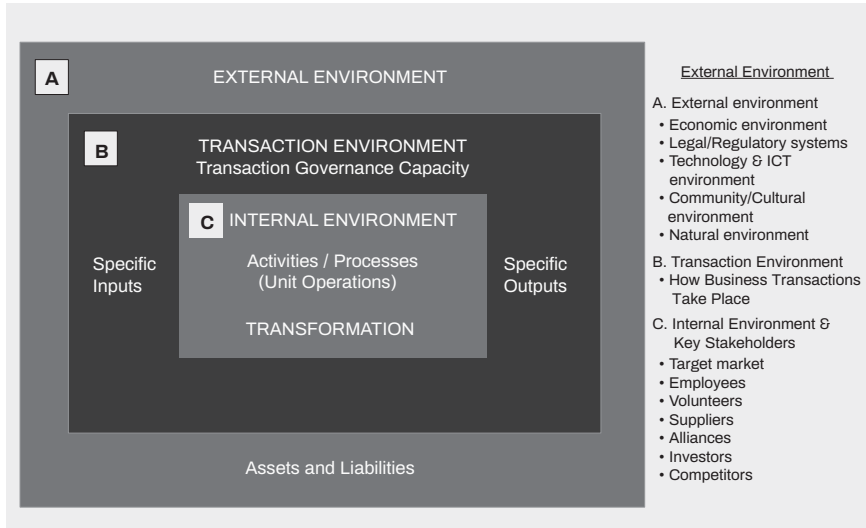


Figure 5.2 External Environment Analysis Matrix

Environmental Factors	Actions
Assets	Leverage
Impediments	Mitigate

Figure 5.3 External Environment Analysis for Grameen Shakti (Solar Home Lighting Systems)

Environmental Factors	Actions
Assets	Leverage
Low-cost solar home systems (from Kyocera, Chinese, and other suppliers)	Use existing systems
Grameen brand	Use Grameen name to legitimize and help funding
Young people with technical degrees	Hire staff, bootstrap training
Community leaders generally have more money	Sell to leaders first and get endorsements
Young women who want to work	Train repair or sales staff
Impediments	Mitigate
Extremely poor customers	Offer microfinancing; sell solar lights as income and cash flow enhancing
Competition for skilled employees	Competitive pay, benefits, and promote from within
Cash economy, no IT support for transactions	Have lock boxes for money; develop manual journaling; develop rigorous auditing system
Informal markets instead of retail stores	Use markets for demos
Largely island communities, bad roads, and expensive transport	Local offices, bicycle, or jitney delivery
Expect solar to work forever	Provide full service and warranty plans
If one community does not pay, others may not pay as well	Gentle but firm insistence on payments, may need to involve wives
Difficult geography (islands)	Develop network of district offices
Heavy rain and monsoons	Include replacement warranty

Figure 5.4 The Economic Environment (Market-Oriented Ecosystem)

Organization and Infrastructure		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Suppliers	A: Low-cost suppliers of medicines and medical equipment	L: Cost is kept down through economies of scale
Partners	I: Limited resources for conducting screening camps A: Partner Foundations (SEF USA and SEF UK) A: Mission for Vision Trust A: Others—Recurring grant providers	M: Local community sponsors collaborate to fund camps L: Donations for equipment, surgeries, new hospitals, and postoperative impact measurement L: Contributed Income <ul style="list-style-type: none">• Govt. of India—for the Eye Bank• Sri Ratan Tata Trust for the Sankara Academy of Vision• District Blindness Control Society (DBCS)• Indian Council for Medical Research (ICMR)
Competitors	A: Aravind Eye Care A: Small eye clinics (private practitioners/sole proprietors) I: Vasani Eye Institute (100+ eye hospitals, part of Vasani Health Care network), Apollo Hospitals, Max Health Care, and other regional private hospitals	L: Follow similar, proven cross-subsidy business model L: Get referrals for surgeries and other procedures beyond the capabilities of these small enterprises M: Offer comparable value at better rates than large private eye hospitals
Customers	I: Blindness and poverty	M: Offer convenient on-site screening eye camps in remote villages followed by transportation of patients to the base hospital for free treatment

Figure 5.4 *(Continued)*

Organization and Infrastructure		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Influencers	A: Aravind Eye Care popularized the subsidized, high-efficiency, low-cost model for delivery of healthcare	L: Adopt the same model and strive for self-sufficiency
Roads	A: Well-connected network of national and state highways	L: Establish a network of base hospitals in urban areas, free community hospitals in rural areas, and eye camps in remote rural villages

Figure 5.5 The Legal / Regulatory Environment

Social Structure and Constraints		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Organization and tax laws	A: Sri Kanchi Kamakoti Medical Trust is a registered public charitable trust that manages the Sankara Eye Care Institutions	L: Exemption from payment of tax, donors pay tax-deductible donations. Focus on mission and reinvest surplus in growth
Regulations	A: Multiple surgeries can be performed in the same operating room	L: Attain high efficiency in the process by optimizing the time taken for each medical procedure
	I: Lack of efficient public healthcare initiative targeting rural poor	M: Provide low-cost eye care to rural poor

(continued)

Figure 5.5 (Continued)

Social Structure and Constraints		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Equivalent of HIPAA rights in India	I: The Government of India has created guidelines for Electronic Health Records (EHR) standards so that medical data becomes portable and easily transferable (India has no law on the lines of HIPAA, patient privacy provisions, or data protection) ¹	M: Promising Digital India ² initiative by the Gov't of India's Department of Electronics and Information Technology that focuses on e-healthcare and its privacy needs
Health insurance	A: Purchasers of health insurance can avail an annual deduction from a taxable income for payment of health insurance premium ³	L: Incorporate in business model to enhance patient experience/convenience

Figure 5.6 The Information & Communication Technology Environment

Computer, Network, and Media Technologies

External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Telephone	<p>A: As a result of India's Universal Service Policy,⁴ 98.3% of the villages have telephone services</p> <p>Mobile subscribers — 919.2 million <i>Penetration</i> — 76.0%</p> <p>Fixed subscribers — 32.2 million <i>Penetration</i> — 2.7%</p>	<p>L: Potentially leverage for communication with clients (customers, beneficiaries, and partners), marketing, business transaction processing, and supply chain management</p>

Figure 5.6 (Continued)

Computer, Network, and Media Technologies		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Internet	I: Internet users (2011) — 125 million	<p>M: <i>The Fletcher School-MasterCard Digital Evolution Index</i> places India as a “break out” country in terms of digital evolution, meaning the country has the potential to develop a strong digital economy⁵</p> <p>Future opportunity lies in being able to leverage digital evolution for patient online registration, appointment scheduling, online health records management, and other mobile, Web-based transactions (long-term opportunity)</p>
	<p>Internet subscribers — 22.9 million</p> <p><i>Penetration</i> — 10%</p> <p>Number of PCs (e) — 60 million</p> <p><i>Penetration</i> — 5%</p> <p>A: Use of smartphone retinoscope</p>	
Media technology (print media, radio, television, and movies)	I: Advertising of medical services by hospitals on TV and radio is considered unethical and is prohibited under the guidelines by the Indian Medical Association	M: Sankara adheres to very high ethical standards and follows the guidance of the Indian Medical Association. Uses other marketing strategies (print and social media)
Bankers	A: Central Bank of India, Canara Bank, and Axis Bank	L: Trusted partnerships, gives credibility to the organization

¹ http://en.wikipedia.org/wiki/Electronic_health_record#India, ² http://deity.gov.in/sites/upload_files/dit/files/Digital%20India.pdf, ³ <http://www.policyholder.gov.in/uploads/CEDocuments/Health%20Insurance%20Handbook.pdf>, ⁴ <http://www.budde.com.au/Research/India-Key-Statistics-Telecommunications-Market-and-Regulatory-Overview.html>

⁵ <http://fletcher.tufts.edu/eBiz/Index#Insights>

Figure 5.7 The Community/Cultural Environment

Institutions, Beliefs, and Practices		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara’s Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Social bias	I: Mind-set from paying customers that “free or subsidized service may be associated with compromised quality”	M: Patient trust gained by value-based service and brand reputation as leading provider; focus on customer satisfaction; emphasize the social good provided by one paying surgery
	I: “If the others are not paying, why should I pay?”	M: Paying and nonpaying centers generally do not receive services under the same roof (separate hospitals)
	I: Educated rural women may not have the freedom to leave their communities in search of job opportunities	M: Rural women are empowered by the training provided for ophthalmological care and the job opportunities to work in camps/community hospitals
Community	A: Common practice of consulting a “family doctor” in India (equivalent to that of a primary care physician, but not necessarily connected to a hospital); often a private practitioner, who might provide referrals for specialists	L: Referral programs for eye care services through word-of-mouth marketing
Generational differences	A: Younger generation more in touch with digital/social media	L: Incorporate Web-based marketing approaches
		M: Improve quality of life by providing affordable eye care
Customers	I: Blindness, and a number of disabilities have associated social taboos; marginalized communities ignored	M: Vision screening for poor children in rural schools (Rainbow Program); integrated child development centers and orphanages (Maithri); outreach to other marginalized communities

Figure 5.7 *(Continued)*

Institutions, Beliefs, and Practices		
External Environment Elements (EEE)	Impediment (I) or Asset (A)	Sankara's Strategy for Leveraging Assets (L) or Mitigating Risk Factors (M)
Volunteers	<p>I: Lack of funding for programs and operations</p> <p>I: Lack of manpower to conduct the rural camps</p>	<p>M: Non-Resident Indians (NRIs) contribute to the SECI by volunteering for and donating to the SEF in U.S.</p> <p>M: Volunteers for the eye camps</p>
Employees	<p>I: Shortage of well-qualified and trained staff</p> <p>I: Huge healthcare job market with ever-growing demand</p>	<p>M: Sankara Academy of Vision provides in-house training for doctors</p> <p>M: Offer competitive salary and benefits to retain employees, focus on employee satisfaction and rewarding work culture</p>

Figure 5.8 External Environment Analysis for Build Change

Environmental Factors	Actions
Assets	Leverage
Government agencies for earthquake relief	Partnerships, awards
Community awareness of problem	Demonstrate success
Local community design preferences	Adapt standard design to local preferences
Impediments	Mitigate
Lack of building codes/regulations in poor countries	Develop/advocate standards
Lack of low-cost designs for earthquake-resistant homes	Develop/prove own designs
Lack of skilled professionals to build	Train builders
Severe damage caused by earthquakes	Target post-disaster locales

