



## Executive Summary

Mitra Ardron – 9<sup>th</sup> November 2011

Natural Innovation is a venture philanthropy incubator. It supports innovators with ideas that have high impact in sustainably reducing the problems of poverty. Natural Innovation brings together a network of partners and provides the resources and the, often small, finance necessary to support an idea from the workshop to the point where it is commercially viable.

### Needs Assessment

Developing countries need every tool to alleviate poverty, without destroying their environment. Most western technologies however don't meet the need – they translate poorly to a different set of assumptions, and are too expensive.

Technologies designed for this market typically cannot raise finance from venture capital due to a Bottom of the Pyramid market; difficulties in protecting IP and the location of the entrepreneurs; but they are considered too risky by philanthropists.

Natural Innovation believes it is important to ensure that the best technologies are available to solve problems.

### Solution

Our solution is to identify ideas, which while small now, have the potential to grow rapidly to meet the scale of the problem. Often this is the combination of innovative uses of technology to reduce costs and creative business models that enable access by the poor.

We will actively incubate innovators with a combination of small amounts of money with intensive assistance.

A small, experienced core team will leverage the assistance of strategic partners, for example engineers; manufacturing consultants; distributors; testing and legal.

### Example Projects

A few examples illustrate the range of activities we are involved in.

#### *MinVayu – Small Wind - India*

MinVayu is training village mechanics to build, sell, & maintain small wind turbines in India. We are helping the innovator to partner with engineers to design a turbine optimised for small installations in low-wind environments. We will then help the innovator to get the turbine components into manufacture. We are helping with business planning and finance raising.



#### *Caktilika - Inverter*

Natural Innovation has partnered with Meridian design to fill a critical market gap, for an affordable, reliable inverter that incorporates Pay As You Go functionality to allow poor people to pay for renewable energy as they consume it.

#### *Humanitarian License*

Natural Innovation has partnered with Comar Law to develop a standardised license that can be used to license technology from for-profits to non-profits or social ventures bringing security to both parties and an ability to address innovations to areas that might otherwise never be served.

#### *Sunvention – solar thermal water pump*

A small loan (US\$30k), and intensive mentoring from NI helped Sunvention move from financial



*natural innovation .org*  
*- project and fund proposal*



crisis to over €1m funding from a Swiss foundation. Its innovative pump should be in volume production by the end of 2011. NI has introduced them to distribution channels in India.

### **Strategic Plan**

After 20 months of research work and experience supporting a few innovators, Mitra Ardron has identified the key areas of support needed. The next challenge is to systemise this work and create an appropriate non-profit structure to enable it to continue and grow.

A plan has been developed to address six key areas over two years:

- Build an ecosystem – team; collaborators; experts; etc
- Build a venture philanthropy incubation fund
- Develop an ability to incubate small growing companies
- Develop a cut-and-paste humanitarian license
- Test out the process on a number of innovations.
- Build awareness of the innovators; Natural Innovation and the concepts.

### **Team & Collaboration**

Mitra Ardron brings experience spanning founding an international NGO, and commercialisation of internet and clean technologies. In particular he has experience of creating and supporting successful start-ups including growing a solar PV company to over \$20m revenue in its first 18 months.

Natural Innovation will require not only an experienced core team of about three people, but strong relationships with partners who can provide the services needed to ensure the innovations progress all the way to the people who need them.

Partners for example include:

- Reallocate – pro-bono engineers & industrial designers
- Selco Labs – user testing in Indian villages
- Comar Law – intellectual property law
- Villgro – enterprise support and rural distribution.
- Harita Resources – manufacturing consulting

- Alterna – enterprise development in Latin America
- ONergy – distribution in India.
- William James Foundation – pipeline partner
- Unreasonable Institute – pipeline partner

There have been discussions with many more organisations.

### **Impact**

Natural Innovation's work is highly leveraged. It works with innovators, who create technologies; that empower entrepreneurs that for example meet basic human needs such as energy and clean water. In particular we focus on looking for significant cost reductions that can dramatically increase the accessibility of a solution to the rural poor. For example MinVayu plans to train 200 trainers; to train 20,000 mechanics; to service 200,000 villages impacting up to 100 million people.

### **Budget**

Up until now, Mitra has funded this work personally, along with a small grant from the Austin Kahle Foundation. Natural Innovation is now raising \$250,000 to allow it to scale the team and the operations and support more innovators.

We have interest from foundations in supporting specific projects, but need to raise our core operational budget in order to operate.

Once Natural Innovation has proved its model it is hoped that this will attract significantly larger amounts to create a seed stage impact fund, enabling NI to support itself. In addition, a portion of returns from successful ventures will be allocated so that Natural Innovation can continue to scale its work.

### **Further Information**

This paper has been kept brief, however I will be happy to provide further information on request on any of the following areas.

- Collaborators & Partners
- Current Projects
- Financial Summary
- Strategic Plan and Timelines