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Mitra Ardron, Natural Innovation .org

Equinox September 2011 newsletter
- from San Francisco

I know it sounds like a confession, but its been six months since my last newsletter. My excuse is that I've been spending a lot of time with incubates and potential incubatees, in Germany, India and the UK and the rest of the time in the USA working on organisational development as I figure out how to scale Natural Innovation to multiple people, serving more incubatees simultaneously.

We expect to have our tax exemption in the next six months. As Natural Innovation takes this next big step to becoming a fully operational non-profit organization, I hope you will consider supporting the work that we do. As many of you know, I have been carrying out this work over the past two years largely with my own resources and through the support of a few generous donors. I am excited to see the organization come to fruition and expand the scope of the projects and impact we have in the rural, impoverished areas of the world. I sincerely hope we can count on your support as we move into this next, exciting phase.

MinVayu - small wind for the underserved

The highlight of the last few months has been working with MinVayu (<http://www.minvayu.org/>). MinVayu's founder, Jorge Ayarza is an US/Ecuadorian wind expert, based in Auroville India who has come up with an interesting analysis.

Jorge believes that by designing a small (350W-1kW) turbine for the low-winds of India, and by training local mechanics that he has a scalable, affordable, solution to providing wind power to under-served rural communities. I spent a month with Jorge, helping to refine his business model and in particular to integrate the learnings from the pilot run of the training workshops.

A rural community education center in nearby village is now powered by a turbine constructed during the workshop, and is performing well. However we believe that by thinking about the whole system rather than just the turbine we can make some substantial improvements and drop the overall system cost another 35% which would make wind cheaper than solar in many even low wind locations.

The opportunity presented by a system that is cheaper than current Solar Home Systems is substantial with the potential to create a business that meets the magic target of being both highly profitable and having a high impact.

Wherever The Need

Over 2.5 billion people lack access to sanitation, more than twice the number lacking power or water.

While in the UK in June I was introduced to David Crosweller of Wherever The Need (<http://www.wherevertheneed.org.uk>) (WTN) who filled me in on their project to create a viable

business model for sanitation so that micro-enterprises could run slum toilets in areas that neither municipalities nor Aid dollars are likely to reach for a long time.

David explained that in India, poor people will not spend money to use a toilet so the models adopted by Sanergy in Kenya are less likely to work. Instead WTN is looking to generate sufficient revenue from the sale of compost and fertilizer to cover the construction and operating costs of slum toilets.

In August I visited Paramasivan who runs the Indian office of WTN (<http://www.whenevertheneed.org.in/>) and spent a day touring their trials in the slums of Cuddalore. The cultural challenges, from poverty, caste, unclear land ownership etc are huge, and often lead to sub-optimum solutions such as individual stalls spaced out around an area rather than a single block.

Natural Innovation hopes to help WTN through its collaboration with ReAllocate to source mechanical engineering talent to solve specific challenges of safe waste handling, and chemical engineers to improve the cost effectiveness of turning liquid waste into fertilizer. WTN are also looking for an engineer to work with them to reduce the construction costs.

Humanitarian License

The first public draft of Natural Innovation's "Humanitarian License" is now available on the web site (<http://naturalinnovation.org/humanitarianlicense>). Both a plain English and a legalese version are available. Written by Mitra & San Francisco based Intellectual Property (IP) attorney Inder Comar (<http://naturalinnovation.org/index.php/partners/otherpartners/49-comarlaw>).

The license is intended to help facilitate technology being made available to non-profits for humanitarian purposes, for example for developing country applications where the IP owner has little intention of doing business.

At this time we would be grateful for feedback, especially from any potential users of the license (IP owners, or licensees or attorneys) so that the license can be adapted into an even more useful set of templates.

The funding gap

As part of Natural Innovation's mission to improve the climate for technology innovation, Mitra has been trying to get the message out that the Social Entrepreneurship / Impact Investment space needs to address the serious gap between the mostly late-stage, risk averse, investors with high minimum amounts and the mostly early stage entrepreneurs, needing small amounts of money and lots of help.

This gap is particularly evident when an entrepreneur is in a developing country, where US\$200,000 will fund a team of 10 for a year, and all the prototyping and development. But to US based investors, \$200k is too small to be worth the cost of the due-diligence! At the recent SoCap conference, this gap was finally being recognised and talked about by investors, while incubators like Natural Innovation met with entrepreneurs and those few funders who understand to explore possible solutions.

SoCap (<http://socialcapitalmarkets.net/>) has rapidly become the conference to pay attention to for the sector we work in. I found both Investors Circle (<http://www.investorscircle.net/>) and Cleantech Open (<http://www.cleantechopen.com>) interesting and valuable, however Investors Circle is in practice only available to US entrepreneurs and we also heard from two companies

that the venture capital investors they met thought their pitches at Cleantech Open had tried to get them to drop their social missions and just focus on profitable western markets.