Figure 6.1 Segmenting the Market

Total available market =
How big is the universe

Served / Addressable market = How many can I reach with my current sales channel

Target market = Who will be the most likely buyers

Penetrated market =
Existing user base

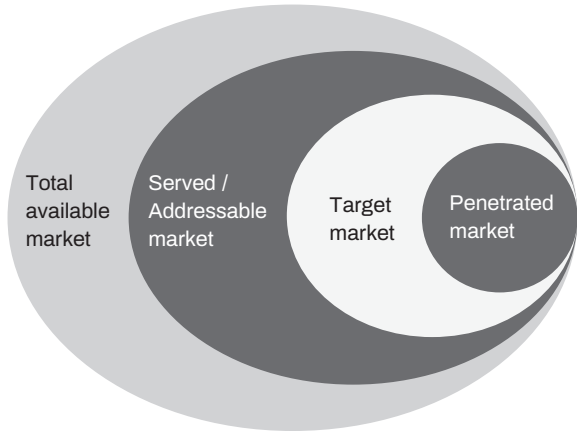


Figure 6.2 Variables for Market Segmentation

Type of Variable	Attributes
Descriptor variables	<ul style="list-style-type: none">• Demographics• Socioeconomics
Psychological variables	<ul style="list-style-type: none">• Attitudes• Interests• Culture• Opinions• Lifestyle• Personality• Aspirations
Product/Patronage characteristics (situation specificity)	<ul style="list-style-type: none">• Purchase occasion• Use occasion• Usage rate• Brand loyalty• Benefits sought

Figure 6.3 Sankara's Competition and Influencers

Competitor	Differentiation from Sankara	Compelling Reason to Consume
Aravind Eye Care Systems	65/35 ratio (paying vs. nonpaying customers)	
	Quality of care (different level of service for paying vs. nonpaying customers)	Affordable, quality eye care
	Geography (locations restricted to South India)	Trusted brand
Government health centers	Low quality of care	Free services
Private eye clinics	Higher prices No free services	Eye care expertise High-quality services
Multispecialty hospitals	Offer full medical services (beyond eye care)	Convenience

Figure 6.4 Sankara's Service Offerings

Comprehensive Eye Care Services	Specialty Services
<ul style="list-style-type: none">• Cataract and IOL clinic• Corneal and external eye disease• Pediatric care• Glaucoma services• Vitreo retinal services• Occuloplasty and aesthetics• Low vision• LASIK• Contact lens clinic• Computer vision clinic• Ocular oncology	<ul style="list-style-type: none">• Cataract• Glaucoma• Diabetic retinopathy• Ocular oncology• Cornea and refractive surgery• Pediatric ophthalmology• Eye banking

Figure 6.5 Sankara Competition Pricing

Hospital Location	Eye Exam Price (Rs)	Cataract Surgery Price (Rs)
Anand	200	11,950
Bangalore	300	21,000 — 30,000*
Coimbatore	100	12,000 — 34,000*

*Price range is dependent on type of lens chosen (locally made versus imported)

Figure 6.6 Target Market Segmentation

Country	Population	Unemployment Rate	Student Gender/Age	# Students
Laos	6M	5.7%	Teenage girls	50
Cambodia	11M	7%	Teenage girls	100

Marketing Plan:

1. Product: high school–level education including IT training
2. Price: education/training is free, but students are staff for IT outsourcing business
3. Placement: create local schools as IT outsourcing businesses
4. Promotion: partners, outsourcing client references

Figure 7.1 Partnership Types

Type of Partnership	What Is Exchanged	Written Agreement
Network	Information (e.g., client names)	Memorandum of Understanding (MOU)
Coordination	Common/shared processes for serving different beneficiary groups; or, separate but interdependent processes for serving the same beneficiaries	Memorandum of Understanding (MOU)
Cooperation	One partner “outsources” and pays another partner for products and services	Contract (service agreements that specify what, for how much, and by when)
Collaboration	Partners work together to implement processes (each partner pays its own expenses)	Contract (specifying complementary processes and how they are to be implemented to achieve impact)

Figure 7.2 Example: Grameen Shakti Partnerships

Partner	Type of Partnership	Value Exchanged
Grameen Telecom	Network	Knowledge of process for rural sales
Suppliers for solar home systems	Cooperation	Provides products and components in exchange for money
Grameen Bank	Collaboration	Office space in exchange for value to Grameen customers

Figure 7.3 Grameen Shakti: Value Chain Diagram

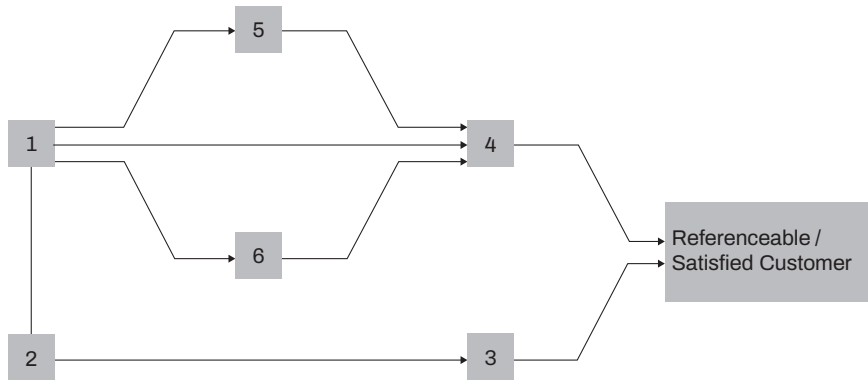


Figure 7.4 Sankara: Value Chain Diagram

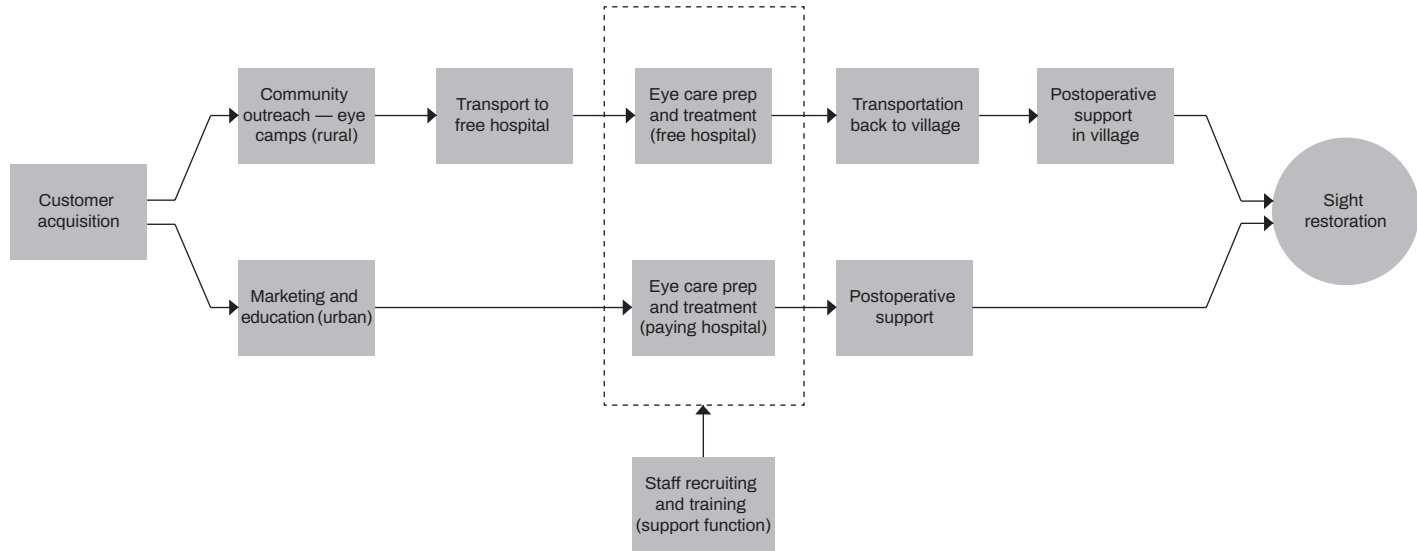


Figure 7.5 Sankara's Key Partners

Partner	Type of Partnership	Value Exchanged
Sankara Eye Foundation — USA	Collaboration	<i>Fund-raising:</i> Funds for surgeries, equipment, and hospitals
Sankara Eye Foundation — Europe	Collaboration	<i>Capital:</i> Funds for new hospitals, running existing ones
Mission for Vision	Coordination	<i>Audit and Fund-raising:</i> Establishing new hospitals, supporting deficits in recurring expenditures, audit on the postoperative patients
Eye camps (Gift of Vision Program)	Coordination	<i>Coordination:</i> Raising awareness; screening and detection of defects/ailments; eye treatment
Student screening (Rainbow Program)	Coordination (training of ophthalmologists)	<i>Training:</i> Primary screening to detect early onset issues and treat before problems worsen
Sankara Academy of Vision	Collaboration (training of ophthalmologists)	<i>Training:</i> Training initiative enables socioeconomic empowerment of students from marginalized communities
Govt. of India and NGOs	Cooperation	<i>Grants:</i> Funds for surgeries, equipment, and hospitals

Figure 7.6 Equal Access: Value Chain Diagram

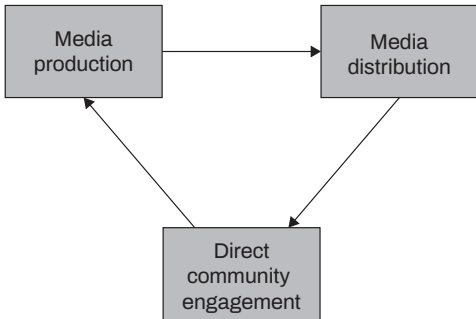


Figure 7.7 Equal Access Key Partnerships

Process Partner	Type of Partnership	Value Exchanged
Community engagement	Collaboration	Listening groups, facilitated learning, multimedia hubs, audience development and feedback
Media production	Coordination	Develop content in local language
Media distribution	Cooperation	Radio broadcasting (satellite and radio), internet data broadcasting

Figure 7.8 Value Creating Processes and Organization Capabilities

A Prolog to Chapter 8

In preparation for identifying the organization and human resource requirements for your venture in chapter 8, you may find it useful to summarize each value-creating step in your operations and the organizational capabilities (knowledge, skills, abilities) required for effective execution.

