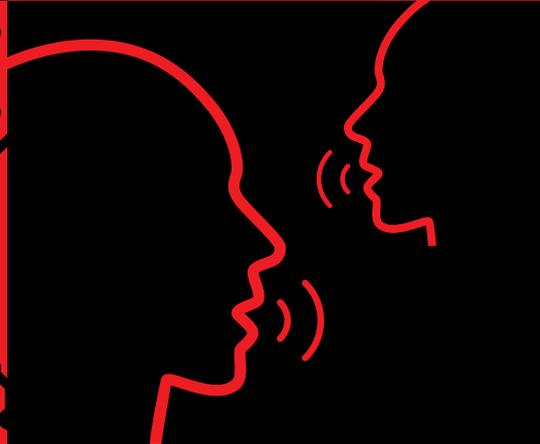
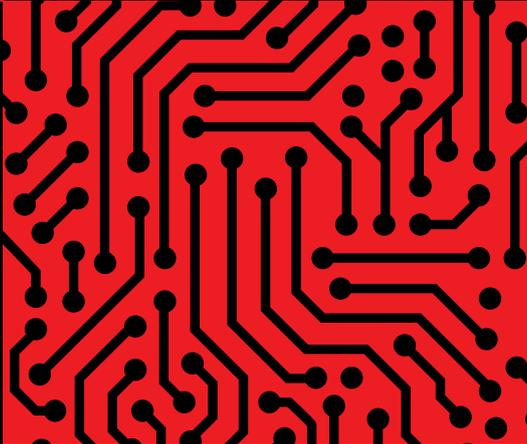
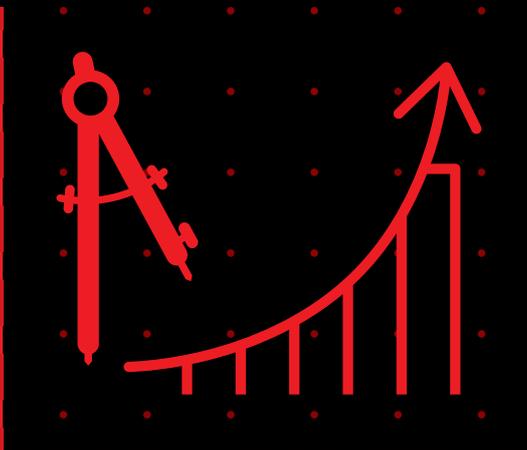
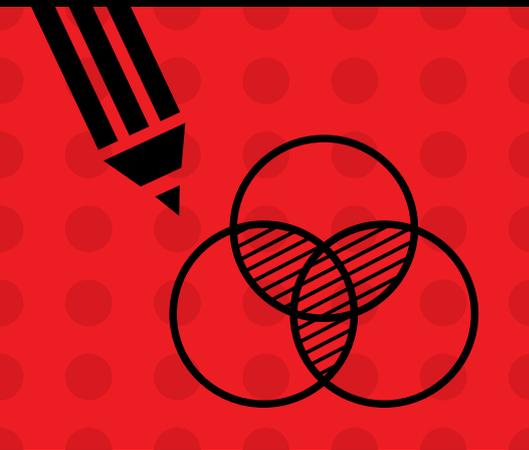
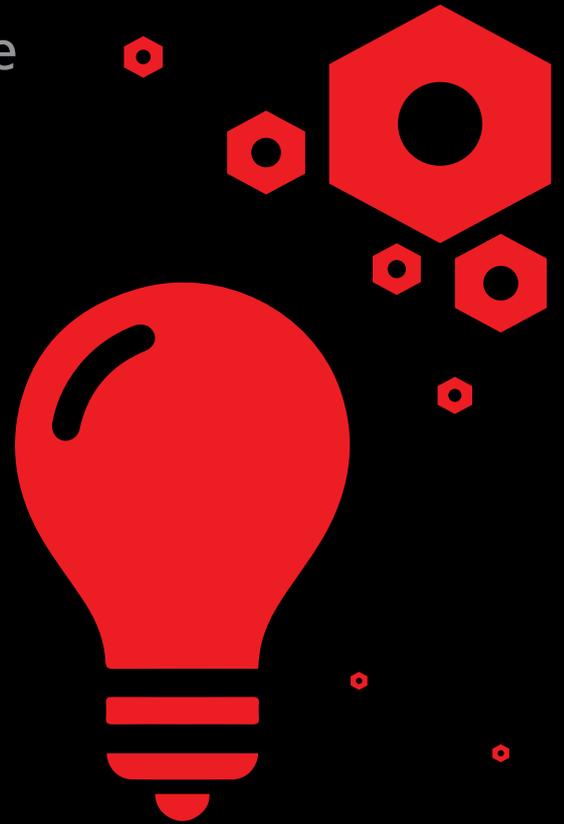


DBS Foundation Social Enterprise
Summit 2017

INNOVATE FOR IMPACT

Reflections & Sharing
A Post Summit Report



DBS Foundation's second Social Enterprise Summit, held for the first time in Jakarta, was based on the theme of 'Innovate for Impact' and brought together changemakers to discuss their challenges and triumphs in pursuing their social innovations.

At the Summit, we learnt what social enterprises, often with limited resources, can do to ensure that innovation remains a cornerstone in their operations. How can they become investment worthy and ready themselves for the investor community; engage their audiences effectively and learn to tell their social stories with authenticity; pave way for winning partnerships and learn to stay distinct in the crowded space.

This report attempts to capture the discussions at the Summit where over 300 participants comprising social entrepreneurs – existing and potential, capacity-builders, impact investors from across the region, gathered to discuss strategies on keeping their ventures innovative and relevant in the age of disruption.

We hope you find this report useful.

- Team, DBS Foundation



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WELCOME

Paulus Sutisna, President Director, DBS Indonesia

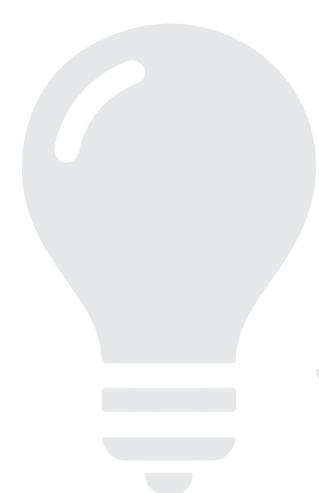
Welcome to the second DBS Foundation Social Enterprise Summit, and we in Indonesia are honored to be hosting this summit attended by over 300 social enterprises across Asia.

DBS is committed in growing the economies and communities where we operate; DBS as a private sector but we take a proactive role in growing the social entrepreneurship sector in the region. Social Enterprises (SEs) not only bring significant impact to businesses in economies, but also answer critical social issues in the community.

This year's theme of the Summit is "Innovate for Impact". We truly see the importance of social innovation from startups and social enterprises working towards better communities. Through this year's SE summit, we would like to stimulate meaningful and useful conversations around innovation for impact. We hope that these conversations will catalyze growth that comes from learning the nuances of social innovation and spark further ideas.

Once again, I would like to thank everyone who has taken the time to be here, participate, engage and share your experience for the betterment of the society.

I am truly honored to be given this opportunity to welcome you and embark on this impactful journey of DBS Foundation: Championing Social Entrepreneurship. Wishing you a day of inspiration and insights.





Keynote Address:

YOUTH ENTREPRENEURSHIP AND SOCIAL INNOVATION

Prof. Dr. Ir. Kuntoro Mangkusubroto
Founder, School of Business and Management of
the Bandung Institute of Technology (ITB)



I've been asked to address the topic of "Youth Entrepreneurship and Social Innovation", where disruption and technology are key elements for this topic. Unfortunately, I do not think I'm the right person to address this topic because I'm a baby boomer – so far away from the millennials who are the key players of today.

So, rather than acting like a know-it-all and telling you how easy you have everything nowadays, I'm going to share some wisdom from somebody who has been around longer than most of you have.

When we talk about entrepreneurship and social impact, we are basically talking about somebody who is making something on their own and making it sustainable. And the impact of this something is beneficial to the society. The driver is this "somebody". So, we need to understand in what kind of environment is this somebody living to know how to best support them.

I will talk about "living with and loving the unknown", which sets the environment we are living in currently. This is especially important for youth because you will continue to be living in an era where the world's unknown, uncertain and unpredictability is always the norm.

The world is changing rapidly and our advancements in technology are at the point of no return, and will continue to advance so that we won't know how different our lives will be a few years from now or for that matter even next year.

Hariri (a well-known historian of the history of mankind) predicts that AI will create a useless class of humans. We must be aware that a big revolution is to come. This change will be so rapid that in just 10 years, the biggest market capitalisation will have shifted from oil & gas and finance industries to the tech giants. Who could have predicted this just 10 years ago?

The next era is of human-machine entrepreneurship. The key findings in an era of human-machine partnerships predict that:

- An estimated 85% jobs in 2030 have not been invented yet, e.g. in Indonesia just a couple of years ago, the profession of a Gojek/Uber/Grab driver was unknown.
- The ability to gain new knowledge will be more valuable than the knowledge itself.

These findings scream "THE ERA OF THE UNKNOWN" louder than ever.

We need to start living what Socrates had pondered upon years ago, that the best approach to deal with the phenomenon is from a place of knowing nothing.

When you see a social phenomenon and you think you know all about it, it makes the way for failed interventions. We should revisit the term "best practices" in solving a social problem. For years, it is shown that the best practices have not been effective in providing sustainable solutions. For example, in general the best practice of forest management was not to let anyone live in the forest, at least in Indonesia. This has resulted in certain indigenous groups being deprived of their centuries-old way of life, and later plunged them into the depths of poverty in urban areas. It took so much effort until finally the Indonesian Constitutional Court recognized the rights of indigenous groups to their customary forests.

The ability to gain new knowledge is more valuable than knowledge itself.

My experience with the “unknown” as Head of the Aceh-Nias Rehabilitation and Reconstruction Agency/ BRR (2005-2009).

It was December 26, 2004 when a 30-foot high tsunami struck Aceh, the western-most province of Indonesia, just 3 hours away by flight from Jakarta. The devastation was massive that it was said to be the worst natural disaster in Indonesia and in the modern history of the world. It was estimated that 117,000 people died and 120,000 houses destroyed with 800 km of coastline demolished (equivalent to the distance between San Francisco and Los Angeles). The local government was completely paralyzed. At that time, Aceh was already the 3rd poorest province in Indonesia and was in the middle of a 25-year old conflict between villagers and the separatist group (GAM).

When I arrived in Banda Aceh, I looked around and I was presented an unknown social phenomenon. When I set my mission to “Build Back Better”. Everyone laughed at me – how could you expect to build it back better, they asked?

After I had set my mission, I wondered “how do I start?” This is one of the most difficult decision entrepreneurs, innovators, and those seeking to make impact are faced with – how do we start? How do we know where to

start if we know there is a specific social problem? We don’t know!

Aceh was like a warzone. There was no textbook, no precedent, no best practice, and no one could tell me what to do. I was not an expert in disaster management. In fact, I knew nothing. I was neither a civil engineer nor an urban planner. I was deep in the unknown.

I felt a rush of love for those who are suffering from this disaster. This motivated me to address the question: “Whose lives do I want to make more comfortable?” – note that I use the word ‘comfortable’, not ‘better’.

In this case, I wanted to make the disaster victims live more comfortably. Logically, debris must be cleaned, houses must be built because people have limited patience when it comes to living in temporary tents.

That question empowered me to move forward rather than getting caught in thinking about the ideal steps to rebuild disaster-struck provinces, which I did not know anyway.

Instead of designing ideal, sequential steps like engineers normally do, I chose to use this **Parallel-Holistic Approach** in dealing with unknown. It is called ‘parallel’ in the sense that several steps can be done at once, while holistic means thinking about the whole picture.

Parallel-Holistic Approach



Just do “it”

I knew that I needed to clean the debris, so just start cleaning the debris. From where do I start? Anywhere, it does not matter as long as I start. People were watching.



Mistakes

Is it risky? Yes. Will there be mistakes? Sure. Maybe if we had planned more elaborately, we could have been more efficient in cleaning the debris. However, at that time we did not know any better anyway.



Rectify

What is important is that we identify and rectify the mistakes.



Feedback

Then, the mistakes are used as feedback to the whole operation.



Do it better.



It was the same approach with rebuilding houses. I applied the same cycle, and in two years we could build significantly. We did not wait for the perfect masterplan. It can take 9 months to have a perfect masterplan approved by the local parliament. Rather we enriched the plan as we worked.

Along the way we learned how to incorporate public participation. We used something unusual: GPS-based monitoring. At that time, it was very new, and had never been implemented or operated in Indonesia. It was 2005, and we used GPS-based monitoring to relocate some of the houses, to make way for roads and other facilities. If we hadn't just done it, we would have failed to learn so many valuable lessons.

So, just do it – make mistakes– get feedback – make it better.

Thus, in Aceh, from the unknown we could build 140,000 houses, 3,500 kilometers of road, 20 seaports, 12 airports, and 14,000 schools in just 4 years.

Another example on how determine where to start in the era of the unknown is through **listening to complaints**.

When we equip ourselves with love for humanity, complaints are like music to our ears.

After Aceh, I led the President's Delivery Unit for Development Monitoring and Oversight (UKP4) in the Yudhoyono-Boediono Cabinet. Even though I was a government official who would be worried about criticism, I loved complaints as they urged me to look around and see what we could do better resulting in greater social impact.

At the President's Delivery Unit, this love for complaints

pushed us to develop an online complaints handling mechanism called LAPOR! Lapor means "to report". I gave this task to 20 developers as we wanted to hear complaints directly from the grassroots.

For example, we received a complaint about the lack of access to villages in Aceh Singkil due to damaged bridges. Within a week of receiving the complaint, we could verify the complaint to the field and then include it in next year's state budget to fix the place.

Now, I want to challenge you to look around and see: what gives you that rush of love for humanity? Whose lives do you want to make more comfortable?

It doesn't have to be relevant to your professional track record or educational background. After all, we are living in the era of the unknown.

If you love children, look around! Is it about child poverty? There are still 13% of Indonesian children living in poverty. How can you make their lives more comfortable?

If you love eating rice, have you thought about the fact that our younger generation does not want to work in farming?

If you love your education or feel that you have benefited from it, do you think you can make others enjoy education as well?

If you have enjoyed expanding your horizons through the internet, how can you make others enjoy the same opportunity? People who do not have adequate internet access will be left far behind in a tech-driven changing world.

In the meantime, equip yourself with skills and experiences. Release yourself from the idea of acquiring a perfect track record. Your track record is history. And history is past. It is the ability to gain new knowledge that will be more valuable than the knowledge itself.

The challenges of today are different from the challenges of tomorrow. In this era, mistakes are your friend. If you make a mistake, simply apologise.



Education System

If the world is changing and the entrepreneurs are changing, the ecosystem should change too. Particularly those within the education system – the government, financiers, bankers, and law enforcement officials. Educational institutions must change the way we educate our students: stop teaching them *in silos*. Just as the Sustainable Development Goals (SDGs) show that there is no one single goal that is served by one sector or one academic discipline. Thus, students need to learn to approach problems from a multidisciplinary perspective.

Perhaps we need to redefine ‘investability’ or ‘bankability’ to allow ideas to thrive. If we wait for those ideas to be ideal, change will have occurred again. There needs to be innovation and flexibility in regulation to cope with the rapid changes around us. Yet, it is also important to maintain balance for certainty and fairness.

*To work the ecosystem,
we need to find a way
to work with ideas,
not ideals.*

These are big challenges, but we will never know what is missing if we do not try to understand or address them. I hope you have all grown to love the unknown a little bit more.



SPOTLIGHT ON A CHANGEMAKER

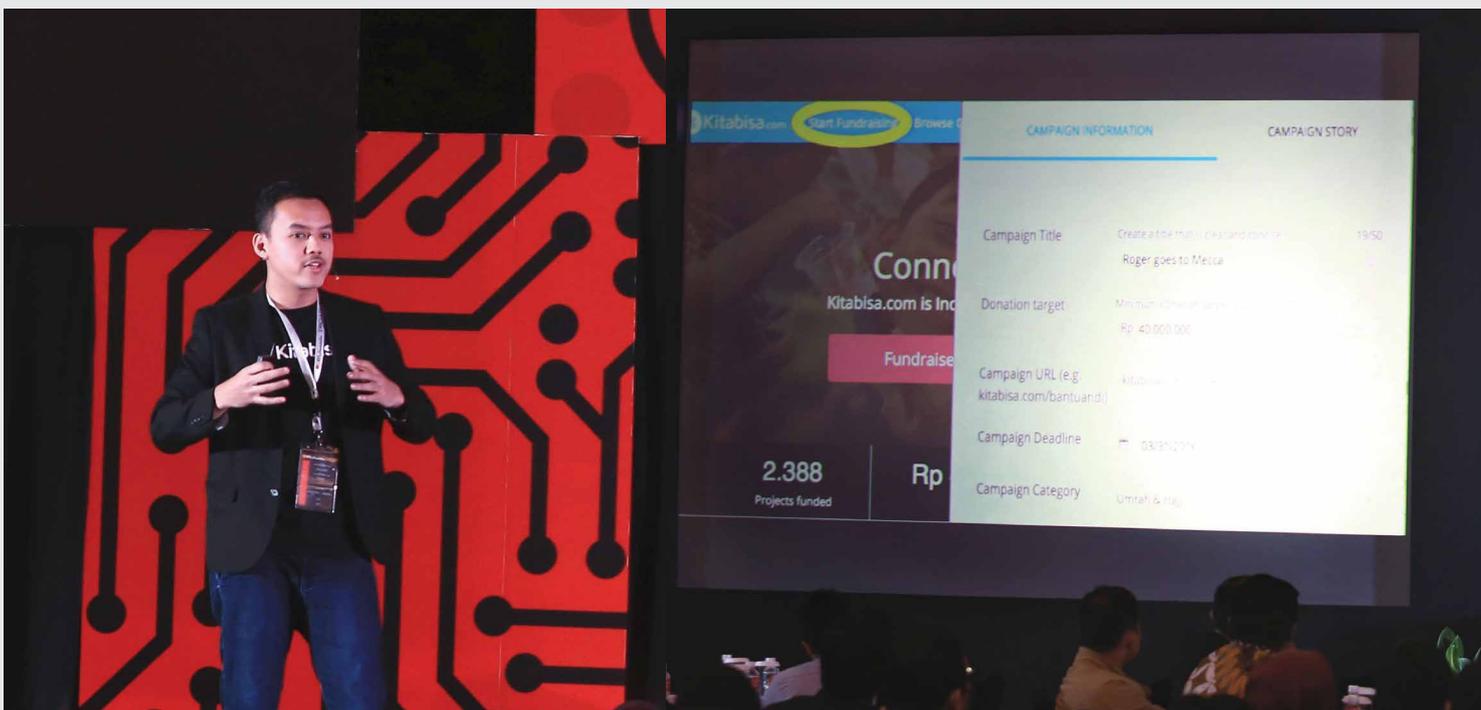
Mr Muhammad Alfatih Timur
Chief Executive Officer, Kitabisa.com

Kitabisa means “we can”. It was inspired by the Obama campaign as well as the Yudhoyono campaign. How does Kitabisa work and what makes us different despite being a crowdfunding platform that you come across very often, these days? Let me tell you through two stories.

Case#1: Roger, is a seller at the Bogor Institute for Agriculture (IPB) campus who had a dream of going to Mecca for a pilgrimage. Unfortunately, he had no money. Then he met with Tasha, a student who was willing to help him but had no money on her too. Tasha opened Kitabisa.com and clicked “start fundraising”. She filled in the form

with all the stories about Pak Roger. The campaign title was “Pak Roger goes to Mecca”, and the donation target was IDR 40.000.000 (~USD 3,000).

Kitabisa link for the campaign was www.kitabisa.com/umrahroger, which replaces a traditional charity box. Tasha put in the deadline for the campaign, which was 3rd March last year, and shared the link with her network via social media (Facebook, LINE, Whatsapp, etc.) to gather donations. This campaign then went viral in IPB because many (students and alumni) know Pak Roger and have very fond memories of him.



Within a week, the campaign successfully raised IDR 136.105.387 or 3 times the initial target. This proves that it is possible to raise 340% of their target from 1200 donors because her story is appealing about a popular person, and she could mobilise her networks well.

Kitabisa facilitates such efforts through useful features including real-time donation, story update, and a transparent count of the funds from everyone who has donated. These three features are helping people to raise funds online in a more transparent and efficient way.

Case #2: Baby Gibran contracted meningitis and was in a coma for over 5 months. The family could not pay the medical bills because Gibran was not covered by insurance. Ibu Widya, her mother along with her family used Kitabisa to rally and collect resources for Gibran by sharing her story. They uploaded evidence (e.g. medical bills) and so far, they managed to raise IDR 500 million (~ USD 50,000). The most current update on October 6 says that Gibran is still in a coma (168 days) and they are still fighting.

Such campaigns are some of the most common cases on Kitabisa. Around 60-70% campaigns on Kitabisa are medical – from people who cannot pay for their medical bills, so they go online to collect resources from their

peer groups and strangers. In short, Kitabisa's makes it easier for people to ask for help. Before, people used to be suspicious and hesitate when someone approached them for raising funds. Now, they can see what people are raising funds for through the stories on Kitabisa. Kitabisa also helps facilitate the payment through multiple bank transfers and credit card payment, so that everyone, everywhere can chip in together to support certain causes.

