

Presentation #8: Operating Plan & Financing

- KadAfrica: Bhargav Brahmbhatt, Erin Horiuchi
- Building For Tomorrow: Natasha DeStefan, Mario Lorente
- Food For Education: *Martins Okoh*
- HipoCampus Centros (Mexico): Evelyn Cano, Adriana Pedraza
- HippoCampus Learning Centers (India): Sylvia Lawrence, Sijith Salem
- MoringaConnect: Brooke Langer, Alyssa Masangcay
- Vega Coffee: Shelley Meyer, Sudha Nemani
- Nizam Potential Energy: Bao Dong, Alexandra Luong
- Simusolar: Ankita Kohli, Ravi Kongara

Presentation #8: Operating Plan & Financing

1. What Operating Plan did you find? Do you think this is: 1 pt
 - Sufficient to manage the business?
 - Sufficient to obtain financing?
2. What type(s) of financing is your organization seeking? Do you think the financing requesting is: 1 pt
 - Achievable?
 - Adequate (For sustainability/scalability)?

Operating Plan Adequacy

- Strategic initiatives/tactics specify outcomes, milestones, resource requirements, and owners
- Budgets combine both on-going revenue/expense targets and project-specific expense projections
- Operating plan includes budget and cash flow statements.

KadAfrica Operating Plan

- 3 revenue streams: KadAfrica Estate, KadAfrica Experience Program, Outgrowers Program
 - ✓ Includes primary task, sub-tasks, involved staff, start and end dates, duration, and a gantt chart view
 - ✗ Does not include budget information
 - ✓ “Farm staff” or “OG Team” are listed as involved staff → could specify how many staff are needed for more accurate staffing
 - ✓ Cohorts of girls who participate in KadAfrica Experience Program, duration varies from 720 - 900 days → 6 month variability is extremely high
 - ✓ Sufficient to run the business

KadAfrica Budget Plan

- Budget worksheet has 20+ tabs → could be consolidated
 - ✓ Includes primary task, sub-tasks, involved staff, start and end dates, duration, and a gantt chart view
 - ✓ Multiple locations where data input is required
 - ✓ Tracks sources of grant income and disbursement Includes “Output” tab that contains KPIs pulled from monthly actual statements and is a helpful view for BoD and investors
 - Includes P&L statement, condensed cash flow view, financing and investing activities
 - ✓ Sufficient to obtain financing

Types of Financing KadAfrica is Seeking

- Previous financing received as of May 2017
 - \$30K convertible debt with Imago Dei Fund
 - \$25K loan, \$6K equity with Mango Fund
 - \$300K quasi equity with joint venture partnership (Montpelier Foundation, Opes Foundation, VanHoop Holdings)
- Current financing sought as of August 2017
 - \$500K debt financing to purchase and operate pulping unit
 - Achievable: Yes
 - Sustainability: Depends on operational success
 - \$500K grant to grow KadAfrica Experience Program
 - Achievable: No, will likely need to use other means as well
 - Sustainability: Not relevant, this is purely to scale