Operations (Value-Creating Processes) and Human Resources (Capabilities)

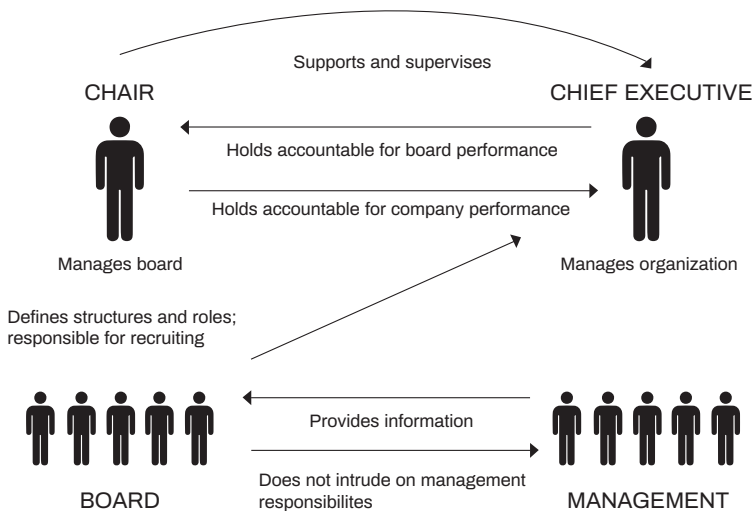
Step	Value-Creating Processes	Capabilities Needed
1		
2		
3		
4		
5		
6		
7		

Figure 8.1 Organization Plan: Balancing Conventional Models with Values

The values-based view of the organization must be balanced with the discipline of a conventional approach to designing organizations with the ability to execute strategy.

Organization Plan: Conventional Model	Values-Based View of Organization
Strategy: <ul style="list-style-type: none">• What business are we in?• How will we compete?	Fundamental values and beliefs: <ul style="list-style-type: none">• What are our basic values?• What do we believe in?
Functional strategies: <ul style="list-style-type: none">• Marketing, manufacturing, finance, Human Resources, etc.	Practices embody values: <ul style="list-style-type: none">• What policies and practices are consistent with our values?
Key success factors: <ul style="list-style-type: none">• What are the critical tasks to execute strategy?	Practices (routines) build core capabilities: <ul style="list-style-type: none">• What can we do to serve society's needs better?
Organizational alignment: <ul style="list-style-type: none">• Systems, practices, staff, rewards	Invent strategy that fits values: <ul style="list-style-type: none">• Capabilities serve unmet needs
Senior management's role: <ul style="list-style-type: none">• Monitor alignment/compliance	Senior management's role: <ul style="list-style-type: none">• "Manage" values and culture

Figure 8.2 Effective Governance of a Social Venture



Board		Management
Approves annual budget	↔	Establishes annual budget
Oversees management	↔	Manages an organization
Provides network	↔	Negotiates with partners
Creates mission and vision	↔	Implements mission and vision

Source: Schwab Foundation for Social Entrepreneurship, "The Governance of Social Enterprises: Managing Your Organization for Success," World Economic Forum, June 2012, 16, http://www3.weforum.org/docs/WEF_Governance_Social_Enterprises_2106_light.pdf.

Figure 8.3 Key Management Employees

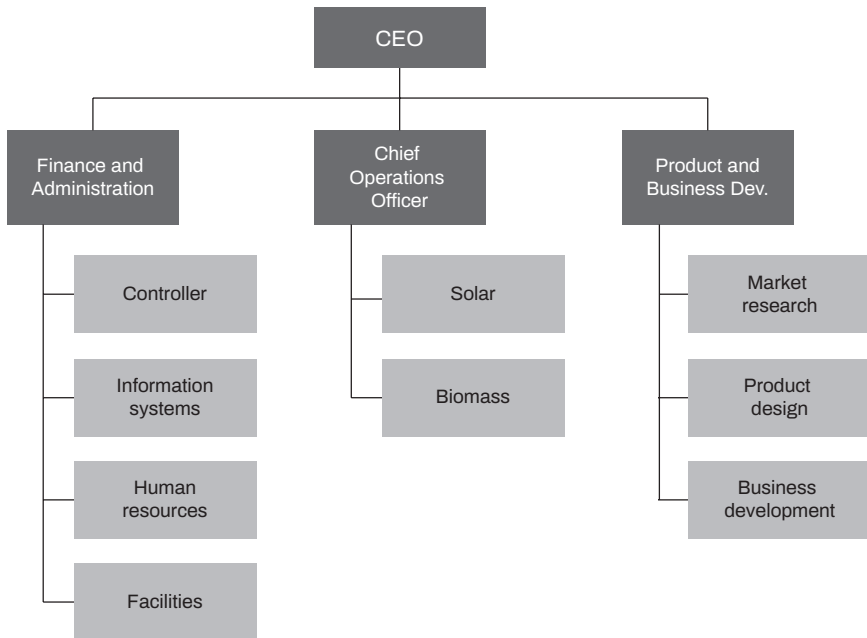


Figure 8.4 Mentoring and the GSBI

This document reflects early efforts to formally define the roles of mentor volunteers in the GSBI. It illustrates the importance of job descriptions and setting of clear expectations for employees and volunteers alike.

Mentoring and the GSBI Miller Center

Mission and Vision

The GSBI at Santa Clara University contributes to the sustainability and scaling up of technology-based social benefit innovations identified through prestigious recognition programs like the Tech Awards—Technology Benefiting Humanity, and the World Bank’s Development Marketplace. It envisions a better world through the conscious striving of social benefit entrepreneurs and the accelerated development and diffusion of technologies that serve the urgent needs of humanity.

A Hands-On Learning Laboratory

This residential program combines the work of leading business school faculty in entrepreneurship and organizational innovation with a network of technologists and successful entrepreneurs from Silicon Valley who serve as mentors to provide social entrepreneurs with the knowledge and skills that they need to serve a larger number of beneficiaries in an economically sustainable way. Attendance is limited to highly select projects following a rigorous screening process. GSBI portfolio organizations form a dynamic learning community for accelerating social change through the development of business plans for proof-of-concept projects that have already demonstrated an impact in achieving progress in such areas as economic development, health, education, equality, and the environment.

Mentor Roles

Mentors play a critical role in this transformational learning experience. During the two-week period of the residential program, they will meet

with individual program participants at Santa Clara University on six or more occasions to review work in progress on business plans. They serve as coaches on such topics as marketing and market creation, business models, organizational development, and on strategies for achieving sustainability at scale. To help bridge the conceptual leaps—for example, from charity or welfare models to sustainability through earned revenues—mentors work with developing country social entrepreneurs prior to their arrival to complete online exercises designed to stimulate thinking about the importance of a compelling value proposition and understanding earned income strategies for achieving sustainability. Through the GSBI's distance learning platform, mentors also provide their social entrepreneur advisees with follow-up coaching as they work to refine and implement their business plans back home.

Figure 8.5 Organization and Human Resources SWOT Analysis

Strengths	Weaknesses
Organization/Human Resources elements that help the organization sustain/scale (e.g., experience of key people)	Organization/Human Resources factors that will hinder sustaining/scaling (e.g., lack of finance officer)
Opportunities	Threats
Organization/Human Resources factors that could improve sustainability or scalability (e.g., switch to hybrid organization, hire marketing director, use advertising partnerships)	Organization/Human Resources factors that could cause organization to fail (e.g., loss of key people, lack of expertise in key element of value chain)

Figure 8.6 Grameen Shakti Organization Chart

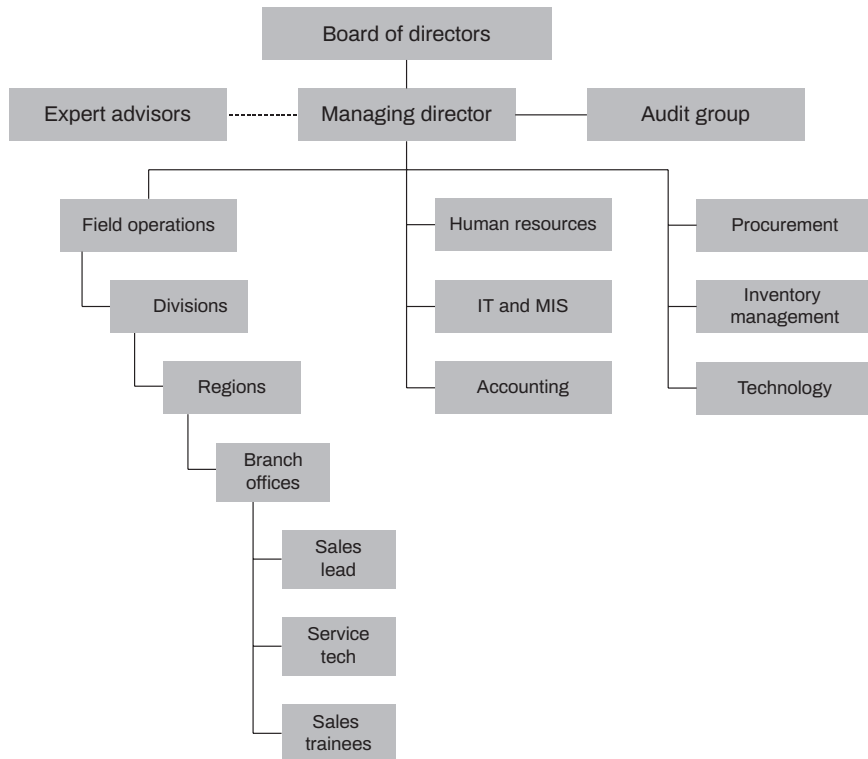


Figure 8.7 Grameen Shakti Organization and Human Resources SWOT Analysis (circa 2008)

Organizational Strengths	Organizational Weaknesses
<ul style="list-style-type: none">• Strong board of directors• Good organizational structure• Well-defined jobs• Excellent training for staff• Opportunities for advancement• Opportunities for women• Adequate compensation• SMS-based sales information system• Comprehensive audit process	<ul style="list-style-type: none">• Some staff have to work in remote, potentially dangerous areas• Competition for key employees• Some staff may not be trustworthy
Organizational Opportunities	Organizational Threats
<ul style="list-style-type: none">• Promote from within• Profit sharing• Separate and thorough audits	<ul style="list-style-type: none">• Loss of support from Grameen organization• New entrants• Accelerating change in technology