Besides individual campaigns, we also facilitate nonprofit campaigns like the Red Cross who used Kitabisa to raise funds for a blood-donor bus, which had selfie pictures of all the donors on it – a successful campaign we ran 2 years ago.

Besides the Red Cross, we also facilitated a UNDP campaign, Save the Children campaign, and many other nonprofit campaigns. There is also Dompot Dhuafa, an Islamic charity organization that is very big in Indonesia. Dompot Dhuafa is using Kitabisa as their 'e-wallet' to collect donations from the masses.

Kitabisa also helps celebrities like Dian Sastro who seek to raise funds for the haze problem in Sumatra along with other celebrities. Two months ago, singer Raisa, instead of throwing a party for her upcoming birthday, created



a campaign on Kitabisa asking her fans for donations to send books to Papua. A successful campaign, it was and managed to raise IDR 50 million. Now, many celebrities are adopting a similar approach of charity, as it also serves as good PR.

Kitabisa also integrated with mainline media. One of the largest media groups in Indonesia, Kompas, uses Kitabisa to convert readers into doers by placing the Kitabisa link on their articles. When readers read sad, unfortunate stories, they can immediately take action and donate through Kitabisa. With this feature, we help convert people from just being aware to people who can do something about the problems they see.

Another popular user of Kitabisa are local leaders and politicians, like Pak Ridwan Kamil who is the mayor of Bandung. Pak kamil has been using Kitabisa often and the first campaign was for the haze disaster, followed by the flood disaster in Garut. The most recent campaign that went viral was his campaign for Rohingya, which managed to raise IDR 4 billion or around USD 400,000.

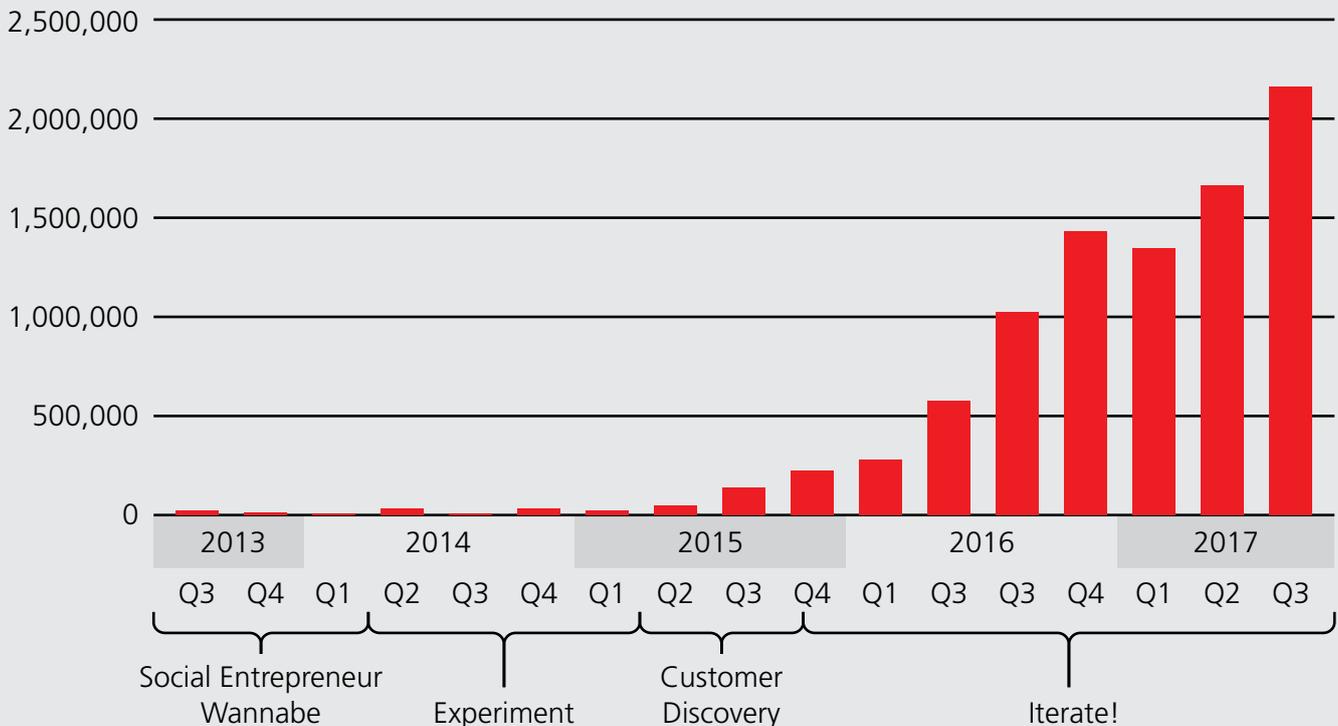
Ridwan Kamil used Kitabisa as his wallet, and shared it on Instagram where he has 7,000,000 followers to raise donations. He broke the record on Kitabisa as a campaign with the most donors. He could mobilise USD 20,000 in just a week.

Case #3: Kitabisa collaborates with other organisations to facilitate the collection of ‘zakat’ – a religious obligation for Muslims in the form of alms-giving, which on average is 2.5% of earnings every month. We facilitate zakat by working with various organisations like ACT, BAZNAS, Dompot Dhuafa, Rumah Zakat, and other organisations.

To date, Kitabisa has facilitated the collection of Rp 158.832.550.637 (total amount of donations) from 7,000 campaigns for various medical, religious, and educational causes throughout Indonesia. In total, there are 438.546 #orangbaik (“kind people”) who are Kitabisa users.

These are the numbers but they did not just happen accidentally. We have been struggling for the past 4 years, and this is how our growth looks like: (see slide below)

Gross Donation Volume (USD)



Kitabisa Story

Q3 2013 – Q1 2014: We were a zombie company for almost 2 years with no growth at all. We started in July 2013 as a movement. As a student activist at the University of Indonesia, I used to raise funds on the streets. Then I started Kitabisa because I read a lot of Muhammad Yunus' books and about social entrepreneurship. I wanted to be a social entrepreneur. I started as a "social entrepreneur wannabe". I wanted to follow the social entrepreneur hype which has happening around the globe, and I wanted to start my own. This stage made me go nowhere because I was not solving any problems. I only wanted to fulfill my ego – to start my own thing.

I made a lot of mistakes during this first phase as "social entrepreneur wannabe".

Q2 2014 – Q1 2015: The next stage was experimentation. When we saw that the numbers were not growing, we wanted to get feedback and advice from other people. We participated in competitions and attended conferences. We gained feedback from experts and we experimented. However, the numbers remained stagnant. We then realized that someone else's feedback might not fit our needs and conditions because it really depended on our own customers to make us grow. Therefore, it is very important for new social entrepreneurs to know that you can discuss with experts and others on your business, but the one who really knows your customers is you. While experimenting is good, you need to listen to your customers.

Q2 2015 – Q4 2015: The next stage is all about customer discovery. This was when we turned a corner when we really listened to our customers. We initially did not look at nature of needs and when we looked at our data, we saw that our power users were people who suffered with medical expenses. We had been ignoring them for the past two years. So, we went back to the drawing board to find ways to facilitate our power users who were customers facing medical expense issues. This is where the tipping point happened.

It was also a stressful moment because we ran out of money in 2014. To sustain our operations, we entered a lot of competitions, one of them being the DBS-NUS Social Venture Challenge where we won the People's Choice Award and it opened the doors to several grants. These grants could give us a couple of months of runway. Aside from that, my co-founder and I also had to use our personal funds (which we both borrowed from our wives) to help pay for operational costs.

Q4 2015 – Q3 2017: In 2015, we really focused on our product and started to get traction and generate growth, there was finally an investor willing to support. Alhamdulillah, in 2015 we could get investment from 500 startups and several other impact / angel investors, and that was the moment where we started to go grow and began iterating our work.



Lessons learned



Be patient – As a social entrepreneur you cannot expect very fast results or very fast growth – it takes a while! Be patient and trust your team, yourself and your mission.

Otherwise you would be easily distracted by other things that sound more exciting than what you are doing.



Listen to your customers – Many times, we do not really listen to customers and instead listen more to beneficiaries. Social entrepreneurs have multiple stakeholders; you can have customers and beneficiaries at the same time. Customers are the ones who are paying; beneficiaries are the ones who are impacted. Therefore, when we focus on beneficiaries, we don't really get many quality campaigns because we only focused on who we can help. Instead as a platform we should be focusing on those people who are using Kitabisa to help them. So, customers are very important too.

I have a story about a social entrepreneur in Africa who worked to solve the issue of malnutrition. He went to Africa and took with him a supply of highly-nutritious food, thinking that he will solve the problem with the food. So, he distributed all that nutritious food to mothers in the area, thinking that the mothers will give the food to their children.

However, after his effort, the number of malnourished children remained the same. He was confused. Why didn't all that highly-nutritious food reduce the number of malnourished children? It turned out that the food given to the mothers (who are the customers) was not given to the children. The mothers were afraid to give the food to their children, because the children would get healthy and they would not be able to get free food again. The mothers chose to keep the food for themselves. This is what happens when we want to solve a problem, but only focus on the beneficiaries, and not the customers.

Social entrepreneurs need to map their stakeholders and see who is paying and who is not, and identify who the real users and customers are. I hope this resonates with you.



As a social entrepreneur, we need to focus on both the customer and the beneficiary.



VIDEO ABOUT KITABISA (2016)
Scan QR code to view the video
on Youtube



Discussion Panel:

CONTINUOUS INNOVATION – A NECESSITY FOR SUCCESSFUL ENTREPRENEURSHIP?

In an ever-changing landscape driven by consumers, businesses cannot afford miss listening to what the market needs. Panelists were invited to share their thoughts on how businesses should develop this skill of putting ear to the ground while their eyes scan the skies for opportunities. What can social enterprises, often with limited resources do to ensure that innovation remains a cornerstone in their operations?



Panelists: Prof. Dr. Ir. Kuntoro Mangkusubroto, Founder, School of Business and Management of the Bandung Institute of Technology (ITB); Mr Leonardo Koesmanto, Head, Digital Bank Indonesia, DBS; Ms Janine Teo, Chief Executive Officer, SolveEducation!; Mr Muhammad Alfatih Timur, Chief Executive Officer, Kitabisa.com

Moderator: Ms Leona Tan, Head, DBS Foundation



Innovation is critical to our continued success. Although innovation is nothing new, the reality of the world changing so rapidly, social media dispersing information so quickly, and disruption constantly making us look to change, to pivot, and to be agile, it becomes that much more important, to put innovation first and foremost in our work.

To discuss this more a panel of an experienced academician, minister, digital bank expert and young social entrepreneurs, got together to share their thoughts on factors that impede innovations and how social enterprises, often with limited resources ensure that innovation remains a cornerstone in their operations.

The discussion started with an audience poll to take a temperate check on what the delegates at the summit thought of social innovation.

The two data sets above, are in sync with what Dr. Kuntoro shared in his Keynote address. Clearly the audience agrees with him and let’s hear more from him on this.

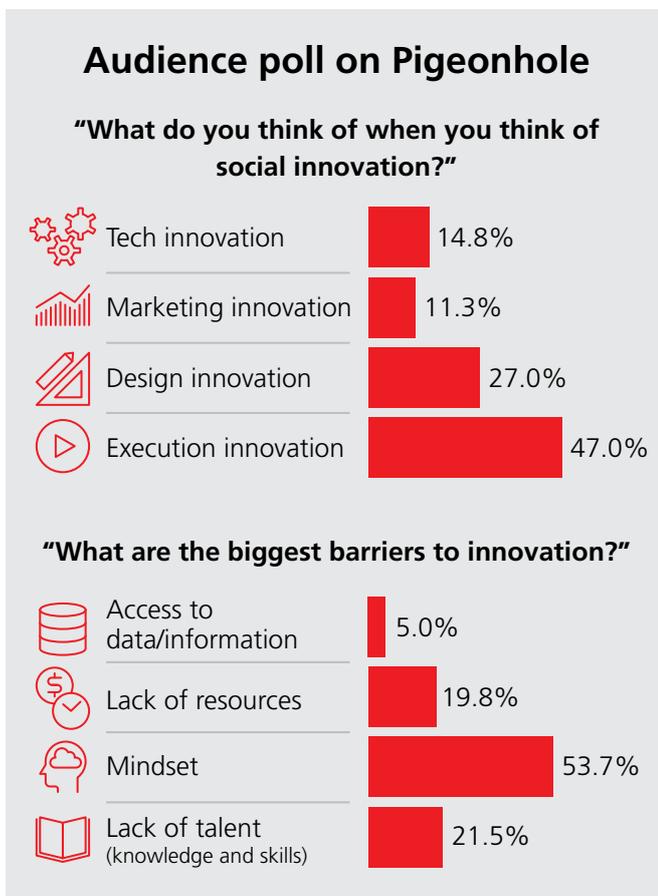
Kuntoro Mangkubroto: I agree that the barrier to innovation is mindset, attitude, and values. Seldom does change happen from the grassroots, it usually comes from the “person up there” – who might not necessarily be a leader, but someone who is privileged, experienced, knowledgeable, has good understanding of the world.

In Indonesia, the biggest barrier to change and innovation are government and business leaders. Everything is regulated here. For example, the new regulation for the online transportation system, which is a copy-paste version of the previous regulation for non-online transportation. This means that we are going nowhere. When it comes to online transportation or online anything, we need a different mindset, a different way of doing things, and that is not easy. Bureaucrats have their own mindset, and do not have the capacity to see outside the windows of their own houses. So, how do we change the mindset of our leaders and bureaucrats?

I think back to 15 years ago when I established the first business school within an institute of technology. I wanted to train and educate the future capitalists of Indonesia. People say I was successful as there are many, new capitalists in Indonesia today. Now the challenge is to change the mindset and attitudes of future leaders, particularly the central government and local government leaders. To make them understand that a new era is just around the corner, and we must be ready to change, else we will be left behind.

Leona Tan: Thank you for sharing your thoughts on influencing the government and leaders up at the policy level, but Janine what do you think you can do as a social entrepreneur in influencing policy makers around the need for mindset change?

Janine Tan: Having ideas is one thing, but making sure we can execute is key. My focus is education technology,



so we use technology to deliver education to the poor. Education technology is not new, however like Professor Kuntoro mentioned, there are still a lot of people who take offline things and put them online. Thus, we often see education technology as taking videos of lectures and uploading them online and those usually do not get a high completion rate. When we were executing our education technology, we were considering first that not everyone has access to internet. So, if the solution requires our users to be online all the time, then it wouldn't work. Another problem is that a lot of the education apps out there don't run on low-end devices, and our users have very low-end devices. Thus, the question was how do we create something that is lightweight and robust enough to support the devices that they have. Those were some of the real executional issues we faced as we engaged more users.

We also had to deal with mindset change. We assumed that people would embrace education and be motivated to educate themselves, however that is not true. They have so many things going on in their lives. They mainly worry about whether there is food on the table daily. Education doesn't figure as a priority. The question we had to deal with is "how do we motivate them to study?", and note that the completion rate of online courses is only 1-2% even if it is free and the quality is good.

It seems like most of the products available out there are designed for people who are already motivated. Hence, how do we design products that can work for everyone? That is why at SolveEducation use games mechanics and psychology. We see that games and social media are so popular, and we are using those game mechanics to get everyone to continue studying and learning, and hence changing their mindset from 'studying is boring and hard' to 'studying can be fun and it's something we can be proud of'.

Leona Tan: Leonardo, Janine just described a whole set of issues and challenges. Obviously, you are now trying to get Indonesia on this digital platform – digibank with DBS. How do these challenges resonate with you and with what you do?



If a small organisation needs 2 days to process feedback and decide, then it is an organisation of the past.

Leonardo Koesmanto: Banking as an industry has been around but the world is transforming. It's more of a revolution than an evolution. If we are thinking of creating solutions by improving whatever we have right now, they will only be effective for the time being.

What we do internally to change the whole organisation's DNA from the top to adapt to this change. If we change the thinking DNA of the organisation, innovation will



automatically follow when everyone is thinking innovation. Then we think of the customers. We identify what their jobs to be done (JTBD) are, and think based on that to design the formal operations. We think of how we can solve the customers' JTBD using technology. Having done that, we hope we can transform and make banking services easier. People don't have to beat the traffic to come to the bank or queue up just to access banking services.

Leona Tan: This is similar to what Timmy was sharing about knowing your customers. Timmy, the audience has a question for you: There are many crowdfunding platforms around the world, how did Kitabisa raise public awareness and what resulted in the big leap in 2016?

Alfatih Timur: Indonesia is a totally different market compared to the crowdfunding market overseas. If we look at payments, Indonesia has less than 5% credit card penetration. When people want to transfer money for e-commerce, more than 90% prefer to do it via bank transfer. So, the first we needed to do was to innovate on the payment system. Secondly, crowdfunding is different from e-commerce and other types of startups because it is community-based. The question is how we engage at the grassroots level with social entrepreneurs, activists, nonprofits, and approach them to start spreading their good news. There were many "un-scalable" issues to be tackled in the beginning, but after they are sorted you can just build on it. Those are the main differentiations in how we stay competitive. In terms of engine and features, Kitabisa is similar to other crowdfunding sites, but it is the approach to the local community that make us different in addressing challenges for Indonesia.

The leap in 2016 was driven by a few things: The accumulation of our medical campaign, a few big thrusts like the 'Support Rohingya' campaign that raised more than USD 1 million on Kitabisa. Recently, we had a campaign initiated by former President Habibie who is crowdfunding to build an airplane. There were several big projects coming in, but we saw it as them being a consequence of our growth. Therefore, we need to maintain focus on our organic and natural growth efforts.

Leona Tan: Thanks Timmy! You mentioned that there

was a need for you to pivot, to be agile, to change as things happened. Dr. Kuntoro, pivoting seems to be the buzz now – that when things happen you need to be able to pivot and identify what the problem is before you continue moving forward. In your experience interacting with entrepreneurs and leading big organisations, do you think there is a difference between the ability to be agile



If we can face the unknown, come up with innovative ideas, work with bigger and more established organisations that know where the borders lie, we can come up with great solutions.

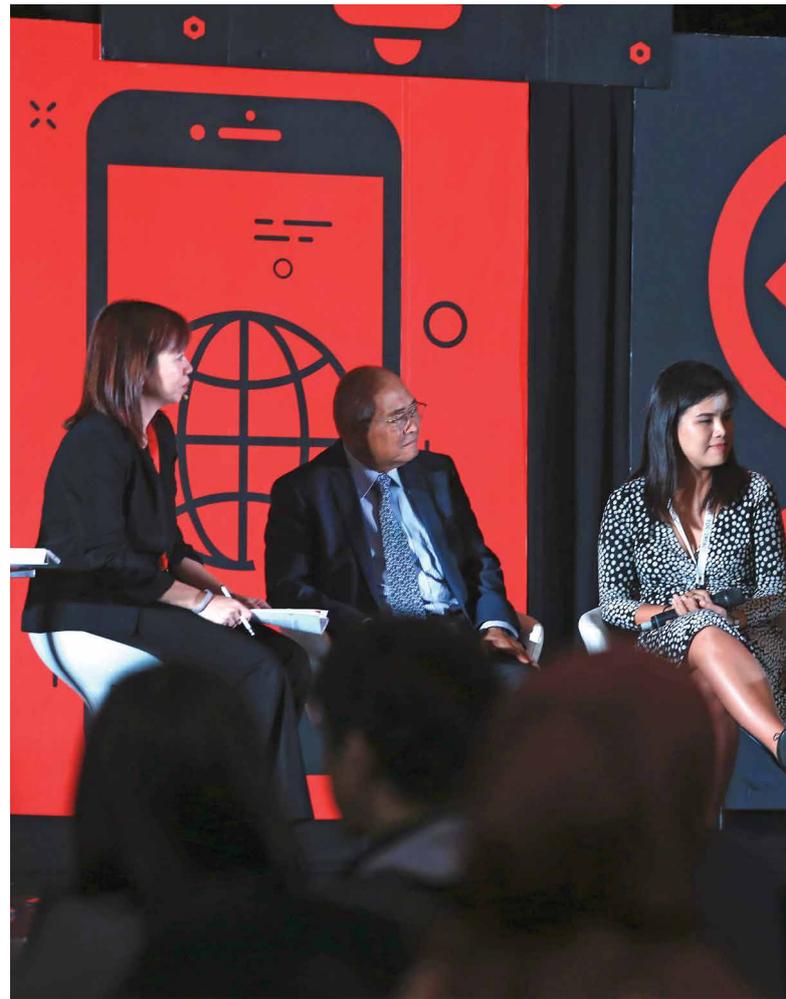
and innovative in a small organisation versus a big one?

Kuntoro Mangkusubroto: The most important thing in an organisation is the flow of making decisions. Once you focus on the flow, there is no big or small organisation. When it comes to information flow and making decisions, it is the time needed to incorporate feedback and the speed of making decisions that matter. This is the real issue, regardless of whether we are talking about DBS or small banks, it doesn't matter. If a small organisation needs 2 days to process feedback and decide, then it is an organisation of the past. The future entrepreneurs in this room cannot wait because their idea is based on a problem that will happen 2 seconds from now. They need to be enabled to step forward now, and that is a function of information, structure, flow, and making decisions. Those will be the main issues for any organisation in dealing with change.