Building Tomorrow Operating Plan

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
Educate 51k	Provide access to quality education for 51,000 children throughout rural Uganda.	Deputy Country Director	Construction of 60 Building Tomorrow Academies for a total of 80.	BT Uganda	Educate a Child Funding	\$13,900,000	Ongoing	2014	Dec-19		
			Hiring of additional 100 Building Tomorrow Fellows through 2019. Raise an additional \$2.5m to support completion of project.	BT Uganda GS	Wellspring/Vitol Funding Staff Time		Ongoing Ongoing		Dec-19 Dec-19		
Inclusive Education	Become the first scalable education solution in rural areas to design for an inclusive education environment.	George Srour	Construction of two rural, model Building Tomorrow Academies focused on inclusive learning.	BT Uganda Assessments Team	Joseph P Kennedy Fdn Funding JPK Foundation	\$145,000	1-Jul	1-Jul-17	1-Jun-18		
			Training of all Building Tomorrow Fellows in inclusive education.	BT USA/BT Uganda	Diane Richler/Steve Eidelman Kyambogo University		15-Sep	29-Aug	1-Dec-17		
			Naming of Building Tomorrow Junior Kennedy Fellows at sites.	BT Uganda/Fellows			1-Dec		1-Dec-17		
Monitoring & Evaluation Baseline + Progress	Measure and document baseline data for Building Tomorrow Academies and counterpart schools nationwide.	Deputy Country Director	Hiring of third party consultancy to conduct M&E work.	BT USA	Ichuli & Tori Brown	\$150,000	1-Feb	1-Mar	1-Sep-18		
			Training of Fellows and M&E staff on methodology. Baseline results completed and reviewed	BT Uganda BT Uganda	George Okwir George Okwir		1-Feb	1-Mar	1-Jan-18		
For Profit Construction Model	Establish and form a company in Uganda that could bid on government tenders for the construction of new infrastructure projects.	George Srour/Joseph Kaliisa	Establish for-profit in Uganda & any legal framework in USA. Go through PPDA registration process. Set financial forecasts and refine financial model. Raise financial capital required to have adequate start-up costs. Expand design and construction capacity in-country. Hire human capital necessary including staff and potential board. Settle how the non-profit and for-profit will work together.	GS/JK JK GS GS JK JK GS	Keith & Ministry of Finance Contacts PPDA Contacts via Joseph Staff Time + GSBI Staff Time Staff Time Staff Time USA/Uganda-based attorneys	Staff Time	1-Sep				
Launch of Development Impact Bond	Raise capital to support the rapid expansion of Building Tomorrow's flagship programs in partnership with government of Uganda.	George Srour	Research and marketing the potential vehicle. Commitments from government to renew MOU past 80 schools. Working with contacts to advertise and place the bond. Finding an outcome payer for SIB.	GS GS GS GS	Business on the Frontlines Team BT Uganda	Staff Time	Ongoing		Ongoing		

Building Tomorrow Operating Plan

- Sufficient to manage the business:
 - Identifies the strategic initiative and needed resources
 - Recommend to include how building projects are tracked
 - Identify budget in dollars or hours versus “staff time”
 - Schedule or dates lacking
- Sufficient to obtain financing:
 - Budget robust model to perform sensitivity analysis
 - Historicals (2+ years)
 - Projections (3 years)
 - Strong tactics for example Educate 51K
 - Without the Development Impact Bond (DIB) scalability questionable
 - Large negative cash flow projected without DIB

Building Tomorrow Financing

- What type(s) of financing is your organization seeking.
 - BT is seeking a Project Directed Investment called a Direct Impact Bond
 - Type of financing is achievable as it provides a win-win-win situation with BT, investors, and the government
 - DIB can be sustainable as long as BT can meet its goals, and will allow BT to scale by dramatically increasing impact without achieving economies of scale