Figure 8.8 Sankara’s Organizational (Reporting) Structure

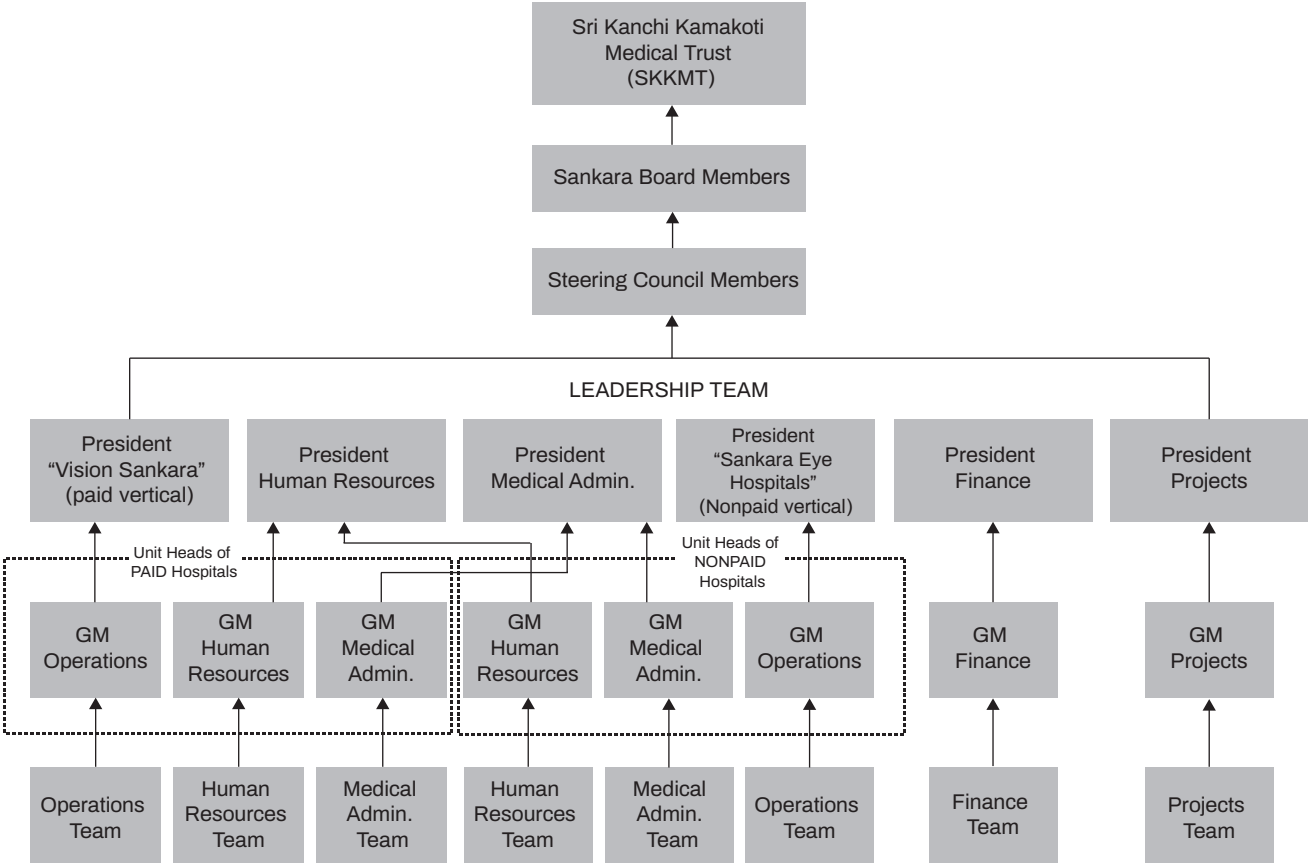


Figure 8.9 Sankara Organization and Human Resources SWOT Analysis

Organizational Strengths	Organizational Weaknesses
<ul style="list-style-type: none">• Employees hired from communities where hospitals are built, creating economic betterment• Excellent training for clinical and administrative staff• Empowerment opportunities for marginalized women• Automated performance management system• Competitive benefits for employees• Rewarding work culture	<ul style="list-style-type: none">• Suboptimal board member expertise• Even number of board members• Cross-cultural management — replication of model in each new state is unique and challenging (per client interview)• Cross-functional integration is a challenge in functional structures• Dissatisfaction of corporate employees due to workload and stress level (per client interview)
Organizational Opportunities	Organizational Threats
<ul style="list-style-type: none">• Collaboration/knowledge-sharing opportunities with similar organizations• Further penetration in new markets (still immense unmet demand)	<ul style="list-style-type: none">• Competition for paying patients and employee talent from Vasan Eye Care, other eye and multispecialty hospitals• Succession planning — gaps in key roles (per client interview)

Figure 8.10 Industree Crafts Corporate Structure

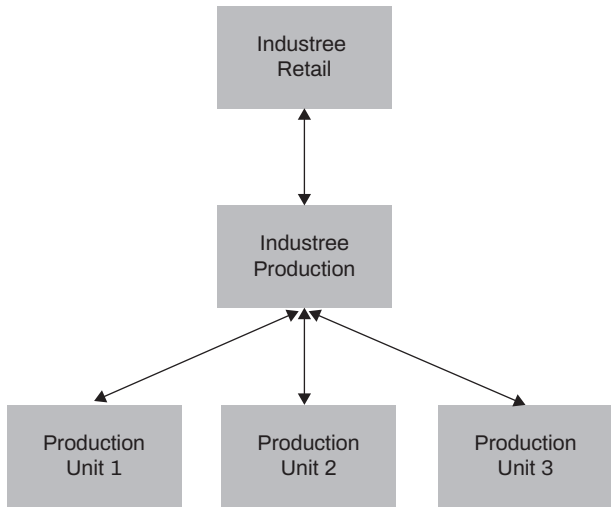


Figure 8.11 Industree Crafts Organization and Human Resources SWOT Analysis

Organizational Strengths	Organizational Weaknesses
<ul style="list-style-type: none">• Employee skills• Employee business training• Empowerment opportunities for marginalized women• Ownership by employees	<ul style="list-style-type: none">• Multiple organizations require more management, talent, and communication
Organizational Opportunities	Organizational Threats
<ul style="list-style-type: none">• Further expansion of retail organization• Further development of employee ownership	<ul style="list-style-type: none">• Loss of founder and key employees

Figure 9.1 Examples of Income Drivers (Sources)

Contributed Income Drivers

- Donors make (regular) contributions to fund product/service delivery (e.g., annual fund drive or Web-based solicitation of contributions)
 - Cause-related contributions that a third-party (generally a large corporation) contributes from its sales, profits, or marketing expenses
 - Although grants are generally considered to be contributed income, or one time “investments” to build organizational capacity, in instances where they are tied to specific deliverables and long-standing partnerships, they may become sources of sustainable income as contracted product or service revenues
 - Social media-enabled incomes such as Kickstarter or other crowd-funding campaigns
-

Sales of Products or Services

- A direct, indirect, or electronic sales channel for products or services
 - Direct sales channels can facilitate income from additional products/services (e.g., a multi-product channel)
-

Third-Party Earned Income Drivers

- Indirect beneficiaries (those who benefit from the market creation or the impacts of the products or services) provide the income (e.g., a government agency or NGO pays to rebuild houses after an earthquake)
 - Third parties with interest in reaching a market pay through an advertising platform for content and services provided to direct beneficiaries
-

Fee-Based / Licensing Income Drivers

- Fee per use or transaction
 - License to use your intellectual property
-

Subscription Income Drivers

- Fees to join service
 - Fee to receive service
-

Ability to Pay Income Drivers

- Those that can afford to pay subsidize service delivery for those that cannot
 - Different prices (and possibly products/services) for different market segments
-

Franchising

- Enable other organizations to provide your services in different markets or regions
 - Franchising involves getting paid to use or replicate exactly your product/service and the corresponding marketing and supply chain
-

Figure 9.1 *(Continued)*

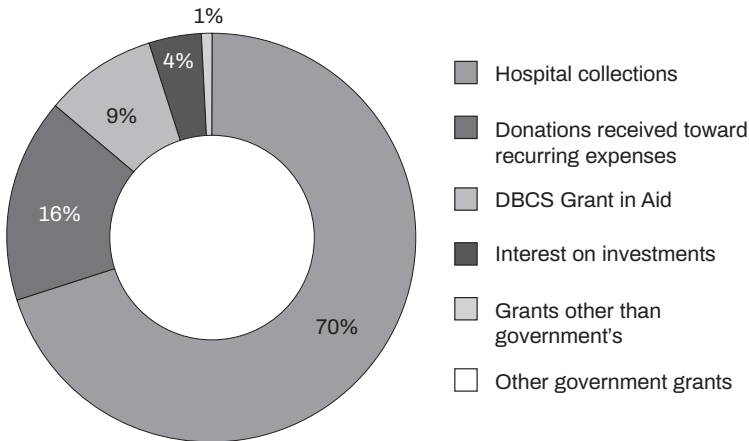
Advertising

- Corporate sponsor pays you for advertising its products or services to your beneficiaries
-

Network Models

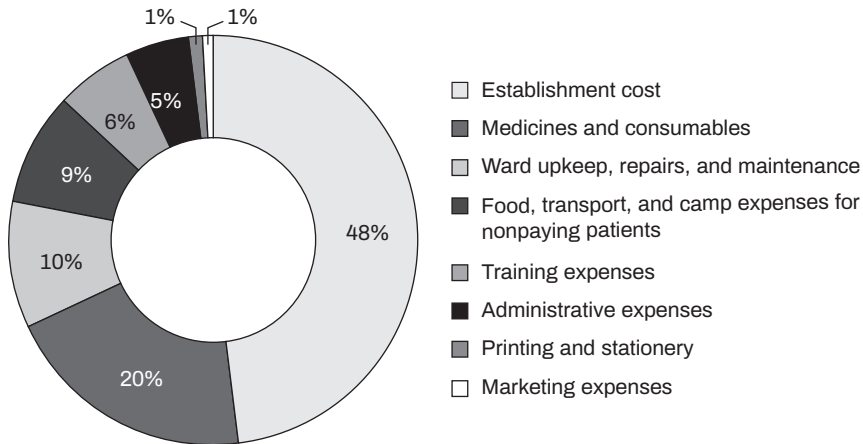
- “In-kind” and/or financial resources accessed through alliances with shared values affinity groups or social movement entities united by a common purpose
-

Figure 9.2 Sankara's Key Income Drivers



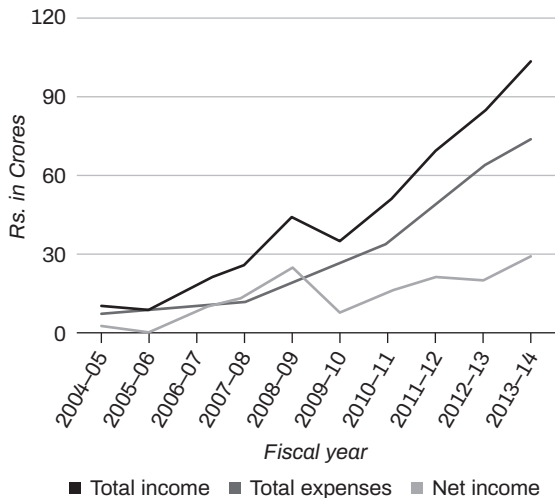
Source: Income statement and budget vs. actuals statement, Annual Report 2014.

