

TEST, SCALE AND SHARE



HOW TRANSFORM SEEKS
OUT INNOVATORS WITH
BIG AMBITIONS AND
REPLICABLE SOLUTIONS



WHAT'S IN THIS REPORT

01

TRANSFORM is a joint initiative between Unilever, the Foreign, Commonwealth & Development Office (FCDO) and EY designed to support enterprises in low-income and lower-middle income countries. Our ultimate ambition is not just for those impact enterprises to succeed, but also to provide evidence and encouragement for future enterprises in and beyond our main sphere of activity, in Sub-Saharan Africa and South Asia.

02

TRANSFORM maps its activity using a four-stage development process: Blueprint - Validate - Prepare - Scale. We engage with entrepreneurs who want to grow exponentially, and work with them to validate their ideas, test their processes and establish a customer base.

03

We're in the business of producing robust evidence, that can be taken up and shared elsewhere - even if that means business models fail along the way. As a result, the businesses we work with need to have a clear 'endgame' from the beginning, and central to this is making sure the CEO has a vision for how to reach their goals.

04

We talk about our 'patient capital' approach - flexible grant funding that helps impact enterprises through the most perilous stage in their journey. TRANSFORM also offers a higher level of business support and personal contact. As multinational organisations, our founding partners can open doors which are usually closed to start-ups.

05

Talent and recruitment can be as big a challenge as capital. TRANSFORM provides enterprises with project management and business experience via our project leads, and we're exploring how we can offer the services of senior executives (including secondments and recent retirees) whose experience is both invaluable and - in the usual run of things - unaffordable for new ventures.

06

We also examine what the founding partners offer. With Unilever, it's a broad and deep international network with a long history of opening new markets to consumer goods. The company's founding principle that commerce, welfare and health can happily and profitably co-exist fits with our enterprises' own ambitions.

07

The role of EY is to help test and fine-tune the business model, develop robust financial projections and define the roadmap to commercial viability. Helping to improve impact enterprises' resilience, productivity and capacity to scale sustainably is a cornerstone of the EY ambition to positively impact one billion lives by 2030.

08

The FCDO provides extensive global development expertise alongside flexible grant funding. This funding gives the enterprises the opportunity to test and iterate innovative business models while producing learnings for the FCDO to redeploy elsewhere and open-source as global public goods.

09

But this is not a one-way street. The impact enterprises' greater nimbleness and eagerness to embrace innovation has lessons for our founding partners too.

10

We end with five practical lessons which, taken individually or as a group, we hope will benefit both impact enterprises and partners in other programmes like TRANSFORM. Success for us is not just seeing our game-changers succeed but offering an evidence-based model and learnings that other programmes can adopt, adapt and improve upon.

INTRODUCTION: THE TRANSFORM PATHWAY

TRANSFORM works with impact enterprises at the time of maximum risk in the life of a new venture. We refer to this as the validation phase of their business journey.

In 2012, Harvey Koh, Ashish Karamchandani and Robert Katz devised the Acumen Scale to Blueprint model as part of their FSG report

The Case for Philanthropy in Impact Investing. It's a blueprint we use in TRANSFORM, albeit one tailored to each project and market. The graphic below offers a broad illustration of the funnel most ventures go through from blueprint to the scale they, and we, are seeking.

Sustainable inclusive business models that focus on low income markets



BLUEPRINT

AIM: Agree the blueprint for the business

OUTCOME: understand customer needs, develop the initial customer proposition, produce a business plan, design core technology and/or product prototypes



VALIDATE

AIM: Test and refine the business model

OUTCOME: conduct market trials, test business model assumptions, refine the business model, technologies and/or product



PREPARE

AIM: Meet the requirements to achieve scale and critical mass

OUTCOME: stimulate customer awareness and demand through marketing, develop (upstream and downstream) supply chains, build organisational capability to scale (systems, talent etc)



SCALE

AIM: Roll out the model to reach large numbers of customers and/or suppliers move into new geographies and segments

OUTCOME: invest in assets and talent, enhance systems and processes, exploit scale efficiencies, respond to competitors

Mass uptake of the business model through:

01 Enterprise expansion (e.g., IPO)

02 Corporate adoption

03 Government adoption

04 Replication or open sourcing

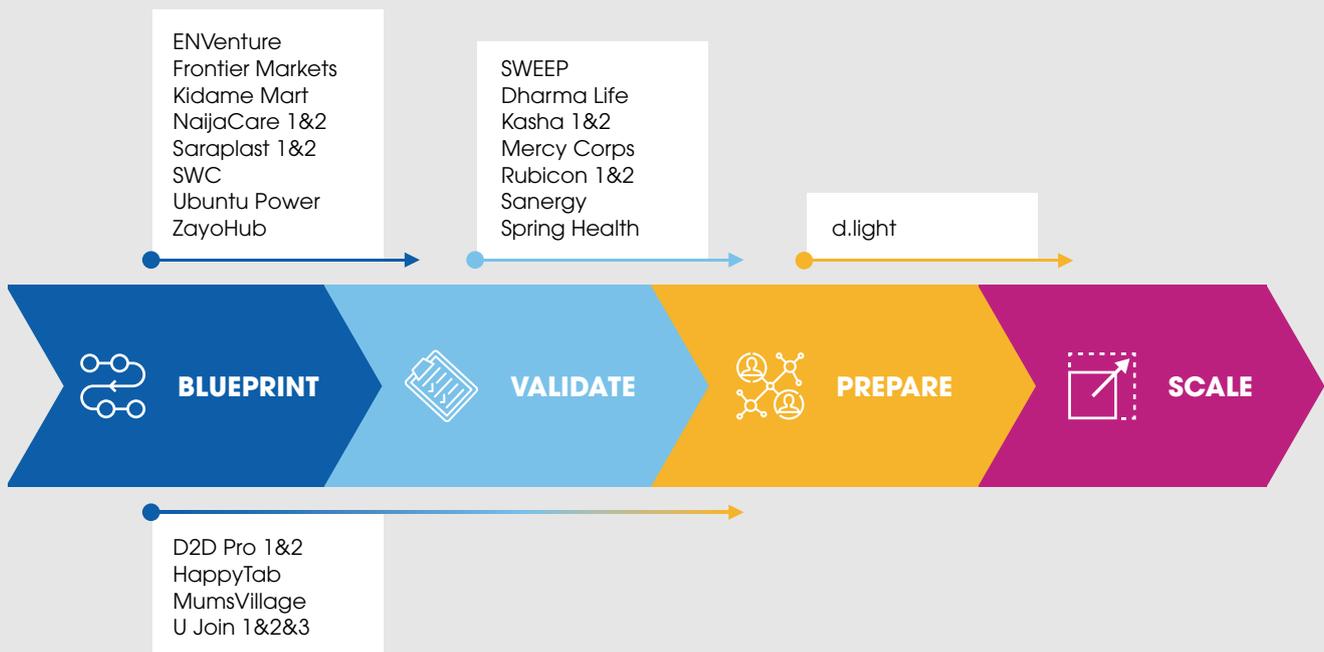
In this report, we detail how we choose “blueprint” ready enterprises, the characteristics they have and why scalability – the ability and the ambition to grow and become a category leader or a genuine game-changer – is hard-wired into the process.

Scale for TRANSFORM is twofold. First, we want to help the enterprises we work with succeed and get them into shape so they’re ready to receive their next round of funding. Our role is to provide them with early-stage funding and business support, so they can test and validate their business models. It’s this proof of success that gives

them access to new investment channels and business growth opportunities to help them launch into new markets and expand their product reach.

Second, we want to gather evidence and learnings for dissemination to help businesses outside the TRANSFORM programme grow. We capture and share the challenges, learnings and successes from every enterprise we work with, so likeminded businesses don’t make the same mistakes. Not all the projects we’ve worked on have succeeded, but by making our findings public we’re able to help all impact enterprises scale at pace.

TRANSFORM’S IMPACT ENTERPRISE PORTFOLIO PROGRESS



Source: ZayoHub

THE VALLEY OF DEATH - THE TIME OF MAXIMUM RISK

The validate phase is fraught with challenges for all impact enterprises. There are lots of assumptions about a product or service that need testing to determine its commercial viability. To do this, TRANSFORM provides flexible capital and active business support to help enterprises test, fail and pivot.

Some high-potential enterprises don't make it through. Sometimes the product or service just isn't commercially viable. Sometimes the money simply runs out. Entrepreneurs call this time of maximum risk 'The Valley of Death', but it's also a period that can deliver the largest gains. TRANSFORM's impact enterprises are solving particularly complex development challenges. They're not only creating new products or services - in many cases, they're creating entirely new markets and trying to change people's behaviour. They naturally have many more assumptions to test. It can take many years to build new markets, let alone test them.