2017 OPERATING PLAN

Enterprise Name:	FOOD FOR EDUCATION								
Date:	4/3/2017								
Strategic Initiative	Desired Outcome	Strategic Initiative Owner	Key Tactics/Actions	Owner	Resources	Budget	Planned Start Date	Actual Start Date	Planned End Date
MARKETING	Build a well known and trusted brand	Joan Njiru	Aggressive social media campaign to attract clients	Joan Njiru		1800	4/3/2017	4/8/2017	12/22/2017
			Ensure clients engage with and understand our social mission	Joan Njiru		-	4/3/2017	4/8/2017	12/22/2017
			Partner with well known brand names to attract their viewership to order with	Wawira Njiru	Networks	-	4/3/2017	6/6/2017	-
			On the ground marketing activities to reach more clients	Lilian Maina		500	4/3/2017	5/1/2017	12/22/2017
SALES	Diversify sales channels	Lilian Maina	seek opportunities in office catering to increase sales	Lilian Maina	Networks	500	4/3/2017	5/1/2017	12/22/2017
			seek opportunities to cater for small events e.g. bridal and baby showers	Lilian Maina	Networks	500	4/3/2017	5/29/2017	12/22/2017
			Improve churn rate	Lilian Maina		500	4/3/2017	5/10/2017	12/22/2017
			Increase monthly unit sales	Lilian Maina	Financial projections	-	4/3/2017	5/10/2017	12/22/2017
OPERATIONS	streamline operations to accommodate growth	Lilian Maina	Create innovative methods to ensure all school meals are served on time	Jemimah Wainaina	Akshaya Patra foundation	600	6/24/2017		
			Streamline school feeding program production line	Jemimah Wainaina	Akshaya Patra foundation	600	6/24/2017		
			Streamline production line in food business from prepping to packing	Lilian Maina	Research from other food delivery services	1000	4/3/2017	4/3/2017	8/31/2017
			Outsource part of food delivery to delivery companies to enable expanding of delivery points while ensuring quality	Lilian Maina	Yum deliveries, Jumia food	-	5/1/2017		
SCALING	Build a centralised kitchen for school feeding program and expand food business through 2nd commercial kitchen	Wawira Njiru	Grant applications	Wawira Njiru	Internet, Recommendations from networks	-	1/31/2017	1/31/2017	-
			Complete GSBI accelerator course to ensure investor readiness	Wawira & Lilian	GSBI course		1/31/2017	1/31/2017	12/13/2017
			Engage Ministry of Education to partner with F4E so that our model may be used countrywide	Wawira Njiru	Network, IDEO.org	-	5/17/2017		
FINANCE	Manage burn rate	Wawira Njiru	Grant applications	Wawira Njiru	Internet, Recommendations from networks	-	1/31/2017	1/31/2017	-
			Source for cheaper ingredients for school feeding program	Jemimah Wainaina	Farmers' market networks	-	1/3/2017	1/5/2017	-
			Source for cheaper ingredients for food business	Lilian Maina	Farmers' market networks	-	4/3/2017	4/3/2017	-

Type(s) Financing

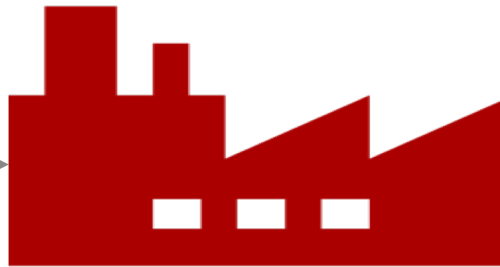
1. Grants—IDEO. ORG, YGAP, GSBI
2. Soft Loans: Kiva
3. Program Related Investment: \$350,000 (2nd Centralized Kitchen)
4. Government Subsidy

Our ask



\$350,000

Grant



Construction of
central kitchen
to produce and
distribute
meals



10x meals

15,000
students
served per
day

HipoCampus Centros Operating Plan

OUR STRETCH GOAL

100 CENTERS IN 5 YEARS

Operational Models:



6,000 CHILDREN
&
6,600 WORKING MOMS*

B2B + Hybrid

**Local and
international allies**

Franchises

To be developed in yr 4

Consulting















**600 jobs created &, 6,000 job opportunities created*

Scale Plan:

YEAR	CENTERS	CHILDREN	COMMUNITY EDUCATORS	WORKING MOMS
2016	1	60	6	60
2017	5	300	30	300
2018	12	720	72	720
2019	25	1,500	150	1,500
2020	50	3,000	300	3,000
2021	100	6,000	600	6,000