Figure 9.3 Sankara's Key Expense Drivers



Source: Income statement and budget vs. actuals statement, Annual Report 2014.

Figure 9.4 Sankara's Ten-Year Trend in Income and Expenses



Source: Financial performance snapshot, Annual Report 2014.

Figure 10.1 Creating a Metrics Dashboard

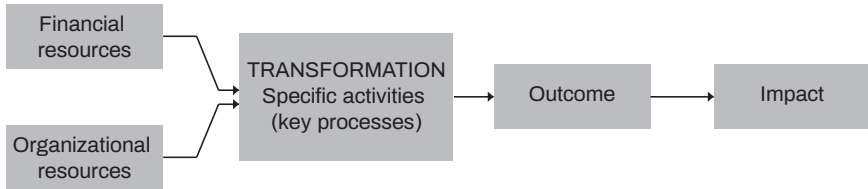


Figure 11.1 Operational Planning and Budgeting Process

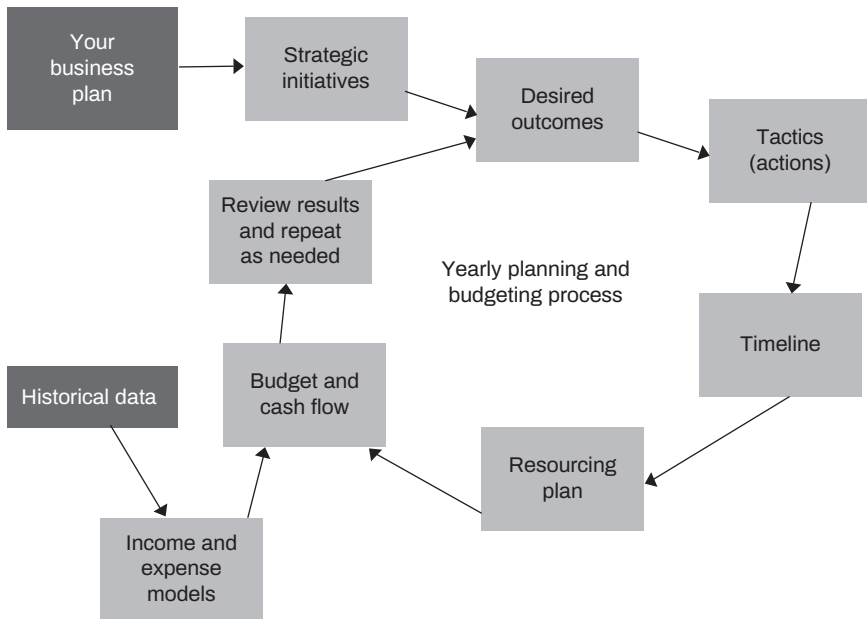


Figure 11.2 Timeline Table

Tactic	Owner	Q1 Due Date	Q2 Due Date	Q3 Due Date	Q4 Due Date
Contact NGOs	Ms. X	2 per week	2 per week	2 per week	2 per week
Sign NGO to base camp contract	Ms. X	5 by end of quarter	10 (5 new) by end of quarter	15 (5 new) by end of quarter	20 (5 new) by end of quarter

Figure 11.3 Resource Requirements Table

Tactic	Owner	Staffing	Salary \$	Travel \$	Office and Other Expense \$
One line per tactic + One for management FTE and other overhead					

Figure 11.4 Four Quarter Operating Budget

	Q1	Q2	Q3	Q4
BALANCE FORWARD	\$10,000	\$51,100	\$42,800	\$699,400
Friends and Family	\$100,000	\$25,000	0	0
Investors	0	0	\$800,000	0
Loan	0	\$100,000	0	0
Product Revenue	0	0	\$10,000	\$500,000
TOTAL INCOME	\$100,000	\$125,000	\$810,000	\$500,000
Headcount	3	4	4	6
Headcount \$	\$56,000	\$76,000	\$76,000	\$84,000
General/Admin.	\$500	\$2,500	\$5,000	\$5,000
Sales/Marketing	\$2,400	\$4,800	\$2,400	\$4,800
Program \$	0	\$50,000	\$50,000	\$175,000
TOTAL EXPENSES	\$58,900	\$133,300	\$133,400	\$268,800
NET	\$51,100	\$42,800	\$719,400	\$500,600

Figure 11.5 2014 Operating Plan Summary

Enterprise Name:

Date:

Strategic Initiative	Desired Outcome	Strategic Initiative Owner	Key Tactics/ Actions	Owner	Resources	Budget	Planned Start Date	Actual Start Date	Planned End Date	Actual End Date	Comments
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Figure 11.6 Cash Flow Statement Template

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Starting cash				
+ Cash inflows (operating income plus financing received)				
- Cash outflows (operating expenses plus cost of fund-raising received)				
= Ending cash				

Figure 11.7 Cash Flow Management Example (4 years)

	2007	2008	2009	2010
STARTING CASH	\$40,000	\$37,533	\$25,408	\$17,938
CASH IN	\$107,213	\$332,500	\$516,500	\$744,000
Earned	\$19,000	\$232,500	\$466,500	\$744,000
Contributed	\$88,213	\$100,000	\$50,000	
CASH OUT	\$109,660	\$344,645	\$523,970	\$655,895
Operation	\$60,700	\$206,045	\$278,270	\$307,895
Cost of Goods	\$48,960	\$138,600	\$245,700	\$348,000
ENDING CASH	\$37,553	\$25,408	\$17,938	\$106,043

Figure 11.8 Operating Plan for Sankara

Priority	Outcome	Tactic	Owner	Completion Date
1	Offer financing (credit) to paying patients	Research and choose a financing institution to partner with	Head of Finance	June 1, 2015
		Determine different financing options	Head of Finance and Billing Dept.	July 1, 2015
		Set up financing plans in billing systems	Billing Coordinator/ System Admin	August 1, 2015
		Train billing staff on financing mechanics	Head of Billing Dept.	September 1, 2015
3	Implement tiered pricing strategy	Determine new price tiers for procedures in each city hospital	Heads of Marketing and Finance	July 1, 2015
		Set up new pricing structures in billing systems	Billing Coordinator/ System Admin	August 1, 2015
		Train billing staff on new pricing tiers	Head of Billing Dept.	September 1, 2015

Figure 11.8 (Continued)

Priority	Outcome	Tactic	Owner	Completion Date
2	Vision wellness for students	<i>Schools:</i> Establish a partnership with the School Health Annual Report Program (SHARP) to shortlist the schools to reach out to in each city where Sankara has a hospital	Head of Business Development/ Partnerships	June 1, 2015
		<i>Higher education institutions:</i> Create a list of institutions to reach out to in each city where Sankara has a hospital		
		Reach out to each and evaluate interest for on-site screening camp; if interested, create a contract for a screening camp and payment terms for participating schools/institutions (first batch - 5)	Business Development/ Partnerships Manager	July 1, 2015
		Screen students and identify those that need procedures in the hospital (1 camp)	Camp Coordinators, Outreach team of doctors and optometrists	August 1, 2015
		Add new patients to hospital database and maintain relationships through annual follow-ups	System Admin and Outreach team	September 1, 2015
		Assess the program's yield per school camp and update goals/ modify pricing for the following year	Head of Outreach and President of "Vision Sankara"	December 1, 2015

(continued)

Figure 11.8 (Continued)

Priority	Outcome	Tactic	Owner	Completion Date
3	Vision wellness for seniors	Create a list of retirement home communities to reach out to in the cities where Sankara has hospitals	Head of Business Development/ Partnerships	June 1, 2015
		Reach out to each and evaluate the needs of the occupants; establish paying capacities, insurance availability, etc; decide if convenient on-site screening camp can be held	Business Development/ Partnerships Manager	July 1, 2015
		Screen patients and identify those that need procedures in the hospital	Camp Coordinators, Outreach team of doctors and optometrists	August 1, 2015
		Add new patients to hospital database and maintain relationships through annual follow-ups	System Admin and Outreach team	September 1, 2015
2	Doctor referral program	Create a list of physicians to reach out to in the cities where Sankara has hospitals	Business Development/ Partnerships Manager	June 1, 2015
		Subdivide according to distance from hospital (5 km radius, 10 km radius, etc.)	Marketing/Sales	July 1, 2015

Figure 11.8 (Continued)

Priority	Outcome	Tactic	Owner	Completion Date
2	Patient referral program	Reach out to physicians through phone calls, visits, and email campaigns (multi-touch marketing)	Head of Business Development/ Partnerships	August 1, 2015
		Provide a point of contact for communication in order to form a trusted relationship	Business Development/ Partnerships Manager	September 1, 2015
		Set up an internal Referring Physician Database and maintain marketing communications by sending them newsletters, etc.	System Admin/ Marketing Manager	Ongoing
		Maintain periodic contact to get feedback and maintain relationship	Business Development/ Partnerships Manager	Ongoing
		Develop process/ database for maintaining referrals; develop coupons and flyers for customers	Head of Marketing	May 2015
		Train employees on referral process	HR/Admin Team	June 2015
		Implement referral program	HR/Admin Team	July 2015
1	Educational tools	Develop Web-based tools/lecture materials	Head of PR/ Medical Staff/ Customer Relations	May 2015

(continued)