Leona Tan: It is one thing to identify solutions to fix a problem, but it is another thing to be able to identify problems. In a big organisation Leonardo, as you are developing your platform, how difficult was it to move, pivot, and change in dealing with things digital? From the point of view of a big organisation, what advice do you have for smaller ones?

Leonardo: The difficulty for big organisations is the bureaucracy, e.g. asking for permissions. Many times, we have a good idea, but we must seek 10 permissions before we can do it, and then one of them would disagree. One of the benefits of being a smaller organisation is not having to ask anyone for permission; you just go with your gut. Sometimes that is good, but I think what we need is something in between. If we can face the unknown, come up with innovative ideas, work with bigger and more established organisations that know where the borders lie, we can come up with great solutions.

To answer your question on how to overcome agility problems in bigger organisations: I joined DBS 1.5 years ago and started this journey on digibank with just 2-3 people. Now my team has grown to 30 people. We don't work drawing borders around our work. When we see a problem, we fix it; and if we see another problem, we fix it again. We just launched digibank in Indonesia, 2 months



ago. Yes, there will be issues; there will be bugs here and there, and I see that every week, but we keep fixing. There will be problems, customer complaints, and you must keep fixing and keep going. That's what being agile is all about. It's not waiting for everything to be perfect before you launch, because then it will be too late.

Leona Tan: Timmy and Janine, you have the benefit of being smaller organisations. If you spend time fixing problems on a daily basis, how does this impact your ability to be more innovative and push the boundary forward? Being very lean organisations, how do you balance the fixing of today vs. the need to be innovative for the future?

Janine Teo: At SolveEducation, we create educational game apps for low-end devices at the bottom of the pyramid. We want to make sure that education is free for our beneficiaries, but we need to be sustainable. An





if it doesn't bring any value to the customer, it is not an innovation

early business unit that we thought was a great idea was training in corporate English language speaking. However, corporate sales can be very volatile, but when we talked to them they just couldn't stop playing with our game. We then realized that customized game-based training could be in demand across the year over boring corporate English training. And so, we pivoted and innovated. On another occasion, we were talking to our partner

social enterprises and NGOs, and realised that we all have challenges running very lean teams. This means we can't hire the resources we need, especially when we run large events. We realised that a pool of talent we can call on as we need would be great, and we came up with our platform SolveEmployment. Over time, we had managed to train many beneficiaries to the level that they are 'job-ready'. We found that these people can support us and can also support other social enterprises through SolveEmployment. The platform is particularly useful in places where the manpower costs are high, such as Australia, where we get a bigger traction. The social enterprises there were happy to give the jobs to our beneficiaries and at the same time pay us an admin fee. It was an accidental discovery but it really helped solve the problem for us and for other social enterprises. That's how we innovate!

Alfatih Timur: At Kitabisa, it is important to be honest with our data. As digital startups, it's easy to add more features to our products, but if it doesn't move your numbers, then it really is a waste of time and effort. Also, if it doesn't bring any value to the customer, it is not an innovation. Innovation means you aim to add value to your customers' journey, and observe which improvement really makes their lives easier to further build on it. Therefore, being honest with your data is important to determine what is your innovation and what is clearly not.

Leona Tan: Here is a question from pigeonhole for our two social entrepreneurs: "How do you balance social and financial returns? Do you ever face a conflict?". It is kind of the elephant in the room, isn't it? As change makers and social entrepreneurs, you have two – sometimes three – bottom lines you must meet.

Alfatih Timur: The landscape is somewhat different for social entrepreneurs in Indonesia. Unlike in the U.S. or UK where there is a specific legal entity for a social enterprise, in Indonesia we have 2 types of legal entities (for social enterprise), which are 'foundations' and 'corporations'. As for Kitabisa, we are a foundation, and everyone can see the donation flow and operational costs. For our business model, we apply a 5% fee for every donation, excluding disaster relief where we charge 0%. We see it as a double bottom line business model – if the donation grows, then the impact will grow because more donations mean more

beneficiaries are impacted. At the same time, we also get an admin fee for every transaction. We see it as hand-in-hand sustainability between business model and social impact. Do we ever face any conflicts? Yes, which is why we choose to take 0% from disaster relief campaigns. We learnt from other crowdfunding sites overseas that people tend to complain if they are charged a fee to their donations for disaster relief. Apart from disaster relief cases, we always argue that the value we offer is our platform. We make it easier, transparent, and for that we charge a fee. So, balancing is an ongoing process, as on one hand we need to define our business model as a social enterprise because we are not a nonprofit, and on the other hand we need to show that we are continuing to make social impact.

Janine: Throughout our journey we have been faced with that conflict of balancing social and financial returns. Today everyone and every company wants their own app and we often get a lot of requests from our customers, who are willing to pay to make an app for them. As an organisation that runs on a very lean budget, it is tempting to just say 'yes' to such requests. But we reflect on what is our mission and our goals are. We are not an app-making company and our goal is to solve education. If we place time and effort making customised apps, it would deviate from our goal. Instead, we focus on our corporate training and Solve Employment platform, which gives our beneficiaries a chance to build up their confidence at jobs and earn some income as they learn. This is a great incentive for them to continue learning, while at the same time helps other social enterprises. Following this approach, there is no compromise between profits and social impact, and that's how we do it.

Leona Tan: Changemakers and social entrepreneurs, you guys do a phenomenal amount of work in society with your double and triple bottom lines. We realise that you suffer the 'middle child's syndrome' – you are not a charity, but public doesn't see you as a profit-making entity either. So, you are kind of caught in between the two extremes, but you're doing the heaviest heavy-lifting in trying to solve the world's problems. Kudos!

I want to take this opportunity to ask one more question

from the audience: "Digital disruption and automation are disrupters which take away jobs. What can we as social entrepreneurs do to overcome disruption and create jobs?"

Kuntoro Mangkusubroto: For me, creating jobs is perhaps the most important aspect. In my experience as CEO for state-owned companies, minister, and head of the BRR, creating jobs was automatically a part of my work. However, the world we live in today is a different world, and I will not pretend to play smart here. I cannot comment much because in the past I did not face the issues and conflicts you face today.

Leonardo: I think the question is not just for social entrepreneurs, but is relevant for many industries. Let's take an example, at digibank we are using Artificial Intelligence to replace call centers with virtual assistants. Then people might ask, so where did all the call center jobs go? But let's take a close look. The job that was here before isn't here anymore but it changed to something else. Yes, there will be different jobs in the future. With the invention of new machines, we create a revolution. There will be other jobs, and we will survive. I am currently looking for a teacher to 'teach' my virtual assistant machines. This is a new job opportunity to which the skills and requirements are still undefined.

Leona Tan: What is the biggest impediment to social innovation? Is it policy, resources, people / skills, speed to market?



*With the invention
of new machines, we
create a revolution.
There will be other jobs,
and we will survive.*





Kuntoro Mangkusubroto: The biggest impediment is policy and regulation. I'm a libertarian – the less regulation we have, the better. We are entering a new era, an unknown era, so what do we need? Not regulations! The only instrument we need is internet connectivity. We need more and wider internet connectivity because that to me is a human right.

Alfatih Timur: I think lack of good people and skills are an impediment. We have a huge gap in skills and human resources to work with new and emerging technologies. Connecting with the earlier discussion on disruption and elimination of jobs, I believe, the problem is caused by the gap it creates. My advice is that we also must change, and encourage our stakeholders, audience, and society to move forward to embrace these changes. I have friends in India who work with rural women teaching them to code and use the internet. In Indonesia, we also have Hactiv8 that offers a 3-month program for anyone who wants to learn coding and programming. Building infrastructure and bridges like this will help advance innovations of the future, be social innovation or commercial innovation.

Janine: Self-management is also very important, particularly for social entrepreneurs. Before SolveEducation, I did not have much experience in the social space. When I came in I wasn't really prepared for the emotional side of work, e.g. visiting the slum areas, working with street kids, etc. I remember in early days of my journey, I came home in

We are entering a new era, an unknown era, so what do we need? Not regulations! The only instrument we need is internet connectivity.

tears every day because it was emotionally taxing. I also had to worry about keeping my team alive with a robust revenue-generating model. My advice is don't be afraid to lean on people, your team and other social entrepreneurs. They are your best support group because they are part of your journey.

Leonardo: To the social entrepreneurs in this room – work together, help each other, and connect among yourselves. We are in a race, not a match. Social enterprises are not competing against each other, but we are in a race to create a better world. Let's build those lanes together so that we can race together. This is kind of the mindset we need – to work together and build the ecosystem we need, to thrive.

GET FUNDED! – BECOMING “INVESTMENT-WORTHY”

Around the world, there are stories of how impact investments are meeting needs in areas such as education, clean technology, and financial inclusion for the poor. Yet, in a study conducted by Thomson Reuters Foundation, less than 30% of social entrepreneurs in Asia believe that it is easy to access investment. How can social enterprises better pitch and make their case? What do social impact investors look for when making decisions?



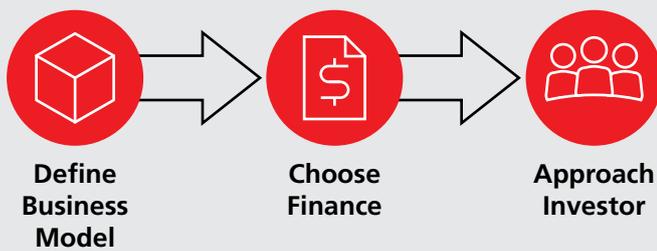
Speaker: Mr Mark Cheng, Managing Director, Ashoka

Moderator: Ms Mona Monika, Executive Director, PT DBS Bank Indonesia



Mr Mark Cheng
Managing Director, Ashoka

Let me break this discussion into three key steps that you must undertake to get funded. Firstly, you must define your social business model. Second – you should choose the right kind of finance / instrument that you would be of use to you and third – you must find the right method when you approach your investor to pitch your proposal.



If you are a social entrepreneur and you want to raise money you must define and clarify your social business model. It means you should know who your customer is. As a social business you have two clients – the customer who pays you and the beneficiary who is the individual you serve. As opposed to a commercial business and mostly in a social business, these two sets are not necessarily the same. As a social business you need to know where the money comes from to be able to repay investors. And repayments must always come from paying customers and not from donors.

Firstly, to raise investments, you must be able to tell the social investor who your customer is and how your business model works. For many social entrepreneurs this is the first big challenge. It is very likely that you are working for the beneficiaries and moving towards positively impacting them but realise that they are simply unable to pay. They live in slums, belong to low income communities, work in farms, they are disabled or maybe they are little children etc. In the many groups that the social entrepreneurs work with, they are simply not able to charge their beneficiaries for the services they render. Hence the first thing to address is how do you create a business model that enables you to do so – find customers who will pay you for the services you deliver?

Take the example of David Green of Aurolab. He started as a charity to cater to supplies of healthcare equipment

from the US to poor eye hospitals in India. He started with the Intra Ocular lens that is used in cataract surgeries. He became a social entrepreneur almost by accident. Overnight, because of a trade war between the US and India, it became impossible to import this equipment in India. David, then raised money and started a factory to manufacture these lenses in Madurai, India. Since he wanted to reach out to the poorest of the poor, he teamed up with Arvind Eye Hospital – a very famous social enterprise in India which performs cataract surgeries for the BOP segment.

Aravind Eye Hospitals is a business and not a charity. They perform almost 300,000 surgeries annually where 70% of them are free for those who cannot afford it and they charge the rest 30% of their customers to be able to cover the costs for everyone and even make a surplus. This is the ‘cross subsidy model’ where you charge those who can afford just enough to cover the costs for others who cannot. Today Aravind has replicated the model in 50 countries around the world and is extremely successful in their business as well as finding their social angle. The key is that they could find their paying customer.

Firstly, to raise investments, you must be able to tell the social investor who your customer is and how your business model works. For many social entrepreneurs this is the first big challenge.

Secondly, you must work on your product offering. Some questions: What's the basic unit of your product; What are the economics of your product; How much would you sell it for; How much would it cost (direct cost)?

As a social entrepreneur you often tend to charge just enough to cover your cost. But you need to think of the economics more carefully to be able to charge enough to cover your entire operations. You must place enough time and effort to get the economics of your business right.

I will share the story of Faisal Rahman, a social entrepreneur from the UK who started with a charity ten years ago to provide low cost loans to the 2.5 million people who are financially excluded such as the immigrant communities and low-income groups who are unbankable. These people often borrow from loan sharks at exorbitant interest to only fall into debt traps.

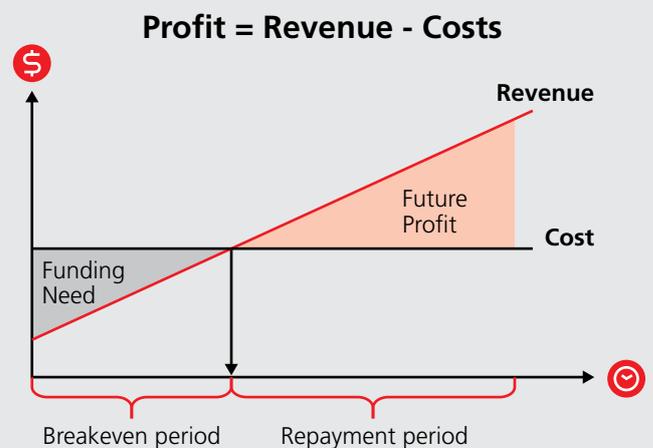
When I met Faisal, he was very successful in what he was doing (Fair Finance). But he had reached a ceiling where he could only raise a million dollars a year, when he should have been raising 5- 10 million to ensure he met the full scale of operations and covered his costs. How could he do that and stay viable? He had to restructure his organisation and the solution he developed was what many social entrepreneurs do. He split his business into a charity portion that does social work and a trading company that handles the profit part of the business. Faisal reached out to the underserved through the charity portion and offered services for free. The only way he could fund this is through donations. The business portion is profitable and he is able to attract investor attention to it. By splitting it up in terms of legal perspective, he can raise ten times of what he could earlier.

Hence, a key step is to have a solid business model to be able to convince your investors.

Next, we discuss what type of financing should you look for? As a social entrepreneur you have three choices. One possibility is to raise Equity where you need to sell shares of your business to be able to raise money. You will have to adjust to other new owners and give up some control. Or you could take a loan if you are looking at Debt. Debt means you must repay on time and if you cannot do it

within the defined timeline, you will be bankrupt hence it presents a risk. Hence it is important that you pick the right kind of financial instrument for your business. You must decide this in a scientific way. Consider the figure below which is fairly self explanatory:

In the early years of your venture, your costs are more than your revenue. But at some point, in the future as your business grows, you get to the break-even stage. The pace of your business picks up and the revenue surpasses your costs.

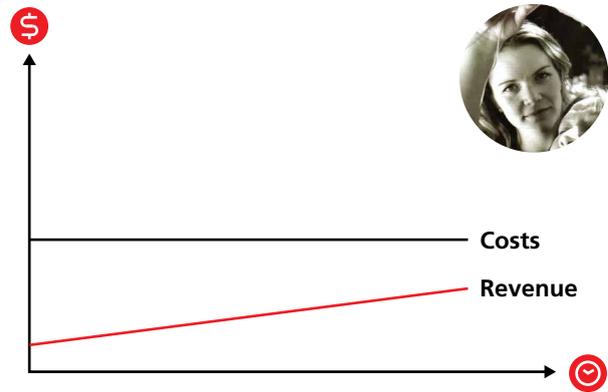


The shape of your cashflow forecast determines the kind of financing that you should be seeking

You should be able to map this out for your business with a timeline as your investor will need to see this view. This also tells your story to the investors – how much money do you need to raise (as shown in the funding need) and till when (as long as the costs are above the revenue) and how much and when can you repay (as shown in the future profit).

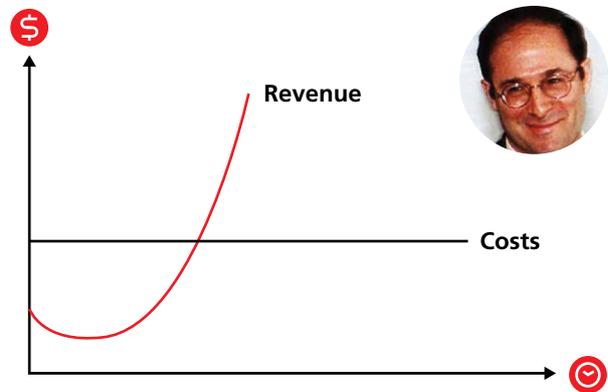
Gina Bandenoch’s organisation (Sight of Emotion) uses photography and sensory experiences to change both blind and sighted people’s thinking with respect to human potential; regardless of physical or mental differences.

*Gina’s fees will not cover her costs in full, so she will always be reliant on some level of subsidy. She therefore focuses solely on **grants & sponsorship**.*



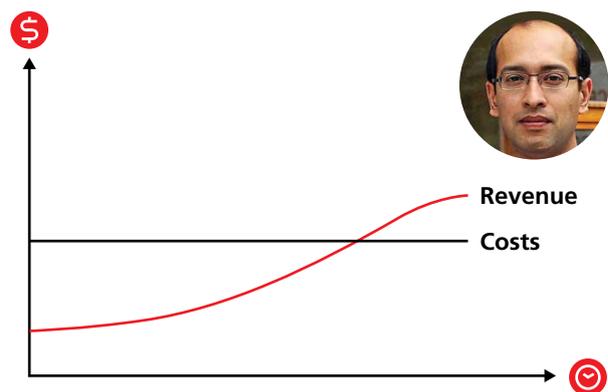
David Green went on to focus on making good hearing affordable and accessible as the co-founder of Conversion Sound, which developed an affordable, high quality digital hearing device with a novel “de-medicalized” way for hearing devices to be fitted by non-medical technicians directly by the consumer.

*David’s hearing aid business is potentially highly profitable and quickly so. He can access **venture capital**.*



Faisal Rahman’s business, especially the after restructuring is certainly going to be profitable but it will take 6-7 years to get there. With the customers he serves, he is not going to be able to charge high rates of interest. With that in view he must approach investors with a proposition that is very realistic.

*Faisal is profitable, but only over a longer time-frame. He therefore raises a **flexible long-term hybrid loan** from social investors*



Once you have decided on the type of financial instrument that suits your business model, you are ready to approach the investor. I will give you some of my tips on how to tell your story effectively to an investor.

HOW TO MAKE THAT PERFECT PITCH

When making a pitch, you would probably have only 5 or 10 minutes be it 1-to-1 with an investor or with a larger audience. This is a really short time to make that impression and let's look at 5 things that that you should importantly share about.

Imagine all the different cool things you could say when you are in front of a social investor. Your cool logo designed by so and so, the founder's story and all the pain and travel that it took to get to where you are, your customers, the big social problem, if you need debt or equity, the growth plan you envisage, the amazing board members, the super team you have and so on ...





But seriously, in 5 minutes you have, here are 5 I would recommend including in your pitch:



1 SOCIAL PROBLEM: You must start with defining and quantifying the social problem as investors are most interested to know what they would be impacting. *The social problem is to a social investor just as a market size is to a commercial investor.* When you use data, For example: 1.8 Billion have no access to clean drinking water or that there are 2 million people who have no electricity in some regions and so on...

Every investor wants to know how big a market is and you are giving them the size of the market by adding that specific data in your pitch.



2 THE SOLUTION: You must get down to describing the product / innovation/ service that will help address the problem.



3 WHAT YOU DO: Most entrepreneurs don't describe what they do and this drives me crazy. *People get so involved in their enterprise that they forget to give the most basic details that help the investors understand the business better.* You must visualise your innovation for investors, else you would lose them.

- If you have an app, pull up the screen and put it on your slides.
- If you have a product, place pictures and details on the slides.
- If you have an opex business model, describe it – which supplier you buy from, how do you distribute; How customers use your product and so on. Describe the chain of activity so investors can visualise it.



4 WHY YOU? A social investor has an option to invest in hundreds of other possibilities. There are also 100 other competitors who are doing projects very similar to your business. You must explain why you are better, what edge you have, how you are addressing the problem better. Be it your rich experience in this area, your unique access to this technology and so on.



5 WHAT ARE YOU LOOKING FOR? You must get to the financial ask only towards the end. You must be clear on how much money you are looking for and on what terms. But only after having spent enough time explaining the problem, your solution and how you address it well.

It's not that you must hit these 5 points only, but more importantly you have to tell your story in the right order.

Investors invest in the team and not on the product or idea. However, don't talk about how great your team is in the short time you have. Include details on them on your slides, in the appendix etc where they can be seen but don't use your prime time on this.

DISCUSSION:

Mona: Do you have suggestions on how social entrepreneurs with high initial capital requirements can approach investors?

Mark: If you have a business that requires very high capital, it's extremely difficult to raise investments unless you have an existing track record. Let me be honest and tell you that this is difficult to strike for a start-up. There are, however, some strategies that you can use. Your track record doesn't necessarily have to pertain to that business, but it could be of an earlier venture you managed. How can you convince investors to give you millions for a business in early stages when you have no capital to begin with? You can talk of your deep experience in that particular area of business. Or how your solution can make significant social impact with data. Place in focus – your personal credibility, your insights, marketing skills (which may be your only asset in the early days). You can also sell the track record of the innovation that you are trying to build. The track record of similar innovations in other countries that are doing well and their credibility, could also help. With all this there is a small chance for you to wing that investment.