NEXT: Enterprises need a lot of capital to navigate this phase of their journey; and capital is a finite resource. But what kind of capital?



Source: ZayoHub

At TRANSFORM, we like the term 'patient capital', the kind provided with no expectation of immediate return. It's also 'deep capital', where highly tailored, intensive financial – and human – support is provided over the long term. We'd argue that one of the things that makes our programme different is that we lay as much stress on the bespoke support that continues throughout the enterprise's journey as the injection of funds that begins it.

Investing in an early-stage enterprise is a big risk for investors or donors to take – many are too risk-averse or are simply unable to provide the financial and human resources needed to support businesses through this turbulent, but critical, phase of their development.

It's tempting to see these challenges as part of the usual Darwinian battle for survival in a tough world. Entrepreneurs love flagging up their fail-to-win ratio as a signal of their persistence – and the brutal facts of life as a start-up.

But TRANSFORM knows that failure in our world has more serious consequences. Extreme poverty is rising again as a result of the COVID-19 pandemic – **the World Bank** estimated that COVID-19 will increase the total number of people living in extreme poverty to as many as 150 million by 2021. Plus, climate change threatens to deepen inequality still further as vulnerable communities are hit first and worst by its effects. The scale, nature and urgency of the development challenges means regular failure isn't something we can comfortably afford.

Historically the assumption has been that it's the role of government to catalyse investment in new markets and absorb risk for the long-term public good. But with revenues bigger than some countries and supply chains that wrap around the globe, multinational corporations have both the ability to meet – and a vested interest in meeting – development challenges. A social challenge met is a new market launched. Investment upfront can reduce risk down the line.

“

FAILING IS NOT EQUIVALENT TO FAILURE IN OUR BOOK. AT TRANSFORM WE PROVIDE THE ENTERPRISES WITH A SAFE SPACE TO TEST AND REFINE THEIR BUSINESS MODELS AND ASSUMPTIONS. WE WELCOME FAILURE BECAUSE IT NARROWS THE PATH TO SUCCESS. SOME FAIL FAST AND OTHER TAKE LONGER TO UNPICK, BUT MORE OFTEN THAN NOT WE'RE ABLE TO COMBINE THE EXPERTISE OF TRANSFORM WITH THE AMBITION AND LOCAL KNOWLEDGE OF THE ENTERPRISES TO CREATE SOLUTIONS THAT MATTER AND GROW.”

JESSIE COATES, EY GLOBAL IMPACT ENTREPRENEURSHIP LEADER



Source: Sara Plast

ESTABLISH THE MARKET TO DELIVER A SCALABLE PLAN

THE VALIDATE PHASE IS WHERE ENTREPRENEURS TEST, FAIL, ITERATE AND REFINE THEIR BUSINESS MODEL.

In search of validation, the business needs to work out if customers are willing to pay for a product or service and – most importantly – whether they're willing to pay the right price for it. It's a hard and, unfortunately, common truth that when customers are neither willing nor able to pay it's not always because they don't need or want what you offer – but because the market just isn't established.

This is the reality for TRANSFORM entrepreneurs and most impact enterprises that pioneer business models, or scale up existing ones, to tackle development challenges.

Take **Drinkwell**, a TRANSFORM-funded impact enterprise which provides clean water to low-income communities across India and Bangladesh through a network of Water ATMs. When Drinkwell was founded in 2013, it sought to take advantage of the enormous market opportunity for providing clean, affordable drinking water to communities who live 'beyond the pipe'.

However, many customers weren't able to pay for clean drinking water – not because they didn't need or want it, but because the local and national infrastructure required (filtration systems, technology, maintenance, etc) either didn't exist or was prohibitively expensive.

Drinkwell invested in pioneering technology, a first of its kind water ATM, in Bangladesh that not only delivered drinkable water but could be used multiple times with minimal wastage. Water from informal vendors cost 1.0

Bangladeshi Taka per litre (£0.0086). And in conventional reverse osmosis treatment systems, between 30% and 50% of the water is wasted, because the quality of the 'usable' liquid cannot be certified and supply is erratic. By contrast, only 1% of Drinkwell water is wasted, it meets WHO standards, the supply is constant between 6am and 10pm and costs 0.40 per Bangladeshi Taka per litre (£0.00035)¹.