Figure 11.8 *(Continued)*

Priority	Outcome	Tactic	Owner	Completion Date
		Train necessary staff involved in running lectures/maintaining online resources	PR/Medical Staff	June 2015
		Launch Web-based tools/develop lecture schedule/coupons	Head of PR/ Medical Staff/ Customer Relations	July 2015
1	Advertising campaign improvements	Develop new ad campaign with social benefit emphasis	PR Team/ Marketing Team	May 2015
		Roll out new ad campaign	Marketing/Sales	June 2015
		SEO	PR Team/ Marketing Team	July 2015

Figure 12.1 Comparison of Social Venture Funding Sources

Source/Type	Appropriate Stage	Due Diligence and Effort to Manage	Expected Return	Duration and Exit	Expected Involvement
Personal, friends, and family	Start-up and early results, occasionally beginning growth	Low	Impact first, possibly financial	Flexible (patient capital), also flexible exit	Should be low, occasionally is high
Grants	Early results, beginning growth	High initially, then moderate	Impact, may expect some repayment of capital	Generally short term (grant is for a specific period), exit is time based	Should be low, occasionally is moderate
“Soft loans”	Early results, beginning growth, rapid expansion, maturity	High initially, then low	Impact, and payback of principal (at some time) and possibly below-market interest rate	Flexible (patient capital), exit is repayment of all or part	Low
Conventional loans	Beginning growth, rapid expansion, maturity	High initially, then low, will require assets as security and verification of financials	Payback of principal and market interest rate	Fixed time period, exit is payback	Low
Program-directed investment	Growth, rapid expansion	Moderate, will need status reports on program progress	May not require payback, or only repayment of principal	Fixed time period, exit is completion of program	Low
Demand dividend	Beginning growth, rapid expansion	High initially, then low once demand conditions and amounts are agreed to	Dividends paid in amounts and timing agreed on at time of financing	Agreed-on conditions and amounts of dividends, which are payback	Low/ Moderate

Figure 12.1 (Continued)

Source/Type	Appropriate Stage	Due Diligence and Effort to Manage	Expected Return	Duration and Exit	Expected Involvement
Convertible debt	Beginning growth, rapid expansion, maturity	High initially, then moderate, will require organization to have <i>valuation</i> and proposed <i>capital structure</i>	Payback of principal plus below-market-rate interest and/or appreciation through conversion to equity	Flexible (patient capital), exit is payback or conversion to equity	Moderate
Angel equity	Start-up, early results, beginning growth	Moderate to high, will require <i>valuation</i> and <i>capital structure</i>	Appreciation through buyout or public offering	Flexible (patient capital), exit is payback, buyout, sale of company, or public offering	Low to moderate, may want to be on board or provide advice
Impact-first equity	Any	Moderate to high, will require valuation and capital structure	Impact, possibly below market rate of payback, exit through buyout or sale of company	Flexible (patient capital), exit is payback, buyout, sale of company, or public offering	Moderate to high — are owners of the company
Financial-first equity	Beginning growth, rapid expansion	High, will require valuation, capital structure, and complete verification (e.g., more than just financials)	Market rate of appreciation, exit through sale of company or public offering	Short to medium term, exit is through sale of company or public offering	High — are owners and expect financial returns

Figure 12.2 Due Diligence Checklist

Within 1 week Within 2-4 weeks Other

Document	Investment Type			Notes
	Equity	Loan	Grant	
A. Organizational Information (company and any subsidiaries)				
State government organizational filings (including articles of incorporation/ organization/formation, certificate of limited partnership, etc.) and all amendments.	×	×	×	
Internal constitutional documents (including bylaws, operating agreement, partnership agreement, etc.) and all amendments.	×	×	×	
Minutes of meetings of the board of directors, advisory board, board committees and shareholders, and all consents to actions without a meeting.	×			
Schedule of jurisdictions (states, countries) where the company is qualified to do business, has offices, holds property (including inventory), or conducts business.	×	×		
Most recently obtained good-standing certificates for jurisdictions (states, countries) where the company is qualified to do business.	×	×		
Federal and state tax exemption qualification (if applicable).	×	×	×	
B. Securities Issuances				
Sample copy of security certificates (stock, interests, others), warrants, and option agreements.	×			

(continued)

Figure 12.2 (Continued)

Document	Investment Type			Notes
	Equity	Loan	Grant	
Schedule of security holders, contact information, the number of securities held by each (including common and preferred stock, membership interests, partnership interests or equivalents), dates of issuance, consideration paid, and percent ownership (capitalization table).	×	×		
All outstanding options, warrants, or convertible securities, including convertible debt instruments (capitalization table).	×	×		
Any voting rights agreements, buy/sell agreements, stockholder agreements, warrant agreements, proxies, or right of first refusal agreements.	×	×		
Any debt arrangements, guarantees, or indemnification between officers, directors, or security holders of the company.	×	×		
Any other contracts, arrangements, or public/private documents or commitments relating to company securities.	×			

C. Financial Information

Audited financial statements since inception (unaudited if audited are not available).	×	×	×	
Quarterly income statements, balance sheets, and cash flow statements for the last two years and the current year (to date).	×	×		
Description of accounting methods and practices, including any changes in the last three years.	×	×		
A three-year operating budget and financial projections.	×	×		

Figure 12.2 *(Continued)*

Document	Investment Type			Notes
	Equity	Loan	Grant	
A complete and current business plan, including material marketing or consulting studies or reports prepared by the company.	×	×		
Accounts receivable aging and accounts payable aging schedules for the last year.	×	×		
Product or service pricing plans and policies.	×	×		
Revenue, gross margin, and average selling price by product or service.	×	×		
Extraordinary income or expense details.	×	×		
Explanation of any material write-downs or write-offs.	×	×		
A summary of all bad debt experiences.	×	×		
Details of any outstanding contingent liabilities.	×	×		
Accountant report on the company's financial condition.	×	×		

D. Tax Information

Federal, state, local, and foreign tax returns for the last three years.	×			
Details of any tax audits.	×			
Evidence that current on sales tax, unemployment, social security, excise, and other tax payments.	×			

E. Contracts and Agreements

Schedule of all subsidiary, partnership, joint venture, or strategic alliance relationships and obligations, with copies of related agreements.	×	×		
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(continued)

Figure 12.2 (Continued)

Document	Investment Type			Notes
	Equity	Loan	Grant	
License agreements (inbound and outbound).	×			
Purchase agreements.	×			
Schedule of all bank and nonbank lenders holding outstanding company indebtedness within the past two years, including a brief description of the material terms of the relationship and copies of related agreements, including credit agreements, debt instruments, security agreements, mortgages, installment sale agreements, and any liens, equipment leases, or financial performance guarantees.	×	×		
Schedule of insurance arrangements (and copies of related agreements) covering property, liabilities, and operations, including product liabilities and a description of any other relevant arrangements pertaining to the company's liability exposure, including special reserve funds and accounts.	×	×		
Schedule of major suppliers, vendors, and customers, with copies of material agreements with each.	×	×		
Any additional material agreements or contracts.	×			

F. Government Regulation

Copies of all permits and licenses.	×	×		
Copies of reports made to government agencies.	×			
Details of inquiries made by local, state, or federal agencies.	×			

Figure 12.2 (Continued)

Document	Investment Type			Notes
	Equity	Loan	Grant	
G. Litigation				
Description of any current and known potential litigation, including potential damages.	×	×		
Settle documentation.	×			
Summaries of disputes with suppliers, competitors, or customers.	×			
H. Products and Services				
Schedule of all existing products or services and products or services that are under development, each showing offerings by product or service line, including market share where possible.	×			
Inventory analysis including turnover, obsolescence, and valuation policies.	×	×		
Backlog analysis by product line including analysis of seasonal issues.	×			
Schedule of major suppliers including dollar amount purchased per year, with copies of related agreements.	×			
I. Marketing				
List of competitors by market share.	×	×		
List of the company's twelve largest clients, including sales information and any unfilled orders for the last two years.	×	×		
Analysis of pricing strategy.	×	×		
Current advertising programs, marketing plans, budget and printed brochures and marketing materials.	×			

(continued)

Figure 12.2 (Continued)

Document	Investment Type			Notes
	Equity	Loan	Grant	
Sales commission structure.	×			
Sales projections by product line.	×	×		
Any pertinent marketing studies conducted by outside parties.	×	×		

J. Management and Personnel

Management organizational chart and list of company directors, with bios of senior personnel.	×	×	×	
Schedule of compensation paid to officers, directors, and key employees, showing salary, bonuses, and noncash compensation (i.e., use of cars, property, etc.) with copies of related agreements.	×			
Employment and consulting agreements, confidentiality agreements, nondisclosure and noncompetition agreements, loan agreements, and documents relating to transactions with officers, directors, and key employees.	×	×		

K. Property and Equipment

Schedule of all real property owned by the company, including details of any easements or other encumbrances, and copies of titles, mortgages, and deeds of trust.	×	×		
Schedule of company leases and subleases, including a description of company space expansion plans, with copies of related agreements.	×	×		
Patents, copyrights, trademarks, any trade secrets, any licenses to or from the company, and any other intangible assets developed/ owned/licensed by the company.	×	×		

Figure 12.2 (Continued)

Document	Investment Type			Notes
	Equity	Loan	Grant	
L. Impact and Mission				
Schedule of social, economic, environmental, or other impact objectives, with copies of related program, mission, impact, or sustainability policies and guidelines (as applicable).	×	×	×	
Describe the intended use of the funds, including whether any will be used (directly or indirectly) for lobbying or political purposes.			×	
Schedule of personal financial capital committed by founders and principal investors, including copies of related documents.	×	×	×	
Schedule of the nature and scale of expected impact (e.g. year 1, year 3, and long term) and the metrics used to evaluate/report impact, including reporting intervals and required documentation.	×	×	×	
Schedule of existing impact investments, including date of investment, material terms, and mission/program target of investor.	×	×	×	
“Other” – please provide any impact metrics specific to your enterprise not otherwise addressed above.	×	×	×	
M. Miscellaneous				
Detail of in-progress research and development efforts, including commercial analysis and documentation policies.	×			
Copies of past and present press releases, existing articles related to the company and its industry, company newsletters, and investor relations material.	×			

Figure 12.3 Summary of Funding Sources and Uses

Timing	Source	Type	Amount	Use	Return
1996–1997	Rockefeller Brothers	Grant	\$75,000	Start-up	No
1996–1997	Stichting Gilles	Grant	\$75,000	Start-up	No
1996–1997	Grameen Fund	Loan	6 million Taka (about \$150,000)	Start-up	No interest, indefinite repayment
1996–1997	Grameen Trust	Grant	2.5 million Taka (about \$61,000)	Grant to experiment with wind energy	No
1996–1997	Grameen companies	In-kind	Office space and other pro-bono services	Start-up	No
1998	IFC/GEF	Loan at 2.5%	\$750,000	Install 32,400 solar systems	10 years, with 10% reduction for each year in which company was pretax positive cash flow (1st year was 2000)
2001	USAID	Revolving fund	\$4 million	Growth—offices, staff, and inventory	Revenue returned to revolving fund

Figure 12.4 Sankara Investment Profile



Eliminating curable blindness across India



Investment Required

Sankara is looking for \$ 1.25 M in soft loans and \$ 1.25 M in grants to fund our upcoming hospital in Rajasthan.