Mona: How long do investors expect a business to turn a profit or ROI?

Mark: In a truly commercial world, most investors must be paid within seven years. There are two things that drive this:

1. Investors typically make investments for 3 years and sit on it till 6th or 7th year when they sell out. For many social entrepreneurs this time is not long enough. The sweet spot for investors is to make a profit in five years and repayment to be completed in seven years. The longest I have seen an investor wait is 12 years and that is exceptional, and it means that the enterprise was worth that wait.
2. You could stagger the profitability and show profits within 5 years. After 5 years, you go to the market with a new investment proposal to push the profits up further and thereby growing the business. I have seen



enterprises pushing the profitability stage further away if investments are coming in. However, if you were to focus on showing profits earlier, you can attract many more investors.

Mona: Which one would you prefer: Return on Investment or Social Return on Investment?

Mark: In the case of Ashoka we are a 100% social investment company. We are looking for system changing entrepreneurs to have an idea that can get to massive scale and make great impact. At least 80% of our entrepreneurs we back are a pure NGO model or reach a revenue model much later in their journey.

A commercial investor will need a conventional financial rate of return. They need their money back and need at least 10-15% on top of that. In the market today almost 90% of investors are of this kind. They may invest in projects like renewable energy, social housing, farming and so on but they also profit from it.

There are some investors who need their money back with just a 0-5% return. These are philanthropists who will probably write a cheque for you as a grant. But if they get their money back, they may be able to help many other social ventures too. They don't look for massive



financial returns, but they do need the social return on their investments.

There are many ways of measuring social return on investment. The way you do it determines the kind of enterprise you are running. Pick a metric that makes sense for you and don't be led by a metrics prescribed by a grant funder or any other investor. Be clear on what success means to you. At times it is possible to describe success in Dollar terms and that presents a very clear way to measure and communicate. For example, Faisal can tell you that for every \$500 he lends to a customer, he is saving them the trouble of borrowing the same amount of money from a loan shark at 3000% interest.

Another organisation called VisionSpring in India makes affordable yet high quality eyeglasses available to people in need. The way this social purpose organisation can explain their impact is very interesting. Every child who receives eyeglasses from VisionSpring has improved prospects. They calculate the income this child would receive in time because he / she now has better vision. VisionSpring goes on to show that for every \$1 million invested in this area, they are able to add \$75 million to the economy through the beneficiaries served. So, when their CEO goes on to raise investments, he tells the investors that he has 75:1 social return on the investment.

If you can measure impact and have this kind of statistic available, you must lead your presentation with that data.

Mona: What do investors want? People vs Ideas? Mark, what is that one thing you look for as an investor that catches your eye and differentiates an investee from a thousand others?

Mark: As social investors, one thing we care most about is "scale". You want to see your investment impact as many people as possible. In the world of commercial investing, the factor that interests most is how much market share will the investment help garner. Sales, profitability, market share and market capitalisation are the metrics that matter most to them.

While a social investor may be interested in these parameters, it is not quite the same. They are interested



When you are faced with this choice of raising investments Vs growing business, I would advise that you choose building business every single time. Nothing matters more than getting customers.



most in social impact over profitability. It is about how many lives can be changed and not how big an organisation can grow. Hence the attitude of a social investor is very different from that of a commercial investor.

Mona: Would you recommend a strategic partnership or a loan/angel funding, assuming both are of the same monetary value?

Mark: This really depends on a case to case basis. Many times, social entrepreneurs are faced with a choice. Do they invest their time and energy in building their business and attending to customers or must they invest their time in raising money for the business? Many of them put investments first. The typical chain is raise your money, and then go on to build your business and then grow the customer base.

When you are faced with this choice of raising investments vs growing business, I would advise that you choose building business every single time. Nothing matters more than getting customers. You may have an investor but that doesn't guarantee you to get customers. Not having customers can mean the death of business. Whereas your experience with customers helps you further refine your business and products. Investors like the examples of how you pivoted when your customers requested for it. Yes, it is customer first, every time.

GET HEARD – ENGAGING MILLENNIALS AND LEVERAGING DIGITAL MEDIA

The new age of communications has dawned and is only going to get more digital. These changes are demanding creative ways of reaching out to our audience who are mostly the millennials. Often, marketers feel ill-equipped to meet these challenges. Hear from these practitioners on how they are riding on the wave of the new marketing normal as well as engage the millennials.



Speaker: Mr Antony Liem, CEO, MCM & MPI; Mr Yoris Sebastian, Founder & Creative Thinker, OMG Consulting

Moderator: Ms Dewi Meisari Haryanti, Associate, UKM Center Feb UI





REACHING OUT TO MILLENNIALS BY "LEVERAGING DIGITAL MEDIA"

– Antony Liem, CEO MCM Group

It is 2017 and you cannot avoid going digital as almost everyone is on mobile and social media. With mobile, your consumer is always constantly connected. Gone are the days when you had to open your laptop to connect to the internet.

Generation X, Y, and Z – your future employees and customers have different behaviors. Research shows how different generations look at advertising. Gen Z are less receptive towards advertising in general, whereas X and Y are more receptive. Hence, how do we reach out to or influence these different generations?

There are different types of media – paid media, owned media, earned media, and ignored media! The last one is particularly true for Gen Z: They look at ads and they ignore them. Children these days know how to skip ads even before they know how to read.

In the current situation, we have paid media, owned media, earned media, and social platforms. Social media cannot be avoided as everyone is on it.

"Facebook is not just social media, it's mass media and social commerce" – Facebook

This is relevant information for social entrepreneurs. People no longer use Facebook and other social media to simply connect with others, but to influence, persuade, trade and transact.

The Age of Content and Context

This age introduces new forms of advertising that are not only better, but also more receptive to the audiences. Remember how Gen Z doesn't really like ads? Well, they are okay with ads and brands if the ads are relevant and good. Gen Z likes videos and contextual ads. Hence, the age of content and context.

I keep talking about Gen Z because unlike Millennials, Gen Z care about social causes and doing good, and they are people who will be your workers, customers, and future entrepreneurs.

Based on a survey to understand what kind of content people like, we found that "humor, interesting stories and music are the main creative enhancers of receptivity to advertising among Gen Z".

The Age of Speed Dating

Today people decide whether they like someone or not, just by swiping left and right. Decision making

is fast and hence the Age of Speed Dating. Back in the 1940s, you could spend 30-40 minutes in front of the TV or radio because you had nothing else to do, but now everything had changed. Attention spans changed to 60 seconds, then it changed to 30 seconds of viewing. Now with mobile, we just don't know everything yet. Researchers say it's now just 1.6 seconds of viewing.

Evolution of Mass Media Advertising – Mobile news feed = high-speed viewing.

With mobile high-speed viewing, you decide in split seconds whether you like something or not. If you would watch the content entirely or if you are going to skip it. Here is an example that Facebook uses: A mobile-ad uses 7.1 seconds to deliver the key message. Then a shorter version of the same ad is only 2.5 seconds. Finally, you have a version when you need just 1.6 seconds to deliver the key message.

Facebook is aware that the users' attention span is diminishing and they use this data in determining whether an ad is liked or not.

As a social entrepreneur, you have real stories to deliver about impact you are creating compared to the commercial enterprise who is delivering stories as a marketing gimmick.

We are now in the age of content, context, and relevance. That means, if it's not relevant to me and with what I believe in, then it doesn't matter who says it, and neither does it matter what the message says.

The takeaway is: Communicating is harder now and the age of content, context and relevance has set in.

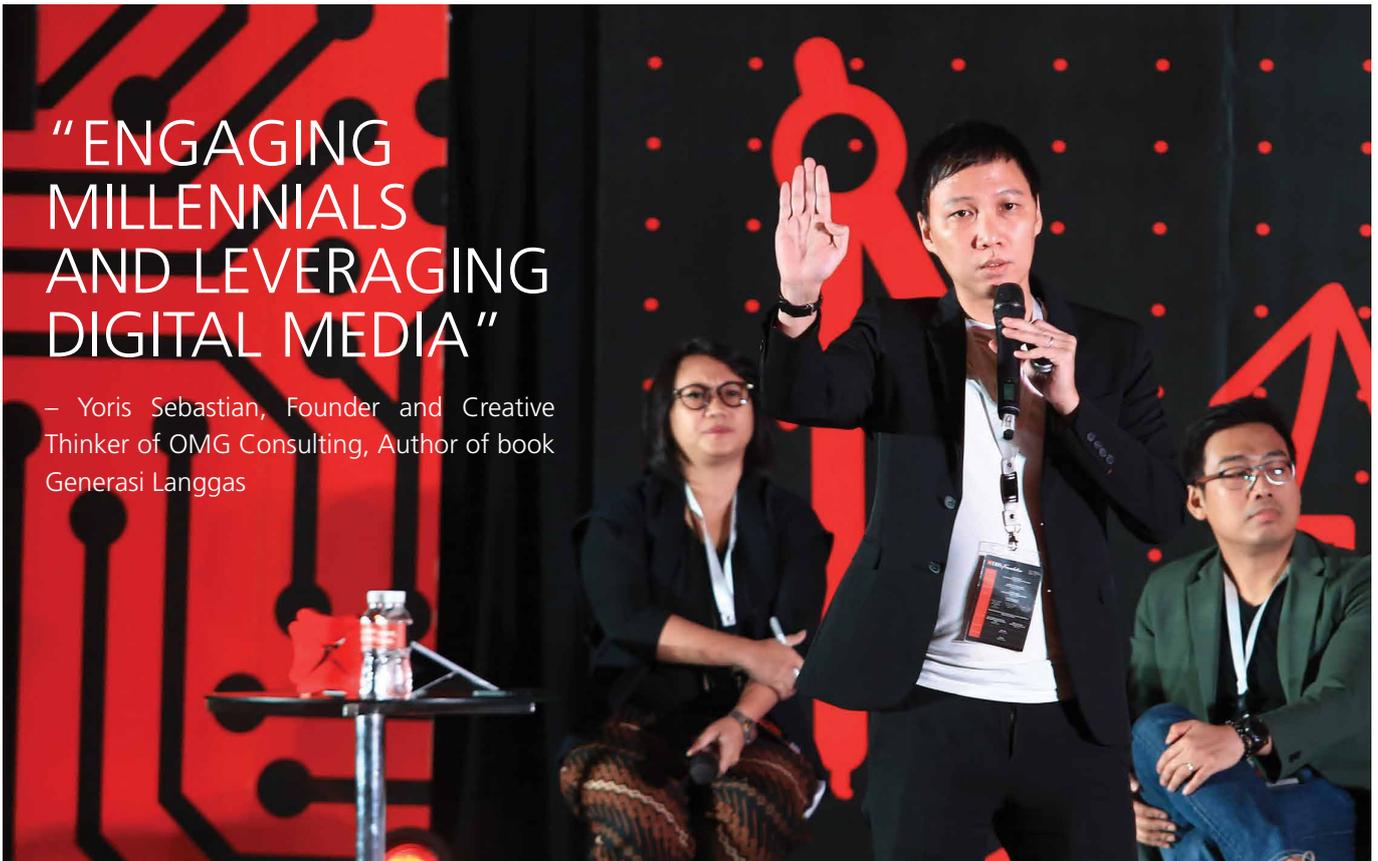
As a social entrepreneur, you have real stories to deliver about impact you are creating compared to the commercial enterprise who is delivering stories as a marketing gimmick. Social Enterprises are doing business to support causes, solve problems, help the world – that's a lot of good stories to tell.

As a concluding thought, here is a list of things to do:



“ENGAGING MILLENNIALS AND LEVERAGING DIGITAL MEDIA”

– Yoris Sebastian, Founder and Creative Thinker of OMG Consulting, Author of book *Generasi Langgas*



In my book *Generasi Langgas*, I argued that millennials are a fast generation, but not an instant generation. When I talk about social entrepreneurs, I realise it's also about being fast, not about being instant.

This era is about selling stories for a fast generation. In 2010, when I wrote my first book *101 Creative Notes*, I asked my readers to color it while they read so it built engagement. Now, I can't ask millennials to color, but I can ask them to stick informative stickers while they learn. It is all about how to engage them.

When people ask me why my book is always on social media, I tell them, I give my readers the tools to post about the book. You can't expect millennials to post if you don't provide them the relevance or the tools. Let your customer do your selling – but give them the tools to do so.

Millennials comprise the biggest demographic group

in most countries around the world. They will make up 50% of the productive age in 2020 – and they will be your biggest consumers and employees.

Millennials are faced with too many choices – thus, they become pragmatic.

Gen Y and millennials love to do good, but if there are too many things to solve and they become pragmatic. Many sociopreneurs often question: “why is nobody talking about my social-entrepreneurship?” Perhaps you are trying to solve the wrong problem. If you are solving the right problem, it would be very visible.

For example, look at TOMS shoes, TOMS coffee, and TOMS optical frames. I learned from the founder, Blake Mycoskie, that it's actually very simple to create social impact. It is about aligning your company's vision with your customers' vision.

In the case of TOMS, all people who want to buy the shoes, want to donate a pair of shoes to children in Argentina. People who want to buy a pair of glasses from TOMS optical, want to donate money for a medical operation so a person can see better. So, the company's vision is the same as their customer's vision. Unfortunately, many social enterprises today still have a different vision from their customers.

Your vision also needs to align with your employees' vision. There are many millennials working for TOMS shoes just because of the social cause. If you are a social entrepreneur and your vision is not strong enough then maybe your customers and employees don't buy into it. You need to step back and create a better vision, work on a stronger cause before you embark on social media and marketing.

For example, Dissa and her Fingertalk Café is a coffee bar for the deaf and hearing-impaired people. Dissa's vision is aligned with her customers' vision as well as with her employees' vision to help and give work access to the deaf people. Dissa's good work was mentioned by Obama during his visit to Indonesia. It is this clarity and authenticity of vision that will bring

it's actually very simple to create social impact. It is about aligning your company's vision with your customers' vision.

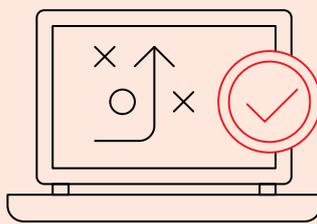
you to the media. Authenticity will also bring you to something greater – relevance.

This is the age of relevance and not the age of influencers anymore. It's not about how many followers you have, it is about how relevant your business is. Dissa was nobody, but she worked on her vision and started small. It was because her cause was relevant and authentic that the media made her visible. So, start small, learn along the way, fine tune and perfect your vision.

Three Key Takeaways



Millennials are different.
Understand them and
ride the wave



Visibility is never about the budget.
It's about your digital strategy.
It's about your product and services
being relevant and authentic.



It is the era of selling stories.
Make the stories engaging.



DISCUSSION:

Dewi Meisari: From my experience working with social entrepreneurs, it is not easy for them to turn these many stories into concise, yet attractive content as they are busy with their daily operations. They often require external help to do this. What would be a smart way to produce good content with strong context?

Antony Liem: We all have stories to tell, and SEs have important stories about solving social problems and making relevant impact. These are stories people will want to hear about and share. Most of the social entrepreneurs are busy at their genuine work. But, to be able to make time to crystallize a story is important too. Maybe they cannot afford to hire consultants, but a lot of young people can help or volunteer. The more you share a story on social media, you will notice that the story take a form on its own, based on community, customers, and employees. Yes, people have short attention spans now, but you can always take a big story and break it down into smaller ones, rather than the other way around.

Yoris Sebastian: Depending on what stage your company is at you might be able to hire professional consultants and get them to create the content. Or if there is an institution offering such services for free then grab it. But if you don't have access to any of this, the most important thing for social enterprises is to focus on their product and services. For example, Dissa and the Fingertalk Café. Until now, I don't think she has anyone managing the content for her on social media or creating basic videos for her. When she eventually makes the money, I am sure she will get to it, but that doesn't stop her from participating in most of the media opportunities and speaking about her social enterprise everywhere around the world. If you are authentic, and are addressing the right problem, people won't stop talking about you.

Dewi Meisari: Are millennials really that different from audiences of other generations? Are we becoming too obsessed with engaging them as a specific segment?

Yoris Sebastian: Millennials are different. My generation (Gen X), doesn't really care about showing off. Whereas



*If you are authentic,
and are addressing
the right problem,
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millennials, they are craving for that kind of action. Give them something to post about, and spend time to interact with them or in other words make them a micro-influencer for your consumer segment. So, yes, we should engage with millennials differently because they are different. We don't need to be obsessed, but we need to understand them.

Antony Liem: All this buzz about millennials might sound like a marketing gimmick, but it's true that millennials are

different and have certain traits of behavior. My group is part of the creative industry, and most of the employees we hire are millennials. The problems that need to be addressed by the HR Department in handling these millennials are very different. The talk about millennials shouldn't be an obsession; it's just the beginning. Therefore, I mentioned about Gen Z – the next demographic cohort following the millennials. Gen Z are more internet-savvy and more concerned about privacy compared to millennials, such as Gen Z are more careful about publishing things online. Gen Z will behave very differently from the millennials. It is good to know these differences so you can plan your communication around this information.

Dewi Meisari: Practitioners say a lot about the benefits of social media, but what are its risky pitfalls?

Antonny Liem: Here are some pitfalls of social media, I can think of:

1. Authenticity – On social media, you as a brand (and not as a company) need to have a personality because you are reaching out, engaging directly with your users, customers, and community.
2. Management of social media – there are a lot of tools and free tools out there you can use but you must be diligent about whatever you choose.
3. Be careful about reacting to whatever feedback you receive on social media. It's there forever.

Dewi Meisari: Is there any necessity to connect the beneficiaries (e.g. remote, disconnected communities) of our social enterprise to social media?

Antonny Liem: Your beneficiaries might not be social media users, and that's fine. If you are sharing their story to connect them with other beneficiaries, customers, investors, and people who will help solve their problems, then it is good to connect them. Sometimes you will feel that it is hard to balance marketing/media versus working and solving the problem. Nowadays, media wants good stories, so share the stories. But don't spend too much time on it to forget about your cause. The same goes for your beneficiaries – you don't want your beneficiaries to become social media darlings just for the sake of media, unless with that media exposure you are helping them solve their problem.

Yoris Sebastian: Adding to that thought, we need to change the perspective in how we work from “downstream-upstream” (hilir ke hulu) to “upstream-downstream” (hulu ke hilir). I see many SEs being obsessed with solving a problem in a remote area than seeking companies that are willing to help (hilir ke hulu). This is where creativity comes in – you might need to change by working from upstream to downstream. There are a lot of companies out there who want to do good, but don't know how. So, help them help you find those remote areas to support your beneficiaries (hulu ke hilir).

Dewi Meisari: When SEs become media darlings, they become busier with interviews, attending speaking sessions and so on. What is that sign that tells you it is time to stop (entertaining media) and refocus on working and making real impact?

Antonny Liem: We need to capitalize on marketing and media to spread the news and build a brand name. Obviously, one needs to be disciplined with oneself. The first part of this is understanding who you are, your vision, and what you are doing. With that clarity you will be able to select the right media, the right partner, and the right channels. The second part is going back to your daily job to check if you are performing and getting everything done. The rule of thumb goes back to understanding whether the media you engage with will positively impact your vision or is it just to feed your ego?



Sometimes you will feel that it is hard to balance marketing/ media versus working and solving the problem.



Yoris Sebastian: A good social entrepreneur should build a strong company – put a good system in place, so when the founder is not there and maybe promoting the company somewhere, the company is still running. For example, when I started OMG Consulting, I was CEO = Chief Everything Officer. Then gradually I created a system. Now, I am Founder and Creative Thinker, so they only call me in when they need creative solutions. So, if you have the opportunity and can afford it, build a strong company and free yourself for higher order work.

Dewi Meisari: Is there any formula in creating content for millennials?

Antonny Liem: The answer to that will be complex as there are too many dimensions and angles to cover to offer a single formula. To keep it simple – Yes, be authentic, choose the channel you are going to use often. In my presentation, I mentioned that humor and entertainment is something that millennials and all generations – Gen X, Gen Y, Gen Z – will like. But for Gen Z, they also expect high-quality production. Also, relevance of your message is very important. Don't talk about cats today, and then talk about something else tomorrow.

Yoris Sebastian: The formula is the same throughout all generations: Make it interesting. Don't keep doing the same thing. You must try something new, be creative and different.

A good social entrepreneur should build a strong company – put a good system in place, so when the founder is not there and maybe promoting the company somewhere, the company is still running.

Dewi Meisari: As a concluding thought from our discussion: We need to reach out to our audiences across generations with our stories, but at the end of the day

- It is about the cause we stand for and the quality of our products and services that matters most.
- It is about how we tell a good story, as also about creating that genuine, authentic, relevant, and honest content.



GET TOGETHER! – GOING FOR WINNING PARTNERSHIPS

Collaborations with corporates have moved beyond seeking sponsorships and grants. Today, corporations are working with startups and social innovators through multiple platforms including acceleration programs, investments, and collaborative R&D. On the flipside, social enterprises are also partnering with corporations with an intention to further their reach and business. Hear from both sides.