HipoCampus Centros Operating Plan

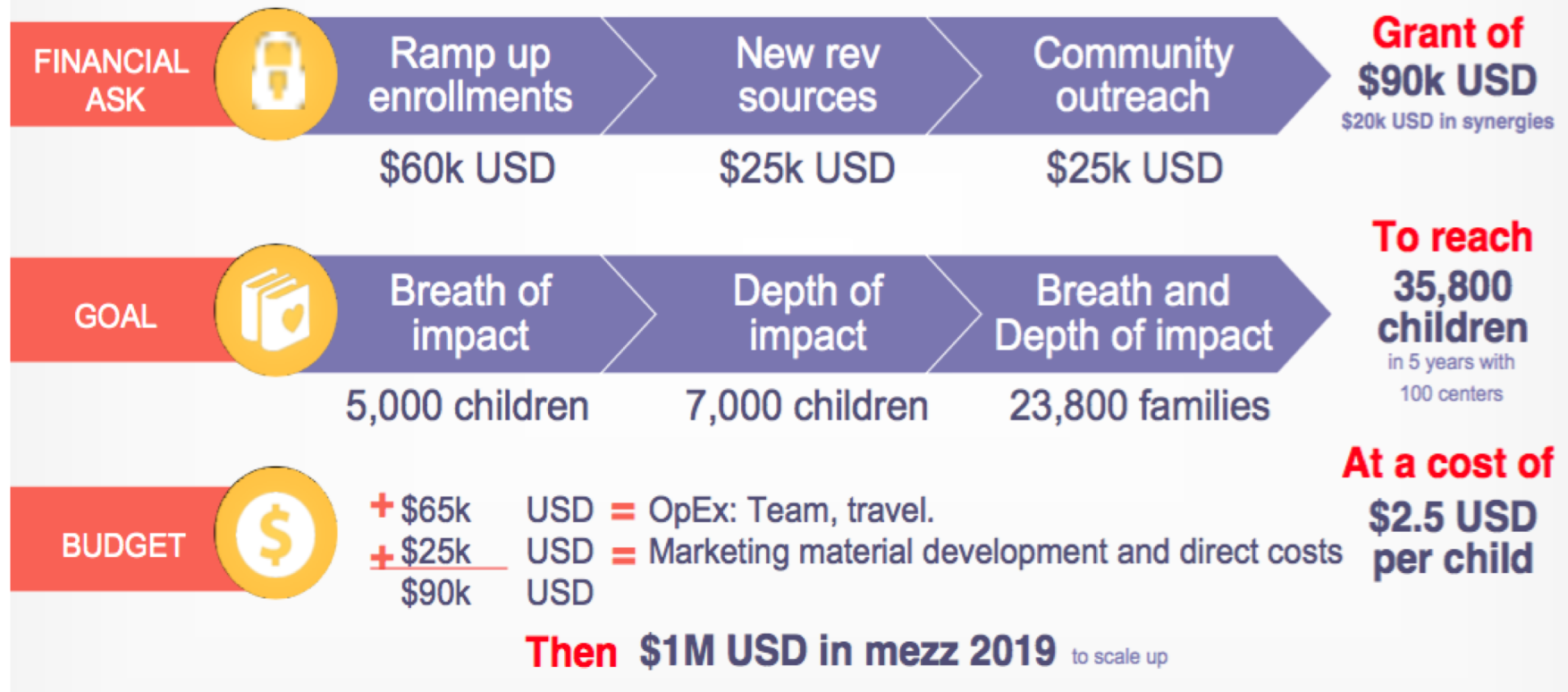
LEADING DASHBOARD

Operations	Now	Goal	Light	Market Viability	Now	Goal	Light
SC student growth by Aug	29	30		Community marketing plan	WIP	Aug	
Zamora opening on budget	Aug	Jul		New leads in Bajío	7	15	
Impact metric tracking	Jun	Jun		New leads (70% prob)	0	3	
SEP incorporation	Oct	Oct		Grant writing	1	2	
Quality care and education	Now	Goal	Light	Culture and Org	Now	Goal	Light
Dev. Educator's manual	May	Apr		Frisa strategy	May	May	
Dev. Training manual	May	May		Hiring regional staff	Jun	May	
Finish Methodology model	Jun	Jun		Strengthen team dynamics	May	Jun	

Others: Earlier cash crunch than expected due to funds coming in through CO.

HipoCampos Centros Financing

THE ASK



HippoCampus Learning Centers Operating Plan

- We managed to find very detailed operating plans and review for Hippocampus which includes their financial and strategic goals for each division (HLC-owned, franchisee, and learning partners), functional goals for each department and its members, and their targeted accomplishment dates.
- Divisions operating plan covers - Managed Schools, Owned centers, Franchised Centers, and KG Program.
- Internal functions covers - IT, People function, Marketing, Supply chain, and Finance

HLC has developed separate plans and strategic initiatives for each department and division. Since there are a lot, we placed sample plan they have for marketing to give you an overview of how they create their plans.