Description

Sankara currently operates 13 eye hospitals in India. Our mission is to eliminate curable blindness across India by scaling to 20 Sankara Community Eye Hospitals serving over a million rural poor every year.

Headquarters Coimbatore, India

Established 1977

Impact Areas India

Type Non-Profit

Sector Health

Staff Size 1,184

Annual Budget \$ 12.4 M

Major Funders Sankara Eye Foundation, Mission for Vision Trust, Calvert Foundation

Stage Revenue

Management Team

CEO Dr R.V. Ramani

President Community Eye Care
Bharath Balasubramaniam

President Medical Administration and
Training Dr Kaushik Murali

CONTACT US

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BHARATH@SANKARAEYE.COM

WWW.SANKARAEYE.COM

FACEBOOK: /GIFTOFVISION

TWITTER: @SANKARAEYE



Sankara Eye Care Institutions (SECI)

Target Market

India is home to the largest population of 'curable blind' worldwide. According to WHO (2010), an estimated 63 million people in India are visually impaired, and of these, approximately 8 -12 million are blind.

Value Proposition

Sankara operates super specialty eye care hospitals with most modern infrastructure and comprehensive range of eye care services. Sankara serves and provides value to two distinct markets:

Free eye care for the rural poor through outreach: Sankara caters to villages located within 200 km radius of the base hospital. The rural poor are screened by Sankara staff at the villages and those requiring surgery are taken to the hospital for treatment. The entire treatment including surgery, stay, food and transportation (to and from the village) is provided for free.

Affordable premium eye care for the urban middle class (a \$ 3 billion market): Sankara's paying section offers highest quality eye care with highly experienced medical staff for the urban middle class – premium services at affordable prices.

Surplus from 1 paid surgery allows for 4 free surgeries for the rural poor, and ensures financial sustainability in its mission to eliminate curable blindness across India.

"Vision is the Gift of God and to be blind is unfair if it can be cured with quality eye care."

BHARATH BALASUBRAMANIAM,
PRESIDENT COMMUNITY EYE CARE



SANKARA EYE CARE INSTITUTIONS
WWW.SANKARAEYE.COM/ BHARATH@SANKARAEYE.COM

Figure 12.5 Sankara Investment Profile



Eliminating curable blindness across India



Impact to Date

- 1.1 Million + free eye surgeries for the rural poor
- 3 Million + rural inhabitants screened for eye care
- 4.5 Million + children screened
- 100,000 + free eyeglasses to poor children
- 55% of surgeries on women
- 74% of the paramedics are women, recruited and trained from economically poor families

Milestones Achieved

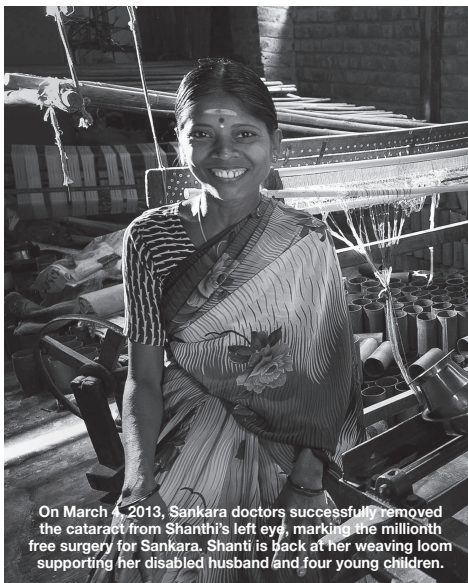
- 2013 Performed one millionth free eye surgery at Coimbatore
- 2013 Opened two exclusively paid hospitals in Mumbai and Kanpur
- 2013 Performed 140,800 free eye surgeries and 29,800 paid surgeries.
- 2013 Received \$700,000 in debt funding from Calvert Foundation

Growth Plan

- 2014 Inauguration of Kanpur Community Eye Hospital for the rural poor in October
- 2015-2016 Expansion to Rajasthan (Jodhpur), Madhya Pradesh (Indore), and Chattisgarh (Raipur)

Key Awards

- 2012 S.R. Jindal Award for Rural Development and Poverty Alleviation
- 2012 Dharamsey Nansey Oman Award for Outstanding High Quality High Volume Eye Care Service Delivery instituted by VISION2020: The Right to Sight – INDIA
- 2014 IMC Ramkrishna Bajaj National Quality Performance Excellence in Health Care



On March 4, 2013, Sankara doctors successfully removed the cataract from Shanthi's left eye, marking the millionth free surgery for Sankara. Shanthi is back at her weaving loom supporting her disabled husband and four young children.

"When it is hard to find care and love amongst family and friends, Sankara has given me all that and much more, in fact a bright future for me and my family."

SHANTHI, SANKARA PATIENT, AGE 35

Figure 12.6 ZHL Term Sheet

ZHL Term Sheet

For Issuance of and Subscription for Series A Preference
Shares and Equity Shares

Nature of this document

This term sheet (the “Term Sheet”) is non-binding and is subject to, among other things, fulfillment of the conditions set forth in the “Conditions Precedent” section below.

Issuer

Ziqitza Health Care Limited, a public limited company organized under the laws of India (“ZHL” or the “Company”)

Investor

Acumen Fund, Inc., a not-for-profit corporation organized under the laws of New York, United States of America (“Acumen Fund”)

Issue Amount

The value of the Offering will be INR 69 million (the “Issue Amount”).

Date of Issue

The share issuance contemplated by this Term Sheet (the “Offering”) is anticipated to occur on or before January 15, 2007.

Amount of Offering

The Offering will consist of [5,982,638] Series A senior cumulative compulsorily convertible participating preference shares (the “Series A Preference Shares”) with a par value of INR 10 per share and a subscription price of INR 10 per share, and 10,000 equity shares with a subscription price of INR 917.36 per share (with a par value of INR 10 and a premium of INR 907.36 per share).

Figure 12.6 (Continued)

Existing Shareholding

The existing shareholding of the Company consists of the following:

- 50,000 equity shares issued and paid up at face value of INR 10 per share; and
- 175,647 equity shares issued and paid up at INR 100 (with a face value of INR 10 plus a premium of INR 90 per share), as further described in Appendix A attached hereto.

Valuation of the Company

INR <TBD> million prior to the investment contemplated by this Term Sheet and INR <TBD> million after the conversion of the investment contemplated by this Term Sheet

Use of Issue Amount

The Issue Amount will be utilized by the Company to:

- Acquire 31 Advanced Life Support Ambulances (including prefabrication work and medicinal equipment) and 1 call center at an aggregate estimated cost of INR 61.50 million; and
- Fund marketing expenses in the amount of INR 7.50 million.

Or in any manner that the Board deems appropriate subject to prior written approval (which shall not be unreasonably withheld) of Acumen Fund

Conditions Precedent

Acumen Fund's investment in the Company pursuant to this Term Sheet will be subject to customary conditions, including, without limitation, the following:

- (a) The completion of legal due diligence by Acumen Fund and the resolution of any issues arising therefrom in a manner satisfactory to Acumen Fund;
- (b) The approval of such investment by the Investment Committee of Acumen Fund;
- (c) The execution of a Shareholders' Agreement by and among the existing shareholders of the Company and Acumen Fund (the "Shareholders' Agreement"); and
- (d) Government of India regulations and norms, as applicable.

(continued)

Figure 12.6 (Continued)

Preference

Dividends for Series A Preference Shares will be declared and paid, or sufficient monies set aside for such payment, before payment of dividends to any other shareholders or class of shareholder, including, without limitation, all equity shares. Series A Preference Shares will have a liquidation preference over all other shares of the Company, including, without limitation, all equity shares, with respect to payment or distribution of assets upon liquidation in the amount of the Liquidation Value per share. For the purposes hereof, "Liquidation Value" means the amount for which the relevant shares were issued plus accrued dividends plus declared but unpaid dividends.

Series A Preference Shares and Policy

A dividend of <TBD%> per annum, payable half-yearly in arrears on October 15 and April 15 of each year (each, a "Dividend Payment Date"), will be paid on the Series A Preference Shares. Dividends will accrue on shares of the Company from the date on which such shares were issued. Any dividends accrued but remaining unpaid on any Dividend Payment Date will be cumulated with, and become payable along with, dividends payable on subsequent Dividend Payment Dates.

Merger, Consolidation or Sale of Substantially All of the Assets of the Company

Unless waived by the holders of Series A Preference Shares, the following events will be deemed a liquidation of the Company for the purposes of determining such holders' liquidation preference:

- (i) Any consolidation or merger of the Company with or into any other corporation or other entity, or any other corporate reorganization, in which the shareholders of the Company immediately prior to such consolidation, merger or reorganization, own less than fifty percent (50%) of the Company's voting power immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions in which in excess of fifty percent (50%) of the Company's voting power is transferred or in which management control is transferred; and/or

Figure 12.6 (Continued)

- (ii) Any sale, lease, or other disposition of all or substantially all of the property, assets, and/or business of the Company.

Conversion

At any time prior to the fourth anniversary of the date of issue thereof, Acumen Fund will have the right but not the obligation to convert all or part of its Series A Preference Shares into fully paid equity shares based on a conversion rate that would, if applied to all Series A Preference Shares issued pursuant to this Offering, result in Acumen Fund holding the number of equity shares equal to TBD of all equity shares in the Company. On the fourth anniversary of the date of issue thereof, any and all Series A Preference Shares not converted into equity shares by Acumen Fund will be compulsorily converted into the number of fully paid equity shares that would result in Acumen Fund holding the number of equity shares equal to <TBD%> of all equity shares in the Company.