Speaker: Ms Fida Renata Heyder, Head, Small & Micro Businesses, Google; Mr Irving Hutagalung, Audience Evangelism Manager, Microsoft; Ms Lieselotte Heederik, Co-Founder & Director, Nazava Water Filters

Moderator: Mr Romy Cahyadi, Executive Director, UnLtd Indonesia

Lieselotte Heederik

Co-founder & Director of Business Development, Nazava

I am from the Netherlands and ten years ago I moved to Aceh, Indonesia to do relief work after the tsunami. When working there I realised it was very hard to get access to drinking water. Most people in the world face the same problem and diarrhea is one the second biggest cause of death in children under five. In Indonesia alone, there are over 8 million children with stunted growth because of poor drinking water. At Nazava our vision is to provide safe drinking water to everyone, everywhere. We do this with our product – a water filter where you put your well water, tap or lake water and you have safe and clean water to drink.

When we started work on this in Aceh, 8 years ago, we had no idea that we were a social enterprise. We participated in several programmes and competitions. Its only then it was pointed to us that since we have a strong social mission, we are a social enterprise. This realisation that we are a part of this movement called social enterprise helped us and opened many doors for us.

We sell our water filters to women in villages and remote rural areas who in turn sell it to other women in their communities. We also offer micro loans to these women entrepreneurs, so they can buy more stock and help sell more water filters and grow their businesses.

We got connected to Landor through DBS Foundation, two years ago at an event in Singapore. I had no clue about branding and Landor were specialists in this area who took interest in our business and started to work with us. I told them we had no money, but Landor said they were willing to help us as our business motivated their staff. They designed our logo which signified 'the ripple effect' since we were in the water business. Also, they developed a hashtag – #safewaterrevolution asking many others to join us in our mission. I would like to thank DBS Foundation for enabling this partnership.



We are a member of Nexus in Cambodia who help us get access to carbon credits. With our product, people don't have to boil their water thereby reducing carbon emissions

and saving energy. Through Kiva we have been able to generate over \$200,000 in loans for our sellers which are interest free.

If you have a social enterprise that wants to empower your retailers or agents and wants to give them access to capital at low cost, I would recommend Kiva who is awesome in this area.

We also partner with the Miller Centre who were called the Global Social Benefit Incubator at the Santa Clara University in US. I went to their bootcamp in 2012 and I continue to stay connected with them. They send students every two years to come work with Nazava and undertake research. Through them I also have mentors from the Silicon Valley who I can reach to anytime for advice and support.

We also partner with Universitas Padjadjaran in Bandung, especially with Department of Environment and Sanitation. They undertake research for us to help determine and measure the impact of our products on health of communities. We also partner with ITC and HEC and many other universities. I would recommend that as a social enterprise, reach out to universities as their students are an excellent resource to work with.

Here are some contacts of Partners that every #Soцент can benefit from:

- **KIVA for micro-loans:** www.kiva.org
- **TrustLaw for probono law advice:** www.trust.org/trustlaw
- **Miller Center:** www.scu-social-entrepreneurship.org
- **Cross fields for corporate volunteers:** en.crossfields.jp
- **Tech soup for hard and software:** www.techsoup.asia
- **Siemens foundation:** www.empowering-people-network.siemens-stiftung.org
- **UNLTD:** unltd.org.uk

Fida Hyder

Head, Small & Micro Businesses, Google – Indonesia

Larry Page, the chief executive officer of Google's parent company, Alphabet Inc had said: "As Sergey and I wrote in the original founders' letter 11 years ago, "Google is not a conventional company. We do not intend to become one."

Our mission at Google is "to organize the world's information and make it universally accessible and useful." If you were to understand the origins of Google, you will realise that it was a company that was founded on partnerships. We never claimed to own the information but make it accessible and organise it for everyone. While our service is free, Google makes its money through advertising to sustain ourselves.

I want to talk about how we are not a conventional company and since we do a lot, people often get confused about what we do. When we think about how to bring on social change, there are a couple of programmes we offer. Google for Non-profits is a very accessible programme to most. It is a grant which provides free or discounted product support for eligible non-profit organisations. Check our website to see which products are available for free in your respective countries. Our grants range from \$1000 to \$10,000 and you can apply through our website. You must be registered as a non-profit to be able to access this service.

Refreshing our commitment, we have Google.org which is another way we reach out. This is a companywide commitment where we provide a billion dollars' worth of grant and a million hours of volunteer work. It is not just money but also assistance from Google staff in a range of activities. We focus on three areas – Education, Economic Opportunity and Inclusion. If you want to work with us, you should be working in either of these three areas as well as leverage technology and innovation. This is a nomination based programme which is also approved through our internal organisation. We don't want to just give money but ensure that it is being put to good use and provide support to you in that area.

Some examples on how Google.org partners with

enterprises:

- **Storyweaver (storyweaver.org.in)**

An enterprise called Storyweaver based in India make stories for children available online in all languages through a software and with this they help promote children's literacy. The Googlers in Jakarta volunteer our time to help translate these stories into Indonesian Bahasa. We go a step further and make these translated stories into offline versions (printed form) and make them available to schools in Indonesia.

- **Sajeeva Foundation**

Sajeeva Foundation in partnership with ICT Watch and ECTA is into educating children on cyber safety. They created an online school to help children recognise unsafe content on the internet. Children these days find their way to the internet whether we like it or not; so how can we flip that and make them the decision makers on what is safe for them? We held a launch for them and we had children present scientifically and very smartly on how to recognise unsafe content. The organisation is now targeting to educate 30,000 children and we are enabling their efforts.

In Indonesia we are into several projects and you can read about them on: <https://forindonesia.withgoogle.com>

We have an android course available globally for developers online, but we took it a step further and made it easy like a study group for women to learn about tech & development. This has been successful and is largely done through partnerships.

- **Gapura Digital**

Gapura Digital is an initiative that I am responsible for and it is to support SMBs (Small & Medium Businesses) in Indonesia which are in huge numbers and powers almost 65% of the country's GDP. We took online courses available with us to make them available offline. We visit smaller cities and run weekly classes for SMBs for free. This initiative also runs through a



partnership model. We have ‘train the trainer’ sessions with Tokopedia and Bukalapak. We also work with Ministry of ICT and other ministries on this.

- **‘WomenWill’**

Our ‘WomenWill’ effort is specifically for women and the objective is to close the gender gap in several countries. The programme takes various forms as it adapts to each country’s realities on ground. For example, in Japan it targets women who do not resume their career after they have had children. In Indonesia we focus on women entrepreneurs as we feel they do not grow beyond a certain level. We at Google conduct special classes and seminars encouraging women to go digital in their business.

there is a strong correlation between successful business and those that have leveraged digital to grow their business

A study we did with Deloitte showed that there is a strong correlation between successful business and those that have leveraged digital to grow their business. These businesses grow almost 80% faster than businesses that don’t go digital. If we could address this gap in going digital with SMBs in Indonesia we could grow their contribution to GDP by 2%.

What have we learnt from our partnerships:



Since we are a large organisation, we are publicly scrutinised and therefore we have certain processes in place to ensure that the money we give and the volunteers we deploy go to the right people and worthy causes. If you visit our website, you will see certain requirements that you need to fulfil before we can partner with you. Such as alignment to the areas we adopt, your status as non-profit etc. Furthermore, after fulfilling our criteria the proposal also needs to have a nod from our internal volunteers. All this means that you must have patience – to be noticed, to be thorough, to do all the hard work. You must also have patience with us in Google as we are a very large organisation. Yes, we may not be very organised internally through our mission is to be organised for you. Remember partnerships with large organisations do take time to bear fruit.

**Irving Hutagalung,
Audience Evangelism Manager, Microsoft**

Social enterprises are a new sector and when I was asked by DBS to speak at this summit, I asked them – what is a social enterprise, as I wanted to have a common understanding of the term. When I asked internally in Microsoft – ‘Do we have any case studies on social enterprises?’, I was told that we did not have any. I was surprised but realised that I asked Microsoft Philanthropy team which works with non-profits and charities. I soon understood that social enterprises fall under the start-up category and in addition have a very distinct objective of achieving social impact.

I manage the start-up ecosystem in Indonesia from Microsoft. Before I start, I want you to watch a video of one of our partners in Philippines. Their work creates a big impact to the visually challenged.



You saw how this organisation is teaching the blind to leverage digital for their daily lives – how to use mobiles, new technology, laptop etc. They empower the blind with these skills to go on and settle in their lives. They are a for-profit organisation but also create the much-needed social impact.

I wanted to reiterate that Microsoft has two separate programmes for the social sector.

Microsoft philanthropies helps NGO, Non-Profits and charities. While social enterprises are considered as a potential business partners by Microsoft. To start with, you must convince us that you have a sound business. Many times, it is hard for a social enterprise to explain how a large organisation can help them. I am approached by social entrepreneurs who ask for help – ‘Anything will do’, they say. That really doesn’t help. You must be very

specific on the support you need and how a partnership can benefit both.

Microsoft Bizspark is a programme for start-ups. By applying to this programme, you can receive free software such as Microsoft azure for USD 9,000 a year. We consider and fund you based on your business credentials. If you have a website to explain your work and contribution and if your business model is very clear, your proposals are also easily cleared.

If you have a really good product that can benefit from our network, we take that step of introducing you to our customers and partners. A social enterprise that uses mobile to gamify education got in touch with us. We introduced them to several partners including the Ministry of Education. We do enable business -to-business partnerships.

We have some programmes that happen once a year such as ‘Accessible Internet for everyone’. Social enterprises can apply to this programme and again I reiterate, be clear in your business model and social impact.

In a large organisation like Microsoft, it can be very confusing on who you need to talk to. Don’t worry, just approach anyone from Microsoft and we will connect you to the right people internally.

Someone here at this summit came over and spoke to me and I realised theirs was a B2C model and Microsoft can’t help such businesses. We can best support B2B businesses. I told them to talk to Google instead. Don’t hesitate, start talking and make connections. That’s how partnerships happen.



*Don't hesitate, start talking
and make connections. That's
how partnerships happen.*



DISCUSSION:

Romy: Any partnerships in your experience that haven't worked? Why so and the lessons you have learnt from them?

Irving: Most difficult thing in a partnership is when the partner doesn't articulate what they need. Its time consuming and tedious to meet each time and try to understand what is needed. It is better if this is though through and you approach with a bucket list of what you need. We can then go through this together and see which areas we at Microsoft can help and it is also better for you too if we are upfront and tell you what areas we can't help you. That way, you can look for other partners or we can help make those connections too.

Lisa: Getting the timing right is also very important. In the beginning, we were looking for incubators to stabilise our business model. Now we have moved on to partnerships with corporates and volunteers who can help us with specific skill sets in our organisation.

In the early days, we did have partners such as designers from the Netherlands who offered to design new products for us. We did not understand what their motivation was and whether we should invest in this. To make any partnership work, you need to invest in it. If there is no mutual interest and time commitment, then better not to proceed. I have never seen partnerships end with a big bang. If there is no match, they just fade away and conversations die down.

Fida: Try and understand your partners and their objectives. Google and Microsoft are large organisations, and many times you think that if you approach us with a good plan, it is enough. But if your proposal doesn't align with our programmes, it is hard to take them forward. Irving and I explained our programmes and areas of work, so your partnership proposals should fit into that criteria for any conversations to start.

Lisa: Yes, it is critical that we must do our homework when we approach partners.



Romy: Irving, can you please evangelize us on your strategy: what is Microsoft looking for?

Irving: This goes back to the vision of Microsoft – 'To empower every person and every organisation on the planet to achieve more.'

We consider social enterprises that work towards social impact as they also are into empowerment while they are enabling other people to do more. They are also a business and must work towards being profitable. In Indonesia we look for social enterprises that use technology to enable—be it education, health, women or any similar impact within the country. The key is "enabling" which ties to our vision.

Romy: Can I put on my devil's advocate hat and ask: why do you have such a noble interest?

Irving: Microsoft is a business. We do have a separate CSR programme which impacts farmers etc. But when we work with start-ups and give them access to our products and services, we expect them to use the technology and put it to good use. When they reach a level of business and start to make money, we expect that they start paying for our services. Do not expect us to keep giving freebies and handouts. Microsoft Bizspark is a one-year programme. If you still need the freebies after a year, then you are setting up for failure. We want you to be sustaining yourself in a year. It is a win-win partnership that we look for.

Fida: Google stands for technology and innovation. We do look out for enterprises that tick these boxes too. Internally, when we want to put forth an idea, we are asked 'how can we think 10X not 10%?' This growth is possible only through tech innovations. So, we place a premium on that. Another principle at Google was to be led by our users. Initially we thought let's follow and understand our users. We will eventually figure out how to make money.

Romy: There is always a power dynamic in a partnership. Is it always possible to have a win-win partnership? **Lisa,** have you ever faced any such power struggles with your partners?

Lisa: If a partnership makes you uncomfortable, you can always walk away. You can also be selective about who to partner with. You select partners because of the needs of your organisation – be it finance, research, human resource and there is a give and take and therefore a win-win. These partnerships should be viewed as strengthening your organisation.

Romy: Sometimes a social enterprise doesn't know what kind of partner they need. What is your suggestion to discover this?

Lisa: It is always easy to look at what other organisations are doing but harder to step back and look at your own business and understand where the problems are. Talk to many people, ask for feedback, identify your areas of need and research on potential partners. You can then know how to ask for help from partners.

Romy: Can you share a good partnership that you have come across that has been inspiring and motivating?

Fida: I bring it back to the work I do with empowering SMBs. A company that I partnered with, KIVA in Indonesia was very aligned to our objectives of community building. We had clear cut deliverables with timelines and projections. We problem solved challenges together and everything was black & white. This partnership worked very well and delivered much better than similar programmes taken up by other teams in other countries.

Lisa: We have a group of students who approached us to help us with some design work. I was delighted that this

wasn't just another project for grades, but it resulted in our product – Riam – truly designed by students of industrial design. I was aware that we needed to upgrade our product and when they approached us, I said, why not? They used human centred design approach, had meetings with women in villages, also went ahead and connected with factories, supervised that the moulding was okay and got us the right contracts. They took all the initiative and we at Nazava are happy with this partnership.

Irving: Sometimes we must start small. One social enterprise that I worked with was Classic – an online learning platform which works with schools. They applied to Bizsparks and I approved their proposal for our products. Since they have a clear social impact they were always on top of mind for me. When we had a new programme on accessibility to internet, I got them involved and they went on to get some funding. I also tried to make connections that helped their business. They in turn helped Microsoft by endorsing our products and support. It was trust that was built over time and bottom up.

A million-dollar project doesn't happen in a single discussion. We must start small, build mutual trust over time and that trust can lead to long term partnerships.

A million-dollar project doesn't happen in a single discussion. We must start small, build mutual trust over time and that trust can lead to long term partnerships.



BECOMING INVESTMENT-READY: TAKING THE ENTERPRISE TO THE NEXT LEVEL

Hear from two social entrepreneurs on how they prepared their enterprises to be attractive to early venture capitalists and impact investors.

- Since 2013, founder and CEO of Vasham, Irvan Kolonas, has helped more than 12,683 farmers in Indonesia. Over the past 3 years, the Ernst & Young Social Entrepreneur of the Year 2015 award winner has secured multiple investments from various investors.
- Neil D'Souza, the CEO of Zaya Learning Labs has been using technology to bridge the gaps in education to more than 50,000 students across the globe. He has been featured on Forbes and TEDx and over the years, secured investments from different corporate investors.



Speaker: Mr Irvan Kolonas, Founder and CEO, PT Vasham Kosa Sejahtera; Mr Neil D'Souza, Founder and CEO, Zaya Learning Labs

Moderator: Ms Stephanie Arrowsmith, Co-Founder, Impact Hub Jakarta

Stephanie Arrowsmith: Brief introduction to speakers for fireside chat about becoming investment-ready.

Irvan Kolonas
Founder and CEO of Vasham

I started Vasham 4 years ago with the mission to help smallholder farmers in Indonesia.

Everyone knows the problems smallholder farmers face in Indonesia. A good social entrepreneur always focuses on tackling the toughest problems and tries to support the most marginalized people. We wanted to support smallholder farmers, specifically farmers who plant staple crops, and to be more specific farmers who plant corn. Most farmers in Indonesia either plant rice in rice paddy fields and in non-paddy fields they plant corn. This is because corn is relatively cheap to plant and a lot more widespread so there are many farmers to help.

General problems that farmers face: lack of access to good inputs, high interest rates, lack of access to markets and so on. These are the problems that we wanted to tackle from the beginning. We also need to educate the investors and government, that not every single agri-company is the same. When dealing in staple crops, you are in a commodity sector, which means you don't have higher margins to play with and to transfer to farmers. You're dealing with very thin margins, in a very fragmented industry with multiple players and a super-long value chain. It is very complex. There are 4 or 5 organisations in the world that are really trying to create sustainable businesses for staple-crop farmers.

Everyone knows that in Indonesia we have a very long value chain with 'tengkulak' and 'ijon' (middlemen & bondage) – you have so many different names, all with negative connotations. This is a problem not intrinsic to the corn industry of Indonesia, but also in



many agri-commodities where long supply chains and value chains create inefficiencies and lead to predatory pricing for the smallest and most important people: our farmers.

'Vertical integration' was our solution to the problem. By streamlining the value chain, by being an inputs player, a financing company, as well as a grain trading company, we're able to unlock synergies and efficiencies through the value chain, and hence pass it on to the farmers.

A key thing in our journey was the realization that to build a vertically-integrated agri-business takes time. It has been a very interesting learning process when we decided that instead of building all three solutions at the same time, we focus on building one, be very good at it, and then reinvest the cashflow.



Neil D'Souza
Founder and CEO of Zaya Learning Labs

I started Zaya about 5 years ago while I was teaching in Banda Aceh, so I have a strong connection to Indonesia. Zaya primarily focuses its work in India and we provide personalized learning for students in Grade K-5. Quality of primary education in public schools is considerably poor. To address that currently there are many entrepreneurs who are starting low-cost, private schools. In India alone, there are around 300,000 such schools. This is a growing industry of small businesses – schools that are cheaper than private schools and are meant to provide quality education.

What does Zaya do? There are these smart people who are passionate about running a school, they may know how to set up a business, but may not know how to pick the right curriculum, nor how to support their teachers. Hence, they can't run their businesses effectively, which are schools that aim to provide quality education. Using technology, Zaya provides content, curriculum, and teacher support to run the academic portion of these low-cost schools.

Over the years we have evolved from solving academic problems to other problems faced by the business owners. We are also trying to solve the friction points when it comes to reporting data to educational authorities or communication with parents, which we think is very important. There is a lot happening in this space because these schools are growing, and we want to be an integrated platform that can provide all the solutions to these school owners. That's the goal. Zaya was discovered through the DBS NUS Social Venture Challenge, when we won the top place in 2014. Since then, we have raised financing from different investors and different forms of funding. Our business model is through subscription revenue and our customers pay USD1 per child per month. We are becoming a sustainable business and our plan is to reach 10 million students by 2020 using both mobile-based products and through schools.



DISCUSSION:

Stephanie Arrowsmith: You touched a bit on funding, and I want to dive in that a little bit more. If you could take us on a small journey, could you tell us what did that funding look like? What types of funding did you access? What lessons did you learn along the way? And were there any failures along the way?

Neil D'Souza: When I started Zaya, it was just an idea and I didn't know anything about education or how to raise money. The natural tendency was to figure out the quickest way to get startup capital, and that was through competitions. I applied to a bunch of competitions, and the funding I received came in the form of grants, not equity, which was great. That got me started, and soon after we went to raise equity through a bigger round of financing from investors. I realized through my journey of raising money and from talking to other entrepreneurs that one can get blended financing. You can take some grants and loans, or you can take equity investment to grow your business. At different stages, different types of financing may work. For example, if you have an idea but don't know how to execute it, the least risky form of capital is a grant. Don't get a bank loan to do this. Once you have proof of concept, you are faced with market risk and you can get some equity investors to help you. Feel free to turn to whoever is going to give you money to further your mission, take it, and don't get stuck up on it. That was one of my mistakes. When we raised institutional funds, there was pressure to go back and raise the next round as an equity fund from a bigger investor. We did not need to do that. We could have taken enough grant money to help us get to the stage of a sustainable business. I think the next round of financing we raise will be a loan from the bank because we only need it for cashflows to grow our business. We don't need to get equity investors on board for that.

Ivan Kolonas: My journey was somewhat unique. When I embarked on the idea, I kind of pitched it to my parents and family. I told them that I didn't want to work for them and that I wanted to help people. I got the initial capital that way. For the first 2.5 years I focused on building a pilot and making it successful. Soon after we raised equity. At



that time, there was a big buzz around impact investing, so we raised equity straightaway. At that same time, we also raised grants. Most international grants tend to flow to India and Africa than to Indonesia specifically. However, we could subsidise some of our innovation costs by using grants. The learnings that I gained through this process are:

1. Don't try to do too many things. Raising a lot of money in the beginning makes you big suddenly. You want to do everything you can, and when you are in the business of helping people, there are infinite things you can spend your money on.
2. Whether you start with equity, grants or debt, the most important thing to remember is every time you're fundraising you are doing it to answer a specific set of questions about your business model. The money you raise will also be based on certain assumptions, and until you get to the point where all your assumptions are realised, you will not have a complete business model.