Source: Drinkwell

¹ FX rate Sept 2021

Drinkwell solved their technological challenge, but scaling to reach, serve and convince customers remained an issue. That is where working with TRANSFORM helped. EY professionals encouraged Minhaj Chowdhury, CEO of Drinkwell, to shift his mindset from thinking like an impact enterprise to that of an investor, which means thinking about scale in terms of money in order to efficiently reach as many people as possible.

“

MY AMBITIONS WERE MUCH SMALLER, MY IDEA OF SCALE IS NOT WHAT IT IS TODAY. MY ORIGINAL PRIORITY WAS THINKING ABOUT HOW MANY PLACES OR LOCATIONS I COULD BE IN TO REACH 100 MILLION PEOPLE, BUT TRANSFORM HELPED ME THINK ABOUT HOW I CAN REACH 100 MILLION PEOPLE WHILE ALSO BUILDING A \$100 MILLION BUSINESS.”

MINHAJ CHOWDHURY
CEO OF DRINKWELL



That much more stretching target, and business-centric mindset, has enabled Drinkwell to attract larger investors and open discussions with government infrastructure bodies – making a small operation few have heard about into a viable partner for government and multinational corporations.

It became clear to Minhaj that utilising the Unilever and EY business support, name and network was the fastest way to take his clean water from a handful of street corner locations into millions of households. The results are clear. In 2018 the World Bank connected Drinkwell with its client.

Chattogram WASA – the water utility of the second largest city in Bangladesh. The World Bank emerged as a channel partner capable of connecting Drinkwell with client utilities where low-income communities who live beyond the pipe are in need of Drinkwell’s Water ATMs. Drinkwell co-branded the Water ATMs in Chattogram with Unilever Pureit, providing immediate credibility to local stakeholders and access to infrastructure Drinkwell needs to become a household name – and presence.



TEST THE END-GAME AND REALISM OF AN ENTERPRISE'S AMBITION

Our deals are made with people, not ideas and blueprints. So first, we look for a commercially savvy CEO and leadership team. They need to be personally committed to their cause over the long term and have a deep understanding of the challenges facing their local community.

We ask the impact enterprise CEOs we work with: what is your ultimate long-term ambition for the business? What's the end-game?

Every answer is different. There is no one-size-fits-all approach. The enterprises we support don't just grow for growth's sake. Like success, scale is not a number. Enterprises should have a good idea how to get there - but be prepared to have that strategy questioned and challenged. That's where TRANSFORM, especially through the strategic input of EY professionals, can help.

TRANSFORM ENTERPRISES ARE TYPICALLY DRIVING TOWARDS ONE OR MORE OF FOUR DIFFERENT ENDGAMES:

01

Business expansion: The business scales its model across new geographies and segments to become a market leader. The business may ultimately consider an Initial Public Offering.

02

Replication: The business empowers other organisations to adopt and integrate its model on a licensed or open-source basis, so extending the reach of its ideas and technology.

03

Corporate adoption: The business scales through adoption, acquisition by or integration into an existing large-scale private sector organisation.

04

Government adoption: The business scales through adoption and integration into large-scale public sector policies and programmes.



Source: Kasha

For example, for Minhaj at Drinkwell his scale vision is for the international public sector to adopt his business model.

Although he was born and educated in the USA, Minhaj retained close links to Bangladesh. Every year, he visited his grandparents in Dhaka. He knew first-hand that limited access to clean water in Dhaka, one of the most crowded cities in the world, was causing thousands of premature deaths every year. He also knew that home filtration systems were either too expensive for most people or wasteful which led to the creation of the water ATMs.

Our entrepreneurs need to show us a commercially viable route to scale to secure follow-on funding and support. For Minhaj, once there was demand for the water ATMs he needed to put in the technology to resolve customer issues and hire talent as his venture rapidly grew.



AN UNLIKELY SOURCE OF TALENT

A breakthrough moment came when Minhaj spoke to Unilever. Drinkwell couldn't compete for the best graduate talent, so Unilever Bangladesh's HR director encouraged him to look at the other end of the career path: at retirees. As Minhaj describes them, "people who had made their money in life, who had seen it all, and were now ready to mentor an entrepreneur who was facing chaos – no processes, no systems!" It isn't just retirees. Both Unilever and EY also use their talent pool to aid and support TRANSFORM businesses – and offer their own people a richer, more exciting working life.