Governance

Except as otherwise required by applicable law, the overall management and operational control of the Company shall be exercised exclusively by the Board of Directors or similar governing body of the Company (the “Board”). The maximum size of the Board will be seven (7) directors. Any increase in the number of directors on the Board will require the prior written approval (which shall not be unreasonably withheld) of Acumen Fund.

The shareholders agree that the Board will at all times include at least one (1) director appointed by Acumen Fund; such director shall be non-retiring.

Voting

Holders of equity shares will be entitled to one vote per equity share. Holders of Series A Preference Shares will be entitled to one vote for each equity share issuable upon conversion of its Series A Preference Shares. Holders of Series A Preference Shares will be entitled to vote on any matter which the holders of equity shares are entitled to vote and the holders of Series A Preference Shares and the holders of equity shares will vote as a single class.

(continued)

Figure 12.6 *(Continued)*

Except as otherwise required by applicable law or agreed by the shareholders of the Company, all decisions of the shareholders of the Company will require the affirmative vote of shareholders holding not less than 51% of the equity shares of the Company, including the equity shares issuable upon conversion of the Series A Preference Shares.

Voting for Certain Actions

An affirmative vote of the Investor will be required for the Company to:

- (a) Liquidate, dissolve or wind up the affairs of the Company;
- (b) Alter or change the rights of the Series A Preference Shares in any way;
- (c) Increase or decrease the authorized number of equity shares or preference shares;
- (d) Create any new class of shares;
- (e) Redeem/buy back equity shares;
- (f) Effect any merger, other corporate reorganization, sale of control, or any transaction in which all or substantially all of the assets of the Company are sold;
- (g) Amend or waive any provision of the Company's Memorandum or Articles of Association;
- (h) Appoint any statutory or internal auditor; or
- (i) Make any decision or take any action that may adversely affect the rights or voting power of the Series A Preference Shares.

Affirmative Covenants

The Company will:

- Maintain at its registered office complete and accurate corporate, financial and tax books and records in accordance with Indian GAAP. The Company will provide Acumen Fund with documents that it may reasonably request in order for it to prepare its financial statements or tax filings with regulatory authorities;
- Provide access to its premises, books of account and other corporate, financial and tax books and records to each of its shareholders during normal business hours;
- Maintain adequate insurance, including, without limitation, customary directors' and officers' indemnification insurance;

Figure 12.6 *(Continued)*

- Comply with applicable law;
- Take actions to preserve (i) its corporate existence, (ii) its rights, franchises, and privileges, and (iii) all properties necessary or useful to the proper conduct of its business; and
- Reimburse all reasonable Company-related expenses of its Directors within India.

Initial Public Offering

- (a) The Company and the Promoter Group will perform all such acts and deeds and do all such things as may be necessary to ensure that an initial public offering of the Company's shares (the "IPO") is made and that such shares are listed on the Bombay Stock Exchange or National Stock Exchange on or before June 30, 2012 (or such later date as Acumen Fund may, in its sole discretion, approve in writing, such approval not being unreasonably withheld);
- (b) In completing the IPO, the Company will seek out and utilize the advice of a reputed investment banker unanimously approved by the Board; and
- (c) The shares of the Company offered to the public pursuant to the IPO may be new shares, existing shares or any combination of the foregoing, as Acumen Fund may approve in writing (such approval not being unreasonably withheld). Acumen Fund will have the right (but not the obligation), at its sole discretion, to FIRST offer to sell all or any portion of the equity shares held by it as part of the IPO, subject to a limit of 50% of the IPO dilution.

Strategic Sale:

If the Company does not effect an IPO by June 30, 2012, Acumen Fund will have the right to sell all of its equity shares in the Company to any person, after granting the right of first refusal to the promoter group. If, however, the company has not effected the IPO by June 30, 2014, Acumen Fund will, based upon its sole discretion, have the right to cause each other equity shareholder to sell 100% of its equity shares in the Company to any such person purchasing 100% of Acumen Fund's equity shares in the Company.

(continued)

Figure 12.6 *(Continued)*

Anti-Dilution

In the event that the Company issues any equity shares, or any rights, options, warrants or instruments entitling the holder to receive any equity shares of the Company, including, without limitation, share splits, share dividends and recapitalizations (each, a “Dilution Instrument”), Acumen Fund will be entitled to acquire such number of Dilution Instruments as would enable it to maintain its proportion of shareholding in the Company after all such equity shares are issued and all Dilution Instruments and all Series A Preference Shares are converted into equity shares. Acumen Fund will be entitled to acquire any such Dilution Instruments on terms no less favorable than those offered by the Company to any other person.

Management Lock-In

The Promoter Group will not be entitled to, and will not, transfer or create any lien or encumbrance over or dispose of any equity shares or other securities in the Company or any interest in such securities save and except with the prior written approval (which shall not be unreasonably withheld) of Acumen Fund and on such terms and conditions as Acumen Fund may specify.

Until the fourth anniversary of the date of the Offering, the Promoter Group will not be entitled to, and will not, transfer or create any lien or encumbrance over or dispose of any equity shares or other securities in the Company or any interest in such securities save and except with Acumen Fund’s prior written approval (which shall not be unreasonably withheld), and on such terms and conditions, including a valuation not less than INR <TBD>.

Representations and Warranties

The Shareholders Agreement will contain a detailed section on representations and warranties to be provided by the Company and the Promoters.

External Auditor

The shareholders of the Company will select and appoint an external auditor based on an arm’s-length commercial considerations. The external auditor will perform such functions as the Board may direct.

Figure 12.6 *(Continued)*

Governing Law

The Shareholders Agreement will be governed by, and construed in accordance with, the laws of the Republic of India.

Disputes

In the event of any dispute arising out of the Shareholders' Agreement or any subsequent agreement related to the Company, the shareholders of the Company will attempt in good faith to resolve the dispute amicably. Any dispute which cannot be resolved within sixty (60) days from the date such dispute has arisen shall, at the option of any party to the dispute, be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The status of the arbitration will be Mumbai (unless the parties agree otherwise) and the arbitration proceeding will be conducted in the English language only. The shareholders of the Company agree that arbitration will be the exclusive method for resolution of disputes between the parties hereto arising out of or in connection with the Offering and the Shareholders' Agreement. The arbitrators will have the power to grant any remedy or relief that they deem just and equitable, including but not limited to injunctive relief, whether interim and/or final, and any provisional measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction. The award rendered in connection with such arbitration will be final and binding upon the shareholders of the Company and may be entered in any court having jurisdiction thereof.

Confidentiality

Each of the shareholders of the Company will keep all non-public information received in the course of the negotiation or conclusion of the present transaction, or any subsequent agreement related to the Company, confidential in accordance with customary confidentiality arrangements.

Figure 12.7 Investment Profile Worksheet

1. Provide the full name (and abbreviation/acronym if you use one) of your organization. If you are representing a single project or department in your organization, please identify that project or department.
2. List the name(s) and position title(s) of the social entrepreneur(s) representing the organization. If this person is not the founder(s) or chief executive, please list these individuals as well.
3. Provide your
 - a. email address
 - b. website URL (if any)
 - c. phone number
 - d. Twitter, Facebook, YouTube, or other URLs (if any)
4. In what year was this organization established?
5. What is your organizational (legal) form of doing business?
☐ Nonprofit/NGO
☐ For-profit
☐ Hybrid (you have both for-profit and nonprofit organizations)
☐ Government
☐ Other (please specify): _____
6. Copy your ten-word mission statement from Exercise 4.1.
7. Please list the city (cities) and country (countries) where you “do business” (have beneficiaries). If one of these is your headquarters, please identify it. If there are no cities, just list the countries and regions.
8. In which sectors do you have impact? (choose a maximum of two)
☐ Agriculture & Fishing ☐ Equality & Social Justice
☐ Cleantech & Energy ☐ Housing

_____ Economic Development	_____ Information & Communications Technology (ICT)
_____ Education	Microfinance
_____ Environment	Transportation
_____ Fair Trade	Water & Sanitation
_____ Health	Other: _____

9. How many employees do you have (full-time equivalents)? How many volunteers (full or part time) do you have at any one time?
10. What is your annual budget (total of all expense drivers) for this year?
11. What are your major income (funding) sources (contributed and/or earned income drivers for this year), and what will be your total income?
12. What were the major sources of your initial funding? If you have investors, please list them and the percentages of investment for each. If you have loans, please list the lenders and the percentages of your loans held by each.
13. List major awards you have received and give the year in which you received the award.
14. What is your value proposition? (you can copy or revise Exercise 9.1)
15. Describe the target market for your organization (you can copy or revise Exercises 6.2 and 6.3). If you have pictures of your beneficiaries, please include them. Be sure to include the size of the total available market.
16. Provide a short description that illustrates your product or service. If you have a technical innovation, please describe it as well.
17. Give a one-sentence statement that quantifies the impact of your organization in terms of one quantitative metric (e.g., “we have provided jobs for 1,000 youth,” or “we provide healthcare products to over 100,000 women,” or “we have built 10,000 earthquake-resistant homes that house over 60,000 people”).

18. List three to five of the most significant growth milestones you have achieved (funding, income, impact, or growth of beneficiaries). Provide the dates and values (e.g., amounts, numbers) for each milestone (e.g., 2008: obtained \$250,000 in funding; 2009: opened three regional training centers; 2010: trained five hundred youth).
19. List three to five of your most significant, quantitative growth goals for the next three years (e.g., 2012, build twelve village power systems; 2013, build eighteen village power systems; 2014, build twenty-four village power systems).
20. Provide one to three quantitative metrics of the impact of your organization/project since its inception (i.e., what has been the total impact). One of these metrics should be the total number of people who have benefited from your organization/project. Include an explanation of how you calculate that number.
21. Provide a quote from one of your beneficiaries that illustrates the impact of your organization on the beneficiaries' lives.
22. Briefly describe the type of investments the organization is seeking (grants, public-private partnership subsidy, debt, convertible debt, and equity), the required amounts, and investment time frame. If a monetary investment is not being sought at this time, describe other types of support that are being sought, such as partnerships and technical assistance.
23. Provide as many of the following images as possible. List URLs or attach files in .jpg, .jpeg, gif, or .png formats:
 - a. Logo
 - b. Headshot photo of you
 - c. Photo or diagram that illustrates your value proposition
 - d. Photo of some of your beneficiaries
 - e. Diagram or picture that illustrates your product or service, and if applicable, the technical innovation
 - f. Up to five additional photos or diagrams that illustrate the organization's work and the local context