Stephanie Arrowsmith: That's fantastic advice. I think the journey of raising capital also takes you on a journey of deep exploration, self-introspection as an entrepreneur because you are forced to become accountable to

others. So, it is just as much about the journey as it is the destination.

Each of you said it was kind of accidental or intuitive to go down the path that you did. But, what advice would you give to someone who is trying to decide what funding to look for, if I have a choice around that? How do I decide which mechanism I need? Here in Indonesia we have a fantastic tool that's just launched called connector.id by ANGIN – it's a way to navigate different types of capital available. If these tools were unavailable, what advice would you give to those seeking capital?

Irvan Kolonas: Free money first, always.

Neil D'Souza: Free and easy money first. There are two parts to this. Initially, we wasted a lot of time going to investors that we were too early to approach. Depending on what stage we were at, investors would turn us down saying 'you are not ready...' or 'this doesn't fit our plans...', etc. You must understand what they were saying. When they said, "you are not ready" it is because each investor has a fixed amount of money to invest, and a return they expect. If your business is only going to pick up or return a small part of that money, then they are not going bet on you. We kept going to big investors who liked our technology, but for them we were too small. Hence, you need to find the right investors by doing some due diligence on them. Therefore, it is always better to start with an accelerator or a foundation who can provide operational support and guidance during your initial days. They will help you identify the right investors. You don't want to spend your time, especially in the first two years of your venture, by chasing investors for money.

Stephanie Arrowsmith: It is very much a dating game, isn't it? It's not just about the investors betting on you; it's also about you betting on the investors. What are some of the questions you would ask investors and how would you know if a certain investor is a good match?

Irvan Kolonas: Some first questions to ask them is the Fund size when the fund started. I also think character and chemistry are very important. You would want investors who on your darkest days will coach you and be there for you. Characteristics of fund, when the fund started, how

long are they going to fund? Are they going to raise any more rounds? Are some questions to ask.

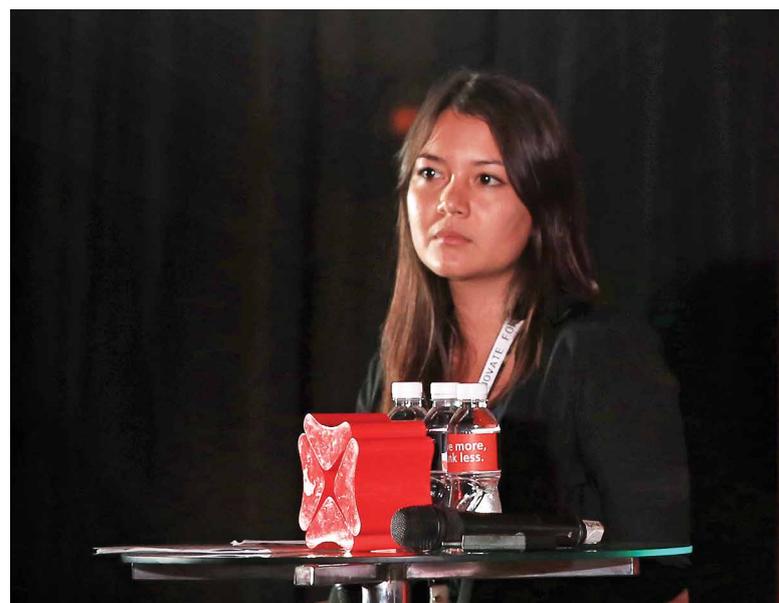
Apart from capital, do check if they can bring in other enablers, e.g. consulting, networking, recruiting, getting other funders along or maybe even connecting you to grant-based funding.

Neil D'Souza: Support system that an investor brings in, is very important. At Stage 1 when you are developing an idea and turning it into a product and move to testing it in the market and so on, getting an investor who has done it themselves and been an entrepreneur will be a big advantage. They would empathize and help you on the journey.

Get an investor who can help you, advise you on operations. Money can run out but value should be created.

Stephanie Arrowsmith: Those are some good points. You highlighted a few different needs, that it is not just about the finance, but many other forms of support you can receive from your investors. In Indonesia and India, do you feel that it is easy to find those type of investors?

Irvan Kolonas: In Indonesia, we are blessed to have a good ecosystem for seed stage ventures. We have many accelerators and incubators that are supporting ventures



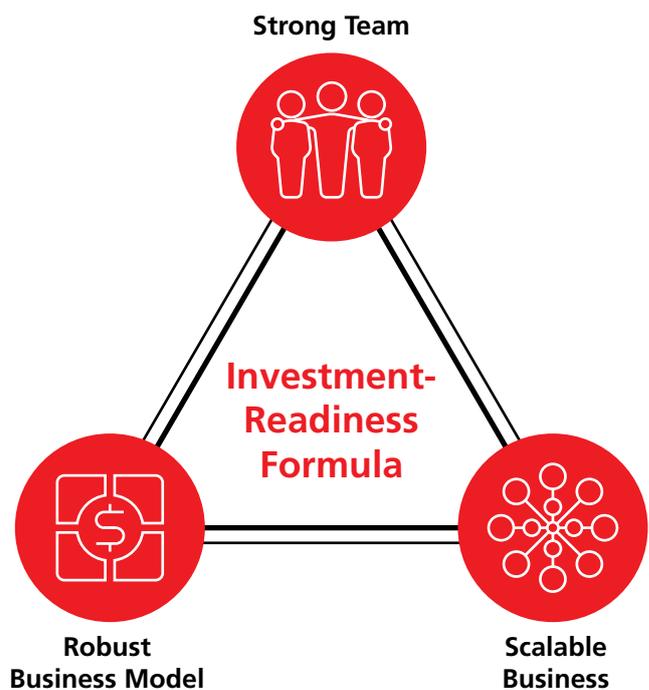
on the impact side. There are many good people who are trying to do good work. The issue really arises when moving from Series A to Series B funding, especially for SEs and non-tech enterprises. For Series A, many social entrepreneurs in Indonesia are not investable as they are not investment-ready. There are many companies who are willing to put in \$2 million upwards. But most social entrepreneurs need around \$500,000 which is above seed funding, but pre-Series A stage. There is a huge gap in funding this in-between segment.

Neil D'Souza: There is a similar gap in India. There are many investors who now provide operations support in India too. However, when you are approaching Series A funding, you should have a replicable business model to scale and an investor can come in to pump funds and replicate your business. Remember, when investors say you are not investment-ready, that means you may have a great product, you may solve a problem, but you don't have a replicable business model to scale. What most investors fear is placing \$2 million into a company that's non-tech or has the technology but doesn't have a replicable business model. The questions they have are "where are you going to spend my \$2 million? Will you spend it in developing another product or are you going to spend it to grow the business?" Don't go on to raise a Series A funding if you don't have those answers for your potential investors. You need to be mindful that even before you try to raise Series A, ask yourself: Do I have a replicable formula to grow my business? If the answer is no, then wait and try find other sources of financing, such as intermediary financing.

Stephanie Arrowsmith: We also talked about investment-readiness, and I'm curious if there was a formula for investment-readiness, what would that look like? What would be the elements of an investment-readiness formula for social entrepreneurs?

Irvan Kolonas: I think the most important thing for any entrepreneur is the team. Any VC or investor will tell you that when they look at an entrepreneur, the first thing they look for is the team around the entrepreneur. That is the first formula you must get right. Find a capable group of co-founders, 2nd and 3rd level layers; build a strong team and work culture. The second point, which Neil and I have been reiterating, is to focus on your business model. It is

very difficult as an entrepreneur to introspect on your own business and your own product. You are always going to think your product is cool. Sometimes you need mentorship and external people to tell you where to improve. They can be your customers – to understand if you have the market-product fit. Another question is: Can you scale the business? Do you have the right formula? The formula could be capabilities – can you attract the right people, can you build the right processes, and can you bring in the right systems? People always underestimate how hard it is to scale a business. I made the mistake of thinking that my market-product fit was good to begin with, and when I tried to scale up, I realized it needed many improvements. I had to go back to the drawing board to redesign and wasted money and time. Those are the three key lessons learned in my journey to becoming investment-ready.



Stephanie Arrowsmith: Where did you get the initial feedback from others to know that you were investment-ready?

Irvan Kolonas: As entrepreneurs, sometimes you tend to lie to yourself about how big your market is or about your market-product fit. The best way to avoid that is to be very honest and talk to your customers. This is the first stage of

feedback. Talk to people who have accomplished, 'been there, done that' entrepreneurs. Pick people who will be honest and critical as this is essential to your business. This is your second stage of feedback.

Neil D'Souza: The team is the most important part. I remember the first investor we met who did not invest in us but advised us. He met my initial team of 5 very talented friends with great resumes. He gave each of us a psychometric test to see how we would function together as a group. That test told him that the 5 best friends who were extremely qualified on paper to do the job would not get along when things get rough. And it happened 3 months later! While I hated that investor, I think it was an eye-opener that if you don't have the right team then you won't build a successful business. This is especially true when you are in a social business – you must first convince people about your cause. They have to believe in the cause because most of the times they are underpaid or do not get paid a market salary for the first 4-5 years of the venture. It is a tough job. As a founder social entrepreneur, you are also being a therapist for the first few years – being there for your team to listen and offer support. Yes, building the team is the first key component to becoming investor-ready.

Look for investment not when you run out of money, but when you can predict 6 months down the line you are going to need the money. Start asking yourself these questions: what do my potential investors want to see? If you don't have a replicable business, don't go asking for a Series A round, ask for pre-series A round because you have some things figured out, but not everything. You can explain that you are going to use this money and in 6 months you will have a replicable business to present. Every investor wants to know what are you going to do with the money from one point in your journey to another, and how much time are you going to need to reach milestones? Hence, set those milestones upfront, and regularly communicate with the investors about your progress achieved against the milestones before you go ask for more money.

Irvan Kolonas: Many entrepreneurs in Indonesia do not systematically test their business models and assumptions. It is important to test every aspect of your business model. For example, at Vasham, we wanted to test what was



the most effective way to reach farmers? Corn farming is a seasonal business and you have a peak time when all the farmers are planting the crop at the same time. Hence you would need a huge sales force to reach farmers and register them in a very short period. What was the best way (business model) to do that? Do we outsource or hire agents or bring in a huge workforce or adopt a MLM type of model? Which sales-distribution model can we deploy? The best way to do it is to try 3 different models in 3 different areas, and then compare the data. We need to be systematic about it and have all the answers. You need this clarity every time you do any kind of fundraising.

Stephanie Arrowsmith: Test those assumptions rigorously and explore all possibilities! To sum that up, there were 3 very strong themes: team composition, bullet-proof business model, and product-market fit. Also, it's important to look for that investment not when you need it, but well before hand.

A question from the audience: Is getting investment really the must-do next step for all social enterprises seeking growth? Are there cases where SEs should avoid getting external investment?

Irvan Kolonas: I think it depends on what kind of SE you want to be. In Indonesia, there are many SEs that are community-based. If you are a community-based social entrepreneur and your goal is not to scale then you do

In a world where there is more money to be given out than the number of social entrepreneurs who are investment-ready, it is not that difficult to stand out.

not need external investments. Investments are needed if you want to scale and you are more of a 'for-profit social entrepreneur'. There are existing models for 'non-profit social entrepreneurs', e.g. organisations like 'One Acre Fund' who managed to raise a massive amount through grants. There are different models and it depends on what type of SE you want to be and the kind of impact you want to create. That will determine what kind of money you will need to raise.

Neil D'Souza: There are many social enterprises who don't raise follow-up rounds of funding. But a challenge you may face is when your initial investor may want to exit. When investors put in money, they certainly want something back. You need to provide an exit option: either by being a publicly-listed company, which is very hard for a social enterprise, or someone buys you out, or you buy out the investor with your profit – which is also a very hard thing to do.

Ask yourself this question: Do I want to become a sustainable business impacting 1,000 people or do I want to impact 10 million people? If your answer is 10 million people, most likely you will need some external funding, and that is going to set you on a trajectory that you need to manage well. No matter what route you take, focus on your business model and try to make revenues. Do not become a company that depends only on external

investment to grow. Try to get your revenue up and become profitable. Once you are profitable, you can later seek capital to scale-up 100 times. That is how businesses have grown in the past.

Stephanie Arrowsmith: What are the biggest myths about attracting investment?

Neil D'Souza: One of the biggest myths about attracting investment is that you must be 100% sure about your product, and that you have never pivoted (changed models) since the inception of your idea. Most startups pivot their idea along their journey and investors like that you are honest and tell them when you fail. This helps make good use of money, next time. There is a belief that if you have had 1 or 2 failures and change your idea, then you can't raise investment. That is not true. Another myth is that you can only raise money when you have a ready product. If you have a good track record, a very strong idea, and execution ability, then people will still invest in you. Remember, you don't need to have a completely ready product to get your initial capital.

Irvan Kolonas: When I started out I thought that there would be initial capital available in the market. Apparently, that is not the case. Many impact investors today expect above market rate returns, and hope to exit in about 5 years, which presents a big challenge for the non-tech enterprises and to those ventures who want to make real social impact.

Stephanie Arrowsmith: What do you think is the one thing that made your business stand out from others and gain the attention from investors?

Irvan Kolonas: For Vasham it was simple. Nobody was doing what we were doing. We are social entrepreneurs because we are tackling the toughest problems. Those problems that even the big multinational companies don't want to touch and solve. We were the only ones doing it and a differentiated approach made us stand out. In a world where there is more money to be given out than the number of social entrepreneurs who are investment-ready, it is not that difficult to stand out. If you have a strong business model, strong problem, and strong impact, the money is there. There are not many investment-ready



social entrepreneurs in Indonesia, as there is money ready to be given out.

Neil D'Souza: In the early stages of my venture, it was the 'investors' belief in me that helped. As much as I would like to believe otherwise, in a business, your first and probably your second investor are investing in you as an entrepreneur. They think you're going to fail and learn quickly to become successful or they fully believe in your vision. You don't always need to be unique in what you are doing, but you can be different in how you're doing it. It's okay if you are a copy of someone else, but you might be a better copy or a more efficient copy. What matters is you because they are investing in you. If you are not confident, and you don't exhibit persistence and grit, most likely they will see through it and won't give you that investment.

Stephanie Arrowsmith: Does investment always mean money? Is there any other kind of investment that exist? What is the most important for the growth of social enterprises?

Irvan Kolonas: You can always get in-kind investment in the form of people or things. The most important ingredient for the growth of a social enterprise is people. When I first started, one of my investors at Mercy Corps and they provided me talent for 3 months to solve some of my toughest problems. These investments are not in the form of money, but the best support an early startup could have.

Neil D'Souza: When I started I had no prior experience, and I could either beg for money or find people who could solve specific things. When you are starting off, your best resources are students in universities who are pursuing their PhDs who think their work is more theoretical and may not have any practical implications. So, if you give them a practical problem to solve, you can get the best talent from all over the world. That's how I did it. I went to many universities, approached research students and gave them design challenges. I got them to work for 6 months for free. I also got my product, my kit and my manual designed.

Stephanie Arrowsmith: When looking for investors, look beyond to what other forms of investment or social capital,

they can offer. At Impact Hub, we believe that cultivating and growing that social capital is also what provides access to market and other partnerships. We live in the day and age where we as individuals or entrepreneurs can't be expected to do everything. We need to cooperate better on identifying and using resources.

A question from the audience: What do you dislike most about potential investors that you interacted with in the past?

Neil D'Souza: I dislike investors who have never really created a business. The questions they ask are superficial and driven by an Excel sheet. I thought that was the norm until I met investors who had built businesses, and the questions they ask you are very genuine.

Most investors are people from the finance sector who move into investing, and probably haven't built a business. They do not understand your pain and effort, but only understand your business model. They will ask you annoying questions about return of investment, company valuation, etc. which are premature when it is your first product and your current focus is gaining customers. Do a better job of dating; spend time on due diligence and decide who you are going to talk to.

Irvan Kolonas: There are many impact investors who just don't understand the impact community. Hence, they



There was this big conflict between what impact investors want to be and what they have to be as investors.



have a very unrealistic expectation of impact and returns. This can be frustrating as you are tackle daily challenges and make the tough choice between impact and cashflow sustainability. Most investors don't understand that, and can place unnecessary expectations on the impact side, which will then sacrifice cashflow sustainability and returns.

Stephanie Arrowsmith: And whose role is it to shift that perception and help shape that perception among the community of investors?

Neil D'Souza: It is hard for first-time entrepreneurs to shape investors' perceptions. When I got my first term sheet for an investment, I also received a sheet called "impact metrics to report", and I had no idea whether they had ever used it or looked at it because it made no sense to me. However, since they call themselves impact investors, it was important that they got that information from us along with the term sheet. For the sake of Zaya's existence I had to send them a monthly report on impact, but at every board meeting the question was "Why are you not profitable? When are you going to raise the next round?". There was this big conflict between what impact investors want to be and what they have to be as investors. Educating them can't be an entrepreneurs' job because we already have many other problems to solve. So, someone else would need to do that.

Irvan Kolonas: Many impact investors never audit your impact. We have been very honest with our impact, and that was one of our biggest downfalls in the earlier stages when investors were questioning "that other venture can get 100% increase in income, what about you?". No one really knows how they got to that 100%. No one knows their methodology nor how they do sampling, or if they collect real data. We were big believers in impact measurement, but some investors actually close one eye on that – and that is a problem with the ecosystem.

Stephanie Arrowsmith: Okay, I will take that responsibility on as an ecosystem builder. I will feed this back to the community. Thank you so much for joining us here, and being part of this fireside chat – your vulnerability, your honesty – and thank you everyone for your wonderful questions. Before we close this session, could you give

one final piece of advice to the social entrepreneurs in this room? And secondly, how might we be able to contact you?

Neil D'Souza: You can contact me via email at neil@zaya.org.

My advice is: value your time. While passion is awesome, you need to do a regular self-check and value your time for the efforts you are placing in because no one else will do it. You're trying to solve a difficult problem. It is not going to be easy. Don't spend a majority of your time chasing investors. And if that is the case, do a self-evaluation. Maybe your business isn't worth scaling, but can be a small business creating some impact that you want.

Irvan Kolonas: You can contact me via LinkedIn or on: irvan.kolonas@vasham.co.id.

The most important advice from me is getting a good team. I think today I spend 60-70% of my time recruiting. In Indonesia, I think there is a talent war today. People are going to tech companies, so you need to sell your company and your vision effectively. Once they are in, you need to give people the opportunity to grow so you can nurture a strong team. My family always says, "you pay peanuts, you get monkeys". You must be willing to pay well to bring in the best people and inspire them to build a strong work culture. It takes the best and most amazing people to tackle the toughest problems.



TELLING YOUR STORY: STANDING OUT IN THE CROWD

In an ever changing and competitive landscape, hear from two social enterprises on how they differentiated themselves from the crowd.

- Siam Organic has been recognised globally for its third-party verified social impact, some of the awards include: – Grand Prize Winner at DBS-NUS Social Venture Challenge Asia 2016, Winner of the Chivas Venture 2017, ‘Spark the Fire’ Champion at Global Entrepreneurship Summit 2016, among many others.
- Since 2014, Mycotech have been using the natural technology of the mycelia mushroom, in place of toxic chemicals, to form superior building materials. The usage of an unlikely source of material to build homes led Mycotech to be awarded the first runner-up in the Shell-Livewire’s Top 10 Innovation Award 2016.



Speaker: Mr Adi Reza Nugroho, CEO, Mycotech; Mr Peetachai (Neil) Dejkraisak, CEO, Siam Organic Co Ltd
Moderator: Ms Augustine Merriska, Community Impact Director, PLUS

Adi Reza Nugroho
CEO, Mycotech



I firmly believe that the 21st century will face a radical paradigm shift in how we produce materials for construction of our habitat. My ideas were inspired by the time I lived in villages in Indonesia and looked at how they managed the traditional construction. I learnt that these villagers were green much before it was cool to be so. They were utilizing available resources much more wisely than we ever could. Whereas modern construction uses limestone & sand which requires extensive mining which results in mountain depleting and pollution. We were inspired by 'Tempeh' – a traditional food in Indonesia – that has mycelium which acts as a binding agent. This is much better than using an artificial or chemical binding agent which is typically toxic. We looked around for other natural materials to bind the natural agent with and found that agricultural waste from sugarcane factories, rice husk from rice mills and palm oil plantations was available in plenty. I even tinkered around the kitchen for food materials to experiment with, much to my mother's annoyance. After two years of research and development, we found that we had a product to work with. It was like a light weight brick but much tougher than a traditional brick. It is not completely fire resistant but burns very slowly and has low embodied energy. The weight is advantageous as its very easy to transport.

We have a centralized production facility now benefiting local farmer community. It is closely located near mushroom farmers and impacts 270 people. In a month we collect and process 3000 kilos of agricultural waste and further shape, mould and trim them into finished products.

We collaborated with research institutes to make some interesting structures like the MycoTree – It was designed in Switzerland, tested in Singapore, made in Indonesia and built in South Korea. It was an interesting collaboration where all of us learnt a lot from. We found that the material was easy to construct, the process was very fast as you can prefabricate. It is possible to construct a house in a day!