PRIORITY	PRIMARY GOAL	TACTIC	OWNER	BUDGET	PLANNED START DATE	PLANNED END DATE
1	To create consistent brand communication amongst all stakeholders	Nail down the brand values	UM		20 Jul	31 Jul
		Identify opportunities to communicate brand values - on premise, with parents, teachers and employees	NK		1 Aug	31 Aug
		Craft success stories to highlight our brand values	NK		15 Aug	10 Sep
		Disseminate values to teachers, parents, employees	NK		10 Sep	15 Oct

Type of Financing HLC is seeking

1. Grants: \$1,154,000
2. Conventional Loan: ~\$1M

Grant is achievable because:

1. Impact is increasing
2. Efficient use of money
3. Trust in the founders and board
4. Tax deductible for grant providers
5. Marketing for grant providers

Loan is achievable because:

1. Revenue & Profit
2. HLC Ownership
3. HLC's history of paying back previous loan obligations
4. Ability to payback

Moringa Connect's Operating Plan

- Quantitative metrics since the company's inception in 2013
- Significant growth milestones achieved to date
- Quantitative growth goals for 2017-2019, broken down by a year-to-year basis
- While the company's current Operating Plan is sufficient enough to get their initial financing, MoringaConnect may need to further detail their growth goals to perhaps a monthly or quarterly basis if they wanted to achieve any additional financing.

Moringa Connect Financing

R&D and Line Extensions - \$60K

- Expand moringa product lines
- Commercialize research findings on by-products

Irrigation and Tree Nursery - \$300K

- Expand irrigation from 30 to 150 acres on organic certified farmland
- Assist approximately 1,000 families scale from backyard to acre
- Plant approximately 1 million trees in communities across Ghana

Factory and Machinery - \$500K

- Create ~100 new jobs in Ghana
- Create ~5 new jobs in the U.S.
- Reduce production costs by 20-30%
- Reach 5+ metric tons per month to meet \$8MM worth of order inquiries

Purchase Order Financing - \$140K

- Decrease lead time with clients
- Optimize working capital usage and allow MoringaConnect to close additional metric ton scale orders

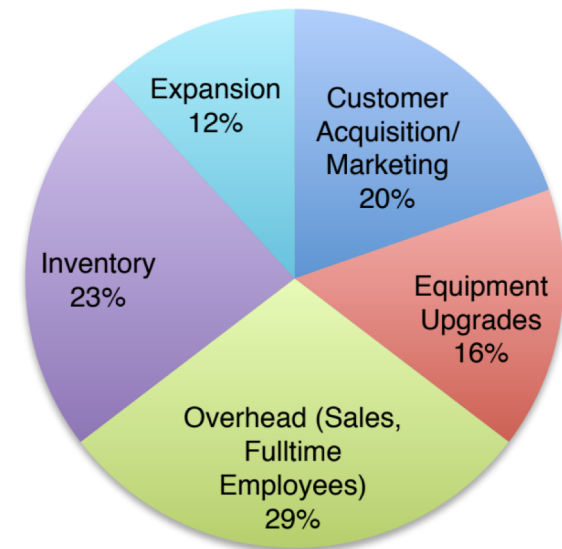
Vega Coffee Operating Plan: Missing

- We couldn't find an operating plan in any of the documents provided by Vega Coffee in the resources link.
- Thus, it is clearly not sufficient to run the organization or to obtain financing. We highly recommend that Vega founders create a detailed operating plan with key initiatives, tactics, owners, budgets and timelines to help them better operate their business and obtain the funding that they need to expand and become profitable.