The joys of sharing

I'm a big fan of shareable.net (<http://www.shareable.net>), whose lively blog shows how many ways we can improve our lives by sharing.

During my recent trip to India I discovered a new angle on it. While riding an electric scooter down a track barely wide enough for the bike, a guy steps into the road brandishing a wickedly sharp looking knife. I might have been scared except that no self-respecting bandit would have been wearing a large nappy like dhoti, and the ancient toothless grin looked friendly. We had no language in common but it seemed he just wanted a ride, and I guess waving his knife and grinning worked pretty well at getting me to stop!

I wish I'd had my camera, but later that week I snapped this different way of sharing - a lizard and a mildly venomous snake both trying to invite the other for dinner.

Support this work

We are currently in the process of filing for our tax exempt status. If you would like to join us in helping to alleviate poverty through incubating sustainable innovators in the developing world, please contact me at mitra@mitra.biz (<mailto:mitra@mitra.biz>) or by phone at +1-510-984-2639.

In Brief

We would like to highlight some of Natural Innovation's newest partners.

ReAllocate

Natural Innovation would like to announce it's partnership with ReAllocate (<http://www.reallocate.org>), a new NGO that is coordinating pro-bono engineers to work on humanitarian projects.

Unlike other excellent organizations such as Engineers Without Borders (<http://www.ewb.org.au/>), it focuses on the short-term individual or team "consulting" projects, and on working with NGOs to solve specific humanitarian problems. ReAllocate's access to engineers is a natural complement for Natural Innovations focus on taking innovations to commercial viability.

William James Foundation

We are also announcing our partnership with William James Foundation (<http://williamjamesfoundation.org>). WJF runs a set of business plan competitions for for-profit social entrepreneurs.

One of the strong points of the WJF competition is the extensive feedback received from judges, including Mitra. We have also been exploring ways to enable a longer term incubation by Natural Innovation to complement the short term advice from judges.

As an "outreach partner" of WJF, our mentees and network have access to discounts on the

entry fee, hurry up and ask me for the code, as applications are due on October 15th.

More... (

<http://naturalinnovation.org/index.php/partners/innovationsupport/64-williamjamesfoundation>)

Unreasonable Institute

The third annual Unreasonable Institute will unite 25 exceptional, early-stage entrepreneurs for 6 weeks in the summer of 2012 in the beautiful, entrepreneurial city of Boulder, Colorado. Over the course of these 6 weeks, chosen entrepreneurs will live and work with 50 world-class mentors (

<http://unreasona.sendloop.com/l/ODV6L3J2L3R6Ly9hSFJwY0RvdkwzVnVjbVZoYzI5dVIXSnNaV2x1YzNScGRIVjBaUzV2Y21jdmlzVnlMVzFsYm5SdmNuTXYv>) and portfolio managers from over 20 impact investment funds (

<http://unreasona.sendloop.com/l/ODV6L3J2L3R6Ly9hSFJwY0RvdkwzVnVjbVZoYzI5dVIXSnNaV2x1YzNScGRIVjBaUzV2Y21jdmlzVnlMWEJoY25SdVpYSnpMdyUzRCUzRC8%3D>). They'll pitch ventures to hundreds of potential partners and funders, gain access to legal and design support services, and receive unprecedented levels of media exposure.

Natural Innovation has enjoyed interacting with last year's fellows, several of which have, in our opinion, the chance to make a globally significant impact. Since Unreasonable's short term intensive program is a great complement to our longer term mentoring, Natural Innovation has partnered with Unreasonable to explore ways we can support each other.

More... (<http://naturalinnovation.org/index.php/partners/innovationsupport/66-unreasonable>)

Interns and Volunteers

We are looking for a few interns at the moment, ideal applicants would have: some engineering or technical background; some business experience; and experience working in a developing country; but of course internships are a way to pick up the skills you are missing. We need people both for our core operations, both developing the eco-system for innovation, and to support innovators, both in San Francisco and potentially in India. Get in touch...

Next Few Months

I'm planning to be in San Francisco till the end of November, hopefully I'll get home to Australia for December and then probably back to India to work with a couple of our projects.

Thanks

Thanks to all the people who opened their houses and hearts to me this last six months, especially: Brewster & Mary; Joss & Anita; Annette; Dominique & the Gondies;

Keep in Touch

If you want to keep in touch with what I'm doing, see the Natural Innovation website, and I also write an occasional informal blog (<http://www.mitra.biz/joomla/index.php/blog/3055-scaling>) on my activities and clean technology in general. You can also find me on facebook (<http://www.facebook.com/Mitraardron>) and LinkedIn (<http://au.linkedin.com/in/mitraardron>).

For personal contacts, email is best mitra@mitra.biz. Skype reaches me pretty much anywhere and my id is mitra_earth; or you can call +1-510-984-2639, both these are usually forwarded to a local mobile. Until early December, my US mobile is +1-510-423-1767.

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