Another successful scale journey is Kasha, an e-commerce platform for women's health and self-care, reaching both urban and rural customers across East Africa. Founder and CEO Joanna Bichsel wants Kasha to become the global market leader in the femtech sector within emerging markets – something they are already achieving in Kenya and Rwanda.

Joanna's vision is to change the way that women in emerging markets get the health and self-care products they need to live their best lives. How? By making supply chains consumer-driven and data-driven, optimised for women and scalable.

Joanna worked in the private sector technology industry at Microsoft, as well as in global health and development at the Bill and Melinda Gates Foundation. With her background, she knew that Kasha's technology didn't just have to be functional and slick – it had to be relevant and useful in villages where the internet is the preserve of a (usually male) minority. To become a global market leader in improving women's health through mobile technology, required flexibility in learning about behaviour and attitudes to technology in different societies. This is where the flexibility of TRANSFORM's funding and business resources came into play. Reflecting on Kasha's journey to scale.

“

IF YOU DON'T GROW IT IS A SLOW DEATH FOR A BUSINESS. AS A LEADER, YOU HAVE TO HAVE A CLEAR VISION OF WHAT YOU WANT TO ACHIEVE BUT BE ABLE TO ADAPT AND TAKE DIFFERENT ROUTES THAN YOU'D EXPECT TO GET THERE.

WHEN KASHA STARTED MANY PEOPLE DIDN'T UNDERSTAND WHY WE WANTED TO BUILD A DIGITAL SOLUTION FOCUSED ONLY ON WOMEN IN LOW- AND MIDDLE-INCOME COUNTRIES, AT THAT TIME, IT WASN'T AS WELL KNOWN THAT WOMEN ARE THE PRIMARY CONSUMERS FOR HEALTH, HAVE MANY HEALTH NEEDS THROUGHOUT THE COURSE OF THEIR LIVES, AND ARE THE PRIMARY DECISION MAKERS ON HEALTH IN THE HOUSEHOLD. AND YET, WOMEN FACE MASSIVE HURDLES GETTING THE HEALTH AND SELF-CARE PRODUCTS, INFORMATION AND SERVICES THEY NEED. WE SAW THE OPPORTUNITY, SO WE JUST STARTED TO BUILD IT.

WE GREW AND HAVE SOLD MILLIONS OF PRODUCTS TO WOMEN ACROSS EAST AFRICA, PARTNERING WITH TRANSFORM TO TEST WHAT PRODUCTS WORK BEST AND HOW TO REACH OUR END CONSUMER. EVENTUALLY FEMTECH GREW INTO AN INDUSTRY AND KASHA IS NOW THE MARKET LEADER. WE'VE NEVER WAVERED FROM OUR CORE PURPOSE AND MISSION AS A COMPANY.”