We are now looking at affordable housing sector as we can replace expensive building materials with our eco-friendly ones. We are also looking at using our materials as lightweight biodegradable packaging replacing polystyrene. This change in packaging has great implications in automobile industry.

It is time to shift our thinking from "Mining to Harvesting" – which is sustainable and renewable. Mycotech is working towards a future where "we can grow our own house".



**Peetchai (Neil) Dejkraisak,
CEO & Co-Founder, Siam Organic**

We at Siam Organic are creating a future where farmers' poverty is eradicated through a sustainable market solution.

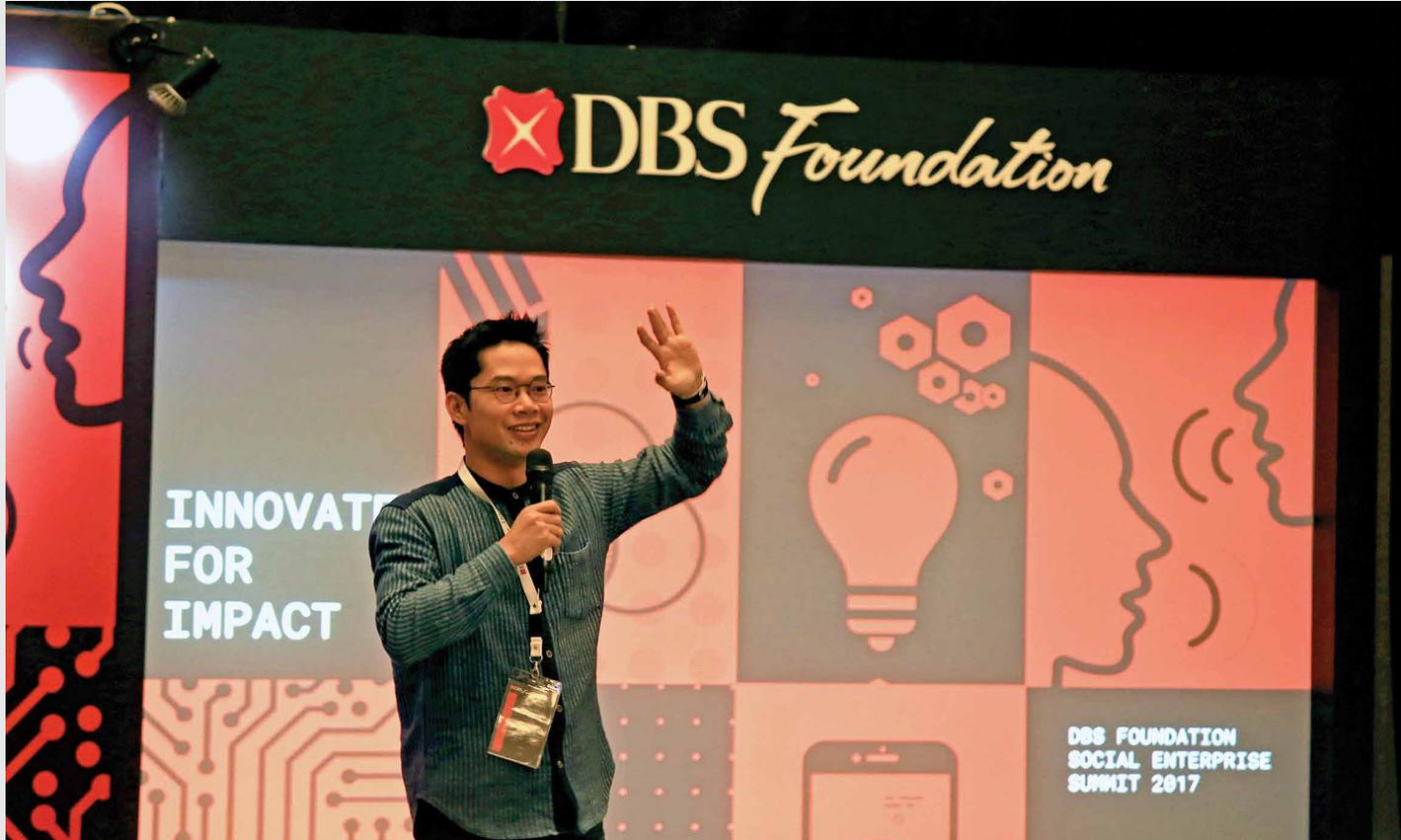
Thai farmers have the highest costs and lowest yields of all the countries in Southeast Asia. This is a struggle for Thailand's 17 million rice farmers, who earn an average of 40 cents a day. Rice farming is no longer a viable occupation and future generations leave rural areas for work in the cities.

Siam Organic works with small-scale farmers to grow Jasberry Rice, a new variety of non-GMO whole grain rice that is dark purple in colour and is high in antioxidants. Siam Organic provides training in organic farming methods, which enables farmers to grow Jasberry rice more profitably. With sustainable market solution, we've empowered 1000 farmers' households, to earn 14 times



more profit compared to conventional farmers. Some of the best farmers we work with can earn up to USD 8000 extra profit in 3 years. This increased revenue will enable them to pay off their debts and create new opportunities for their communities.

We at Siam Organic ask you to join us to eliminate farmers' poverty.



DISCUSSION:

Merriska: We have witnessed two very interesting businesses. My question is that as a social enterprise, how do you differentiate your product in terms of marketing and is it different from how a pure commercial business would handle it?

Neil: Two key success factors for any enterprise are innovation and marketing. Innovation addresses how your product or service is unique and marketing is linked with how your consumer perceives the value of your product. Hence communicate the value of your product to consumers in a way they understand. As a social enterprise, the two key factors of innovation and marketing get even more significant.

There are certain misnomers about a SE – that our products are somewhat inferior, or that they are supposed to be cheap or expensive. As a SE, it is even harder for us to market, as we are fighting these preconceived notions. It takes time for consumers to understand that our products are expensive because we don't have the economies of scale and that's is difficult to do. Branding and marketing of a social enterprise must always be consistent with the vision you stand for. For example, in our case we always start with "Jasberry is the healthiest rice ever – it has three times the antioxidants of blueberries". We don't lead the consumer communication with the work we do with the farmers. People purchase the rice because it is delicious and the pricing is affordable.

If they are buying it to help farmers, it is the fourth purchasing consideration after taste, health and price. If I were to lead the communication with Siam Organic helping farmers, people will say – great job, but not really buy my product. So, focus on the goodness of your products and services and how they connect to the lives of your consumers.

We do have farmers' stories on all our range of products – rice, tea, gluten free pasta etc. This does help the consumer feel closer to the producer of this food. This is not a marketing gimmick but it is a true story of impact. While we don't lead our communication with this, we are

not totally quiet on it either.

We must also understand that there is a difference between a B2C market and a B2B market. If you walk into Wholefoods store in the US and see our product on the shelves, you would know that our strategy of talking to American consumers is different. While if I were to talk to Monsanto, I would lead the talk with the work we do with farmers and how it is impacting their lives.

Adi: In our case we had to concentrate on getting the product patent in place before we can start talking more or marketing it. It is very important to protect your innovation before you get onto marketing.



SEs often can't compete on price, so they must rely on their story.



Merriska: Neil, since Siam Organic is into multiple products like rice, pasta and tea, how do you keep your message consistent across your product offering?

Neil: We manage to keep the message consistent across all our products because of our one brand and what we stand for. You need to ask yourself, is your brand and marketing protectable? If it is not, there is no way you can safeguard yourself from competition. You also cannot fight competition with your limited resources. The only way you can protect yourself is through continuous innovation. Our line of products has taken many years of R&D to get to market and one consistent theme across all our products is innovation.

Many people have said – "Neil you are in the rice business which must be so hard as it's a commodity!" I correct them



that I am not in the rice business. People all over the world now want to leave their rice business. The middlemen have made the rice business so competitive, that people are only wanting to exit.

We are in the 'Organic' and 'Gluten-free' business. We don't limit ourselves to one category of products, but we continuously develop new products from rice. We work with rice farmers to improve their livelihood and rice they produce also has so much potential. We are even thinking gluten free rice bread and rice milk among many other new products. Our key priority is product consistency – anyone who picks up our product knows that it is superior, healthy and delicious.

Second, we place the key message across all our products. We stand for a cause and our consumers are supporting our farmers by giving us business. To be truly sustainable on our supply side our farmers are provided training, resources, production capacity and know-how. Our farmers own their land, the processing factory that makes our products, the packaging facility and there is complete transparency in showing how we maximize our social impact.

Hence, in all our stories to consumers we reiterate that our product is good for you as well as good for the farmers who are the producers.

Merriska: What challenges do you face when telling your stories as a social enterprise considering you have double bottom lines?

Adi: We work with many farmers on the supply side and manufacturers of the production side. The challenge is that there are too many people to communicate with. When a new supplier comes to me, we do two trials.

Neil: If you are a social enterprise or not a social enterprise, one fact doesn't change – that your business cannot exist without your customer. Talk to your customers in a way they would understand and tell them what matters most to them. Don't talk about your social bottom-line and impact if that doesn't matter to a customer.

With storytelling, especially for a social enterprise, we need to be as realistic as possible.

Merriska: What if you have a great story but you do not have enough resources to produce good looking content? What are your options then?

Adi: Ask your friends to help you. Most of my early videos were made by my friends. Also involve your customers in the story – ask for their opinion. Just make it simple and understandable for your audience. No need to add any frills. Sometimes even a selfie with your product can be a story. If your product is good, people will certainly listen to you.



*With storytelling,
especially for a
social enterprise,
we need to be as
realistic as possible.*



OPEN MIC – PITCHING TO IMPACT INVESTORS

Four Indonesian social enterprises: Crowde, Evoware, Temu, and Wanderlust pitch to a panel of Impact investors and receive valuable feedback.



Speaker: Mr Dondi Hananto, Principal, Patamar Capital; Ms Mariko Asmara, Member, Angel Investment Network (ANGIN); Mr Mark Cheng, Managing Director, Ashoka

Moderator: Ms Euleen Goh, Chairperson, DBS Foundation



Yohanes Sugih-tononugroho
Crowde.co

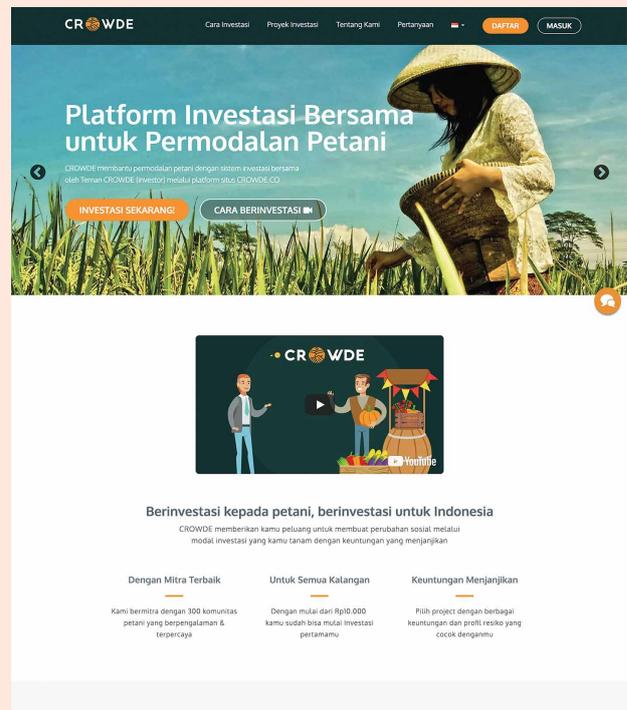
Crowde is a crowd-investing platform for agricultural projects, enabling farmers to raise their working capital from a crowd investor with a profit sharing scheme. 41% of Indonesians are still working in agriculture, but they are still one of the poorest sectors in the country. A financial problem is affecting these farmers who are surrounded by banks, middlemen, and loan sharks. Banks consider them 'unbankable', while loan sharks lend at enormous interest rates, e.g. 5-10% interest per day. This presents a huge gap in financing.

We created Crowde to help solve this problem by providing an alternative financing scheme for farmers. Crowde connects farmers with people (investors) who want to get involved in agricultural opportunities by providing working capital for the farmers. This solution gives farmers fast-disbursement capital with a better return scheme. Individual investors get a better profit rate than banks. In 3 simple steps, you can start investing with an amount as low as \$1. Crowde provides a platform where everyone in Indonesia can invest.

We want to revolutionize agriculture industry in Indonesia with the spirit of mutual-cooperation. We need the help of everyone to start investing in farmers through our agri-projects on Crowde.

We prefer 6-month projects over long-term agriculture projects because we see people in Indonesia focus more on short-term (less than 6 months). We also notice that millennials do not want to commit more than 2 years. Thee Shari'a market is also big in Indonesia with an average growth of 76% yoy, and this can also help our farmers.

We have touched more than 3,500 farmers throughout



Indonesia since January 2016, supported by more than 6,000 investors, with over US\$1 million disbursed. We have a good monthly growth in terms of farmers and investors, and a 78% retention rate from farmers as well as a good retention rate from our investors. When farmers use our platform, they have a 93% successful rate to get funded through our platform.

Here is a story that tells you how we make a difference: Gondrong and Yanuar wanted to plant chilies and approached Crowde to get more funding. Currently they made US\$50, but that wasn't enough to get them started on planting chilies. In 6 months we could enable 2-way communication between the farmers and investors. Today, Gondrong and Yanuar can increase their income from US\$50 to US\$150 per month.

By leveraging the production capacity, capturing new project opportunities, and increasing their personal income, Crowde can certainly improve the lives of farmers in Indonesia.

QUESTIONS FROM INVESTORS:

1 Mark Cheng: Are you making loans to these farmers or are you giving them grants? The people who give you money through the platform, do they pass that through as a grant to the farmers or are you expecting a payback from the farmers?

Yohanes: We give loans to farmers. Yes, we expect payback.

Mark Cheng: What is the track record so far?

Yohanes: The funding is in the form of an investment, so yes, the investors get payback. Out of the 350 projects that we have done so far, there are 5 projects that failed, that is less than 3%.

2 Mariko Asmara: There are other startups that are doing very similar work to Crowde. What is your uniqueness? And how do you collect your loans or what platform do you use to make sure that the number of your non-performing loans is very small?

Yohanes: What make us different from others is that we are the first social enterprise in the agriculture sector that covers not just planting, but also accommodates farmers in other opportunities, like trading and other agri-opportunities in remote rural areas. Secondly, we focus on connecting investors with farmers instead of operating by ourselves. Many of our competitors are out there to actually collect the money, pool the money, and then collect the farmers to execute the project. Crowde has a very different model because we believe that such business models (of our competitors) cannot scale and impact many farmers. We want help more individual farmers, and provide a platform where our investors can see the growth of their farmers.

We have many partners out there who collect the payments from us (not the farmers themselves). These partners are cooperatives, companies, and other SMEs to collect the crops from the farmers, and we also get the payment from partners. The farmers never get funding in the form of cash but in the form of working capital, as the cash is disbursed to partners (e.g. fertilizer or seeds companies)



for the farmers to receive these inputs. When harvest time comes, the partners (SMEs, cooperatives) will collect the crops, and we get the money from them. That's how we collect all the payments.

3 Dondi Hananto: How do you select the farmers? If I were a new farmer with no previous experience in farming, can I get funded through Crowde?

Yohanes: We have two types of screening: KYC (know your customer) process for the person and KYC for the project. Apart from KYC, we also use references and historical data, which we collect from the villages. For example, if you were planting chilies and in the previous years – what did you plant and did you make good returns, were you able to harvest well – we verify this data with the buyers in the villages. It is a lot of work in the beginning, but for the next step it gets easier for you to fundraise from Crowde. However, Crowde cannot fund you if you're a beginner or new farmer because the risk is too high.

Dondi Hananto: Do you do the screening and KYC yourself?

Yohanes: We do this through a network of our partners, e.g. cooperatives, pesticide companies, and other distribution channels for fertilizer, seeds, etc. to verify the KYC process.





David Christian Evoware

Humans are the only creatures on Earth who create unrecyclable waste, which is plastic. In Indonesia the air is very polluted, and the streets are polluted with plastic waste – waste that takes hundreds or even thousands of years to degrade. Plastic contaminates our air because the production of plastic produces carbon dioxide. If not disposed properly, plastic causes floods, and contaminates our rivers and fresh water sources. Recent studies show that 75% of the drinking water we have right now is already contaminated with plastic.

Even if plastic is disposed properly or recycled, we can only recycle it 3 times before it ends up in the landfill. When it ends up in the landfill, it will contaminate our soil. However, 90% of plastic waste ends up in the ocean. This is very scary as by 2050 we will have more plastic than fish in the ocean. Even 25% of fish sold in the market today is already contaminated by plastic.

We need to find a solution to educate people. Evoware does this through making biodegradable and edible cups. This allows us to educate people in a fun way – at a party, you can drink and eat your cup at the same time because it's healthy, or you can just throw it away because it's biodegradable. We know that it's hard to change peoples' behavior (e.g. using plastic food packaging), so we make edible bioplastics for food packaging or coffee sachets or soap wrapping, which dissolve in water.

Why is our bioplastic healthy, edible, and environmental-friendly? Because it is made from seaweed – a natural



Seaweed-Based Packaging

We collaborate with local seaweed farmers to provide best quality seaweed for our material that can give you many benefits. Our seaweed-based packaging's patent has been granted and we have received halal and safety guarantee certificate.

- It dissolves in warm water, making it a zero-waste product
- 100% biodegradable and works as a natural fertilizer for plants.
- It has 2 years of shelf life, even without preservatives
- Halal certified, safe to eat and produced in compliance with HACCP standards
- Nutritious, contains high fiber, vitamins and minerals
- Can be customized to give specific taste, color and brand logo
- Printable and heat sealable



Product Detail

EDIBLE GRADE

Food wrap (burger wrap, sandwiches, bread, etc) (21cm x 21cm)

Coffee sachet (6cm x 6cm)

Dryseasoning sachet (5cm x 4.5cm)

BIODEGRADABLE GRADE

Soap packaging (7cm x 7cm)

Soap packaging (12cm x 7.5cm)

Notes: The above packaging sizes are just illustrative. For other product applications, let us know your required sizes (length X width), color and brand logo. Please see pictures below for our recent collaborations.

PRICE

Please refer to attachment below



resource that we have in Indonesia, so we do not have to cut down trees. By planting seaweed, we help in reducing carbon in the atmosphere and maintain the ocean's ecosystem. Indonesia is also the largest seaweed producer in the world, but 80% of our seaweed is still exported to other countries, which is partly the reason why seaweed farmers are very poor because of the long distribution chain and oversupply of the seaweed. At Evoware, we directly procure from seaweed farmers and thereby help them.

QUESTIONS FROM INVESTORS:

1 Mariko Asmara: How much does it cost in comparison to plastic? How will you have to produce it, and what is the impact?

David Christian: Currently we are still in the semi-automatic production, so the price is higher compared to plastic. Our current customers are those who really care about the environment, e.g. handmade, organic soap producers. We are looking for investments that will help us get to the mass production stage, which will allow us to purchase seaweed in bulk, making the price of our edible ware competitive to plastic. We also need to make people understand that although plastic is cheap, the cost for plastic waste management is expensive.

2 Dondi Hananto: Evoware has a video that went viral on social media, and I keep seeing it on Twitter and Facebook. How can you turn this virality into actual sales to grow the business? Also, because the cost of your product is still high, you have a niche market. How do you plan to grow this niche market and bring the product into mainstream?

David Christian: Thank you! The viral video brought in many inquiries from all around the world. As we are still in the manual stage of production, we are currently selling samples, so everyone can test the packaging on their products. Several big companies have also expressed their willingness to use our products, and they already know the mass production price. We have given them a comparison between the current price and mass production price if we manage to engage in a contract with that company.

3 Mark Cheng: Can you share how you plan to acquire more customers for your product? What's your strategy for reaching as many people as possible?

David Christian: For the Ello Jello cups from Evoware, we are focusing to market them through events, e.g. birthday parties, because in parties, people want to have fun and share a new experience. We are also creating a system for everyone to be able to make their own cups in their own homes, which will make the price very cheap. So, we will

sell the powders and molding machines, and everyone can make their own cups. Currently, the packaging companies and restaurants that are already collaborating with us can make their own cups in their own restaurants, so the price becomes very reasonable.

4 Euleen Goh: This question from the audience is interesting. If the packaging is edible by humans, can it also be eaten by insects and pests? If yes, then doesn't it defeat the purpose of packaging in protecting food?

David Christian: Yes, our packaging is edible for animals as it is for humans. We have two types of packaging: biodegradable packaging and edible packaging. The edible packaging is usually used for the packaging of sachets inside a particular product, e.g. instant noodle seasoning sachets, coffee sachets, etc. Whereas the biodegradable packaging can be used for the outer packaging of a product. The biodegradable packaging is not edible, but it does dissolve in water. In the future, we hope to develop waterproof biodegradable packaging using technology that is already available.





Maral Dipodiputro Temu

Countries and international organisations measure whether someone is poor or wealthy based on how much he/she earns. The most logical way to solve poverty is by giving people better access to job opportunities. Temu is a low-skill job marketplace in Indonesia.