Vega Financing Requests

- As of August 2017, Vega Coffee was seeking **\$650,000** in convertible debt which would allow them to 1) reach profitability, 2) make them a viable candidate for institutional Series A investors, and 3) prove the scalability of operations and sales
- Vega Coffee was also seeking **\$100,000** in grants for farmer coffee education and skills training

Uses of the \$650k:



Nizam Operating Plan

2017 Operating Plan Summary									
Enterprise Name:	Nizam Bijli								
Date:	7/27/2017								
Strategic Initiative	Desired Outcome	Strategic Initiative Owner	Key Tactics/Actions	Owner	Planned Start Date	Actual Start Date	Planned End Date	Actual End Date	Comments
Develop and Purchase New SHS	Develop new SHS solar home system that is cost efficient, can work on smaller model as well. Improve with better efficiency and remote monitoring capabilities	Imran	-Complete GSMA proposal for funding opportunity	Alizeh	May 2017	May 2017	June 5, 2017		
			-Improve current antenna design for better connectivity	Usman	August 2017		Nov 2017		
			-Cut production costs and improve battery life	Usman	August 2017		Jan 2018		
			-Explore Global SIM technology	Imran	August 2017	July 2017	Jan 2018		
			-Prototype and purchase	Imran	Jan 2018		Jun 2018		
Strengthen Sales Network	Expand footprint into Sindh province through recruitment and training	Ahmed	-Determine goals and roadmap	Munim	April 2017	April 2017	May 2017		
			-Survey new sites	Ahmed	May 2017	May 2017	Nov 2017		
			-Establish new shops	Ahmed, Satram	June 2017	June 2017	Feb 2018		
			-Recruit new talent	Ahmed, Satram	July 2017	July 2017	April 2018		
			-Onboard and Train New Recruits	Raza	Aug 2017		June 2018		
			-Measure and operate		Jan 2018				
Improve Performance in Sales	Increase sales effectiveness through marketing, sales incentives and performance monitoring	Sales lead	-Recruit and select field HR officer	HR/exec search	Jul 2017	July 2017	Sept 2017		
			-Recruit and select Sales Ops mgr for Sindh	HR/exec search	August 2017		Oct 2017		
			-Develop SOP manuals for all roles	Ahmed	August 2017		Oct 2017		
			-Develop and execute training programs for all roles	Ahmed	Sept 2017		Dec 2017		
			-Improve ND program	Shaqueel	Sept 2017		Jan 2018		
			-Track and monitor work done in sales	HR	###		Mar 2018		
Strengthen After Sales Capabilities	Track and improve customer satisfaction and our recovery process	Sales Ops Lead	-Hire CC Lead	HR	###		Oct 2017		
			-Improve inventory management processes	Pardeep	August 2017		Dec 2017		
			-Improve loan management and recovery processes	Rahat	###		Feb 2018		
			-Hire expansion and field administration staff	Field HR	###		Nov 2017		
Purchase Inventory	Purchase additional units of V2	Saad	-Determine goals and roadmap	Saad	July 2017	July 2017	N/A		
			-Purchase additional inventory	Saad	Sept 2017		N/A		
			-Purchase new inventory (V3)	Saad	Feb 2018		N/A		

Nizam Financing

- Seeking: \$4M in grants, subsidy, debt, and equity
- Achievable?
 - Depends on ratio of grant / subsidy / debt / equity
- Sustainable?
 - Grants are not usually sustainable, Nizam Bijli should not depend too heavily on grants
 - Soft loans are ideal for flexible payback after 2019

Simusolar Operating Plan

- Operating plan and budget data were comprehensive
 - Multiple tactics and action plans - high level and detailed
 - Financial summary showing highlights of financial data
- Sufficient for operations - Yes!
- Sufficient for financing - Probably; need more direction and explanation behind forecast build and specifics for financing requests

Simusolar Financing

- Factor, Debt, Equity and Grant funding
- Achievable - Most likely
- Sustainable - Yes, with more realistic estimates over a longer term

Owners Capital	SNV Results Based Fin.	DOEN Foundation	Convertible Funding	Kiva Loan
<ul style="list-style-type: none">• \$120,000 from founders	<ul style="list-style-type: none">• \$40 per unit sold• Up to \$80,000 per year• Grant for rural customers	<ul style="list-style-type: none">• \$300,000 Grant• \$250,000 Loan: 6 year, 7% interest	<ul style="list-style-type: none">• \$500,000 in convertible notes raised to date• Friends & Family• Two raises, one in 2015 and one in 2016 (open)• 20% discount, 5% interest	<ul style="list-style-type: none">• \$50,000 raised in 2 days• 0% Interest• Repayable over 14 months