Urban slums are a common sight in many developing countries. Jobs, in urban slums is a common need. If everyone has better access to jobs, they would also have a constant source of income. There is a demand for 7.5 million new low-skill jobs every year. Jobs that should be met by those living in urban slums. We went to slums and spoke to the Government, companies, and jobseekers, and found that companies struggle and suffer opportunity loss due to their incapability to find workers. As they struggle to find workers, they also struggle to retain workers. On the other side, workers and jobseekers, including those living in urban slums, face the difficulty of not knowing where to look for a job, not knowing whether they have a skill that can connect them to a job, and should they do get a job, the workplace is usually very far from where they live, thus burdening their transportation costs. The problem arises due to a communication and information gap between job providers and jobseekers of this low-skill job market.

We established Temu as a low-skill job marketplace and we provide our services on web and mobile-based application. The idea is to find people living in urban slums, find the right skills that they have, and connect them to the best job opportunities. This way we simplify the recruitment process, facilitate the ability of human resources, create a reliable employment

database, and at the same time allow location-based recruitment. Hence, we are creating a solution for the recruitment process, at the same time allowing workers or people living in urban slums to have better access to jobs, providing them 5x higher income.

Temu works in the simplest way. If you are a company, you can go to our website, register yourself, get a dashboard, and open a job advertisement, which will allow you to immediately receive job applications from the workers. If you're a worker, you can download Temu on your Android phone or access us through our agents we call 'Rekan Temu' ('Partner of Temu') who are usually people living within the same community. After you register, you are assisted with a process of creating a curriculum vitae (CV) in accordance with standards prescribed by the companies. From then on, you can quickly apply to jobs. With just one click your CV will be accepted by the company.

Our revenue comes from companies who are in urgent need of workers. Temu provides recruitment services for these job providers. At the same time, we also get profit from marketing and data harnessing. 90% of the total workforce in Indonesia are low-skill workers – that's 120 million people with almost 60 million people of urban, low-skill jobs seekers, annually. Technically the value of the market is almost US\$3 billion. However, most of the big players are focusing on the high-skill market and not the low-skill market. We at Temu have been on this journey for nearly 2 years, with 1 year spent on research & development. We launched the application 4 months ago, and with zero marketing, we managed to get more than 18,000 downloads (milestone and traction), and more than 700 job ads in our system. We are in 250 cities in Indonesia, and have managed to increase up the income of successful jobseekers on our system to 5x.

Currently, we are opening an investment opportunity for 1 year. With this amount, we will be able to tap into more job providers and create machine learning to help more people. Join us to help fight poverty!

QUESTIONS FROM INVESTORS:

1 Dondi Hananto: What are the biggest difficulties from the employers' side? Is it just accessing the pool of talent or are there other challenges?

Maral Dipodiputro: From the employers' side, currently they rely using word of mouth or by posting a billboard in front of the gate expecting people in the area to apply, and sometimes employers also hire through referrals from their employees. We have also found that tengkulak (middlemen) perpetuate the low-skill job market in Indonesia. These middlemen often ask for a lumpsum at the beginning of someone's work with a company claiming they helped channel the job. Many companies don't know this.

However, we believe that the problem boils down to information gap – what companies want doesn't reach the jobseekers, and jobseekers do not know how to look for these opportunities.

2 Mark Cheng: Can you describe what kind of jobs we're talking about? Are these temporary jobs or longer-term jobs too?

Maral Dipodiputro: We measure the type of job based on the education level. For example, in Indonesia we have vocational high schools (SMK), and if the company's requirement allows for SMK qualification or lower, then they qualify for jobs such as a receptionist, cashier, driver of a logistics company, waitress and so on.

Mark Cheng: How will you get people to use the platform? Are you going to market or advertise?

Maral Dipodiputro: Currently, we have 18,000 downloads and that's an organic number. In our opinion, the quality of application speaks for itself, but also word-of-mouth helps really fast in these communities. Currently, as we are still seeking funding, we work with the communities that have helped us during the process, and we also empower our agents 'Rekan Temu' to spread the word out to their circles.

3 Mariko Asmara: Who is going to become permanent employers or customers? In Indonesia, many people still prefer to hire an in-house HR person for relatively low wage (IDR 2-3 million) rather than outsource the work. What makes Temu different, so that these companies will use you rather than hire an in-house HR person?

Maral Dipodiputro: The market is large – 90% of the total workforce in Indonesia are low-skill workers. We are targeting companies that have not been introduced to outsourcing systems and companies with HR department that has high turnover rates. We approach companies by introducing ourselves as an investment. We present them a calculation of the time spent dealing with low-skill employment and recruitment issues, and then proceed to present our solution, substantiating that they are saving the time of their HR personnel and can maximize their productivity.





Dini Hajarrahmah
Wanderlust Indonesia

Wanderlust creates an authentic and responsible traveling experience by connecting travelers with local people in Indonesia's tourism destinations.

How many of you have been to Bali? Komodo Island? Mount Bromo?

When we think about Indonesia and think about the mainstream destinations, those are a few among the top destinations people visit in Indonesia. Although through these tourism destinations Indonesia generates much revenue, how many percent of the money goes to the local people? For example, many of the visitors that go to Labuan Bojo and Komodo Island travel with a cruise ship, and 80% of them never visit the local people. The same case with Bali where many of the tour operators come from outside of Bali, and locals don't get to be the anchors at the destination sites.

If you think about the environmental degradation: plastic waste and garbage is tourism's number 1 problem in Indonesia. The low education level of local people in tourist destination sites is also a very crucial problem. When you go to these destinations, visit the nearby villages and you will find very poor people with very low education levels.

Tourism is the TOP priority in national agenda since the announcement of Nawa Cita. With oil & gas declining, tourism is believed to be one of the top contributors to foreign exchange and revenue for Indonesia in the

future. Therefore, despite tourism being a priority sector for the government, their idea of tourism is still mainstream tourism.

We see big potential for Indonesia. We have many visitors coming in to our country, but how ready are our people to accept them? The Thousand Islands in Jakarta were once a famous tourist destination, but now tourists have started to walk away because there are too many people there and we do not have the capacity to support this.

The same case is happening in Bali – visitors are starting to move to other destinations. Therefore, Wanderlust is here. We were established in 2014, and we are trying to innovate by applying the sustainable tourism concept in our programs. With Wanderlust, 60% revenue goes to the local people by hiring them as local guides, homestay hosts, food caterers, etc. This way the supply chain stays with the locals. We try and apply this concept in every destination that we build. We also donate 10% of profits for our community development fund that we have for our 10 destinations, which differs depending on the local needs. For example, at Ujungkulon National Park we built a vocational school to train local students to create conservation programs while furthering their education levels. Wanderlust also increases opportunities for local students to continue their higher education by 20%, and reduce environmental degradation by creating conservation programs. Our travelers get a kit to bring along consisting of a reusable bag and tumbler to reduce plastic waste. We also standardize our tour guides as eco-travel guides strictly follow our do's and don'ts.

We don't cater to personal trips, also help design company trips, team outings and CSR programs. We also have universities join us and learn about our program. Currently, we are raising US\$100,000 to leverage our business and become a market leader in sustainable tourism in Indonesia.

QUESTIONS FROM INVESTORS:

1 Mark Cheng: I like the environmental impact that you are creating, but I am wondering how you will let your customers know about your impact? Are you creating a big website? How will you market yourself to overseas tourists who will be your big users?

Dini: When customers join our trips, they will be subscribed to a mailing list; we send updates to our customers through emails. We communicate about the impact in our destinations over time, and update the customers so that they know of the progress being made with their help. Many customers come back to us, bring their communities and CSR programs to further help us with the community work in those destinations.

Dini: When customers join our trips, they will be subscribed to a mailing list; we send updates to our customers through emails. We communicate about the impact in our destinations over time, and update the customers so that they know of the progress being made with their help. Many customers come back to us, bring their communities and CSR programs to further help us with the community work in those destinations.

2 Mariko Asmara: Do your tourists stay in local-civilian places? Where will they stay?

Dini: We have homestay hosts that are standardized for international travel, e.g. food, sanitation, toilets, and accommodation. We also screen and train the homestay hosts, so that they will be able to host our travelers.

Mariko Asmara: What about the security and safety of the travelers?

Dini: We partner with local champions and guides to address the issue of security and safety in our homestay houses. So far, we have had no problems with this because we already screened our homestay partners at every step, and security concerns are addressed from the beginning.

3 Dondi Hananto: Tourism is a big market, yet competition is high. How will you maintain this



competitive edge if the 'big bears' come in, e.g. Airbnb used to only sell rooms, now they also sell experience and tours. What if these giants (and local giants like Traveloka) decide to provide similar services with Wanderlust in your destinations?

Dini: We are aware of this potential competition, so currently we are building our platform and online marketplace to compete with them in terms of online presence. We are also working to improve our quality and number of destinations.

Dondi Hananto: Who are the majority of your customers? Who are your early adopters?

Dini: The majority of our customers are foreigners coming from Southeast Asia and the U.S. Most of them are also group travelers, e.g. groups from schools, universities, etc.

4 Euleen Goh: TWhat's your bigger challenge? Is it finding homes to bring people to or finding visitors to visit these places?

Dini: After 3 years of operation, our biggest challenge is equipping local readiness, not from the visitors' side. We receive a lot of inquiries and demand from visitors, but to educate the locals and make them ready for the visit is a challenge for us. Therefore we standardize our trips, and open only a few qualified destinations that are ready to launch.



OTHER QUESTIONS FROM INVESTORS AND AUDIENCE

We have only produced the questions asked below and not the responses given, as they contain competitive and sensitive business data of the participating social enterprises.

We hope the questions will give you a sense of what stakeholders look for and should be able to guide you on your pitch with potential investors.

1. **Mark Cheng:** How much money/investment you are looking for? And what will you do with that money?
2. **Dondi Hananto:** If you can have a position to recruit that you really need right now, what key position would that be?
3. **Mariko Asmara:** Besides cash and position, what else do you need?
4. **Euleen Goh:** In each of your businesses, there are possibilities for collaboration. Have you thought about this? And would you be looking for introductions to help you extend your reach?
5. **Audience question:** How can you prevent jobseekers from contacting potential employers directly?
6. **Audience question:** On profitability, are you profitable at this stage? If you are not, how long do you think it will take before you become profitable?
7. **Mariko Asmara:** I advise you to focus with cashflow and with generating revenue that will make your company profit as soon as possible. Profitable companies are sexier (for investors). Whether you're an SE or other kind of startup, if you're not making profit, it means that you're not a good entrepreneur. So, make more faster and focus on your cashflow.
8. **Mark Cheng:** To what extent have you already planned to see or access overseas clients and how does your business model adapt to reach them?
9. **Euleen Goh:** How do each of you see yourself building your brand and protecting that brand?



FEEDBACK FROM INVESTOR PANEL

Wanderlust:

Mark Cheng: I think you've done an impressive job to get to where you are in such a short time, particularly if you say that you're already economically at break even or very close to it. Also, the fact that you haven't had a great deal of time to do external marketing for this, means your product and the experience that it brings must be really, really good. In terms of capital you need, you are one of the lower ones in this group. It seems to me that one of the biggest needs that could help your model to accelerate would be to offer your services to as many people as possible through big international platforms, e.g. TripAdvisor, who could share this experience. One of the offers that I have is to connect you with my contacts in the tourism space to explore how to get a very niche model like Wanderlust to scale and help articulate what is attractive for corporate investors to get onboard.

Mariko Asmara: When people talk about eco-tourism, there's this image that only adventurers can join and explore. It would be good if you could use the technology to make it easier for eco-tourists, e.g. mobile toilets, sleeping bags. Lower the barrier for the traveler, make it easier for them, so that more people will try and explore as they travel with you (and experience ecotourism).

Dondi Hananto: We normally invest in Series A and perhaps later stages. We do have funding for earlier stage ventures run by female entrepreneurs. Overall, from an investment point of view, my biggest question concerns scalability. If you're looking for equity investment, one of the things equity investors look for is scalability because we will be looking for exits. I understand that it will be quite tough for you to scale-up, so other models, other forms of investment would be interesting for you to look at; focus on equity investment.

Temu:

Dondi Hananto: From an investor's point of view, I think you need to find out more about the behavior of companies that recruit because that's where your money comes from. I understand that currently you are building the jobseeker's side because your platform/marketplace

works on a demand and supply mechanism, but you need to understand how recruiters work, what kinds of positions they need, what is easier for them, what they are willing to pay, etc. – those are some of the questions that I would ask if I were to do a due diligence.

Mariko Asmara: To scale up much easier, I would suggest you focus on 1 or 2 industries so that you could cover more locations and more people, rather than you do everything but only have a small number of people.

Mark Cheng: My concern is that the barriers to entry is very low for what you are doing, so competitors can come in very easily. I suspect that there are a couple of ways you could increase those barriers and give yourself an advantage, e.g. can you provide some sort of an accreditation for people who have been to the platform and performed well can be recognized by giving them points, etc. This will improve the attractiveness of your platform. Another possibility would be to focus on certain large-scale employers and create a special relationship with them, so you would have a more specific job offer for the people.

Evoware:

Dondi Hananto: I am a sales guy, so I keep thinking about how you can sell your product. I like B2B businesses because those customers don't easily switch like retail customers. The sales cycle can hurt you because they can take as long as 2 years from first meeting the customer until you get a purchase order. Hence, it is important for you to understand who are the decision makers in the company, what hurdles you must go through to engage with that company, e.g. R&D, procurement, etc. in order to create a strong sales pipeline.

Mariko Asmara: I agree with Dondi, I also feel that your business model is quite tough to monetize. You should have a very good strategy in how you're planning to market your product. Work on that strategy to sustain your competitiveness.

Mark Cheng: I think you have a wonderful idea and





a really great product, and it is meeting a very urgent need to replace plastic. To really get to scale quickly, you must focus very quickly on a major buyer (a major ethical customer) who can be an anchor customer to give you that first boost of sales. If you have that, it will unlock many more major possibilities. What I can offer is in the Ashoka network, we have many entrepreneurs working on this ethical product space. We could certainly do a search and see if there are similar SEs or similar products in the supply chain that could either be a partner or be relevant for you.

Crowde:

Mariko Asmara: I need more clarification on how you can upscale your business model because many startups who work in agri-business cannot sustain for long. If you work out your business strategy in greater detail, you can find a way to upscale your business. I can help you with more details. Currently, I am investing in an IOT agri-business from India, so this might be something we can work on together.

Dondi Hananto: From a VC point of view, fintech is one of the most attractive sectors for investment. Combine it with agriculture and the sector becomes even more attractive. Looking at your numbers, it seems like you have pretty good traction. If you are really interested in getting a US\$500,000 investment, I can share some fundraising strategies and who you can target.

Mark Cheng: Crowdfunding is a very difficult platform to raise investment for because you must differentiate yourself from the rest of the pack. What I found very interesting is in your model is how the funding isn't going directly to the farmers, but to partners/suppliers who convert it into inputs for farmers. That is interesting because it is clearly a differentiating factor. There is something unique in there and potentially adding a lot of value. I would emphasize that more in your business model because it is a unique selling point that would interest investors. The relationships you have with those suppliers and the value that you can bring more than just money is what sets you apart from others who are in this field.

CLOSING REMARKS

Ms Leona Tan
Head, DBS Foundation

I want to take this opportunity to thank all of you for choosing to be here with us today. It was a an amazing day, and I personally feel very inspired by all the conversations that took place.

DBS Foundation was founded 4 years ago with a vision to shape a better and more inclusive Asia. We wanted to invest in social impact enterprises that would do exactly that because we believe and we appreciate that need for help, given that our roots as Development Bank of Singapore was for developing Singapore.

We are indeed in exciting times. Over the course of the summit, we have had very interesting conversations on how we are all trying to systemically change in a world that is so fast-paced and so full of disruption.

How do we identify what the real problems are?

How do we continue and stay relevant as times change?

Do we pivot from our mission when we see the changes coming?

Are we truly making a change that is needed for the future?

How are we measuring our impact? And is it even important to do that in the first place?

There were so many other wonderful nuggets of wisdom and advice shared today. What resonated with me were the themes that started to come out of these sessions: "Embrace the unknown"; "be part of a network and lean on them"; "Tell your story"; "Be authentic"; "Collaborate". We hope that what you heard today has given you pause on the next step in your change-making journey; on seeing





new opportunities for innovation; and on establishing new networks and collaborations. I think that you leave feeling inspired and knowing that each of you is part of a tribe called 'changemakers'.

I sit at my desk in Marina Bay Financial Center in Singapore with banks all around me and you would think innovation is all around me. But from all of you today, I learn that innovation requires an agility and attitude that can tolerate risks, and a mindset that embraces learning from failures. I am reminded about being purpose-driven, and the importance of articulating the social mission and staying true to that, no matter what. I am reminded about adapting the 'can-do' attitude always, about the importance of unadulterated grit, being visionary and having courage, and about being innovative in every possible way.

When we started planning for this summit, I thought to myself 'what permission do we have to be putting this together for you?'. Thank you for the privilege of hosting you and allowing us to be a part of your ecosystem. You guys do all the heavy-lifting; you are the true heroes of tomorrow – the ones who will make the impact and the vision of a truly inclusive Asia, a reality.

Isaac Newton once said this and it resonates with me very strongly: "If I have seen further than others, it is by standing upon the shoulders of giants."

Thank you for being our society's giants.

The ability to gain new knowledge is more valuable than knowledge itself.

Where do I start? Does not matter as long as I Start!

When you equip yourself with the love for humanity, complaints are like music.

To work the ecosystem, we need to find a way to work with ideas, not ideals.

The only revolution we need is internet connection – it's the greatest leveler.

– KUNTORO MANGKUSUBROTO

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As a social entrepreneur, we need to focus on both the customer and the beneficiary.

We have to move all our stakeholders towards innovation.

– MUHAMMAD ALFATIH TIMUR, KITABISA

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It is important to be honest to your data... innovation means delivering value to customers, not necessarily adding features.

We are in a race to create a better world.

– LEONARDO KOESMANTO, DBS INDONESIA

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Always keep your true north, while balancing social impact and financial returns.

Don't be afraid to lean on people, lean on your team and on the entrepreneurs around you.

– JANINE TEO, SOLVEEDUCATION!

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You need to know who your paying customer is, and it cannot be a donor.

There are three routes for an entrepreneur to raise capital- debt, equity or grants/charity.

The state of your cash flows determines the kind of capital you should be raising.

Track record does not necessarily mean a track record of your business, it could be selling your personal track record.

The sweet spot for an investor is to be profitable within 5 years and repay within 7 years.

The more people come together to solve the problem, the faster the problem will be solved.

The most successful social entrepreneur builds the social mission as the core of the enterprise's DNA.

Having a social mission for your business can turn a "weakness" into a massive strength while pitching.

While pitching, an SE should pick not more than 3-5 things to emphasize.

On pitching to an investor... get the order wrong and you've lost the audience.

If you must choose between building the customer base or raising funds, choose the customer every single time.

Think of investing as recruiting a business partner.

A business can subsidize a charity, a charity can NEVER subsidise a business.

– MARK CHENG, ASHOKA

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When you realise that you are a social enterprise and that there's a network of social enterprises that you can be part of, doors do open.

Partnerships require mutual investment, both in time commitment and effort.

You need to be picky about who becomes your partner. You must be willing to be strengthened by your partner. That's how to get a win-win relationship.

– LIESELOTTE HEEDERIK, NAZAVA

It's the age of speed dating. We decide if we like a piece of content in split seconds.

In just 1.6 seconds you can deliver your key message.

Keep telling your stories. You never know which story will catch your everyone's attention.

Today is the age of content, context and relevance.

– ANTONNY LIEM, MCM & MPI

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Millennials are a fast generation not an instant generation.

A good social entrepreneur always starts a good company.

Authenticity will bring you to the something greater, people will not stop talking about you.

– YORIS SEBASTIAN, OMG CONSULTING

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As a large company, our actions are heavily and publicly scrutinised. That's why our criteria for partnerships is important.

Patience goes both ways. We also need patience when you're working with us.

When building a partnership, start with the problem you are trying to solve or the gap you are trying to address in your business first. Then look for your partner. Don't start with the partner.

– FIDA RENATA HEYDER, GOOGLE

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Don't be shy, don't be afraid of reaching out to anyone from a corporate like Microsoft. Even if the person cannot help you, he or she can direct you to the right people.

The most difficult partnership is when the partner doesn't know what they need. It would save us a lot of time if you come to us with a bucket of identified needs. At least we can tell you if we can't help you.

Use technology to enable something! That's what's we're interested in. It is not always about how advanced the technology is.

If you still need our support after one year, you probably would have failed already. Social enterprises need to stand up and stand on their own.

Find a mentor in specific area who will help you and be good for you.

– IRVING HUTAGALUNG, MICROSOFT

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Get your first investor who can also get you some business!

Ask yourself if you have a replicable business first before going for any financing.

One of the biggest myths about attracting investments is that you must be 100% sure about your product and not pivot. Most start-ups will adjust their models. investors like that you are real and not afraid of failures.

– NEIL D'SOUZA, ZAYA

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SEs often can't compete on price, so they must rely on their story.

– ADI REZA NUGROHO, MYCOTECH

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If you are a community-based social entrepreneur and your goal is not to scale then you do not need external investments.

As entrepreneurs, sometimes you tend to lie to yourself about how big your market is or about your market-product fit. The best way to avoid that is to be very honest and talk to your customers.

– IRVAN KOLONAS, VASHAM