JOANNA BICHSEL
FOUNDER AND CEO KASHA



Source: Kasha

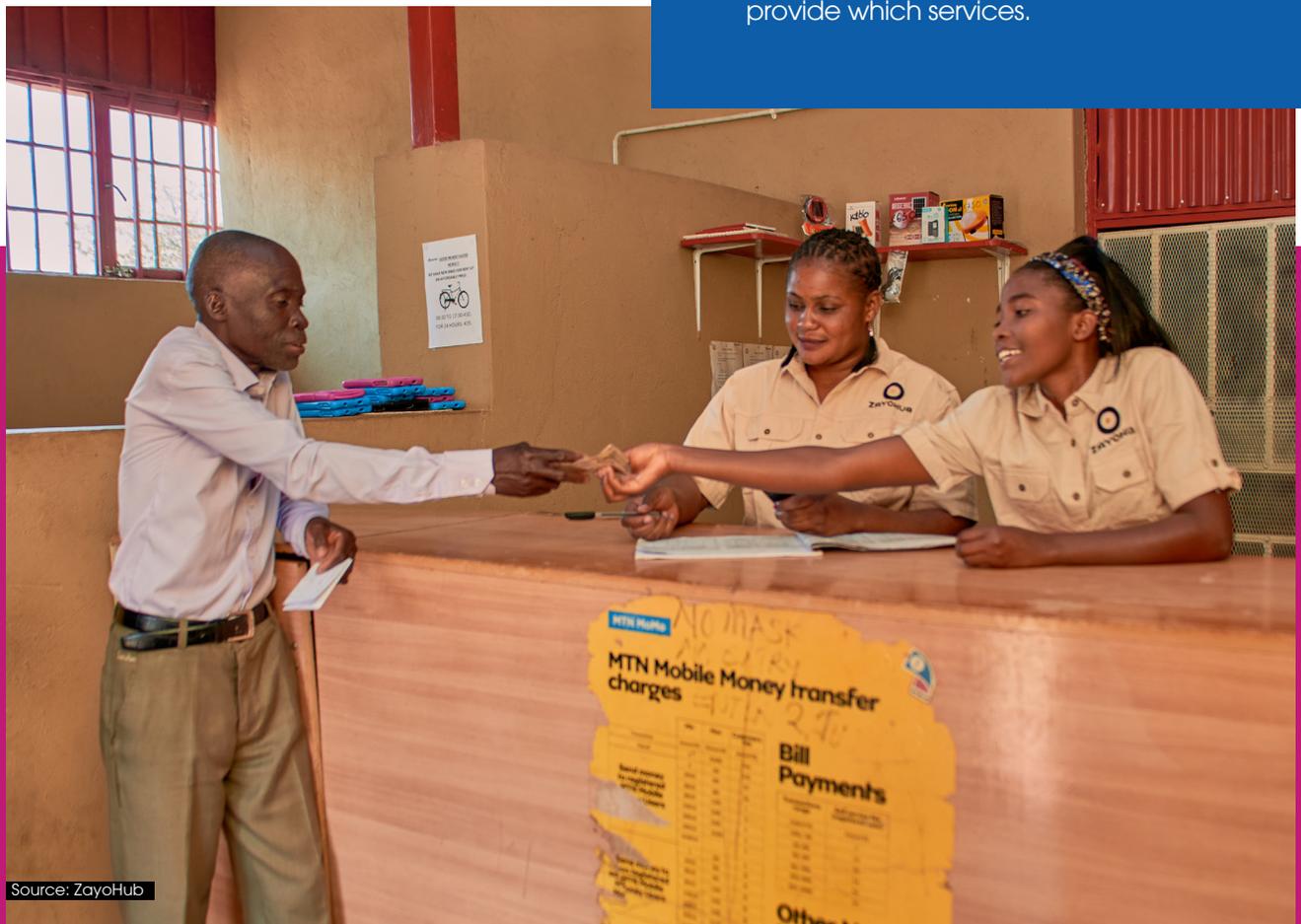
TRANSFORM: WHAT THE CORE PARTNERS OFFER

The role of TRANSFORM, as we see it, is to help impact enterprises figure out how to scale their business, prove their concepts and ways of working and produce results that inspire uptake from others.

We provide a 'safe space' for them to test multiple scenarios and put their assumptions into practice. It is an iterative journey that helps them figure out their roadmap and prepare for the scale phase.

TRANSFORM provides flexible grant funding over an extended period of time: typically, 1-2 years. But enterprises which get the most out of the programme invariably leverage the business support – guidance, advice and testing capabilities – provided by founding organisations.

NEXT: Let's see in a little more detail which founding organisations provide which services.



Source: ZayoHub



UNILEVER: CONSUMER APPETITE AND A ROBUST MARKET PROPOSITION

Multinationals have the brands and the experience. Start-ups have the ideas. How can we combine those assets?

Unilever is one of the world's oldest and largest multinational Fast Moving Consumer Goods (FMCG) companies, with 90 year's experience of selling products to consumers. 'Purpose' is a fashionable term today, but it has been central to the company since the Lever brothers launched their enterprise in the 1890s – one where selling consumer goods and promoting better health and welfare were intertwined.

For TRANSFORM's impact enterprises, Unilever offers product development expertise, supply chain knowledge, marketing and behaviour change insight to help them test new business models and so increase their impact with customers.

If you're looking to achieve scale, one of the fastest ways to get there is to partner with an organisation that already has it. Unilever owns over 400 brands in 190+ countries.

The intertwining of commerce, welfare and health has always underpinned that expansion; and it is central to the TRANSFORM proposition, as it seeks to meet the needs of low-income households in sub-Saharan Africa and South Asia.

LET'S SEE HOW WE PUT THIS INTO PRACTICE

In other **TRANSFORM reports** we look at how new ventures can stumble when they confront the task of branding, marketing, sales and distribution. That's understandable: developing new technologies and markets will exhaust any entrepreneur's energy reserves, however great they are. Most honestly admit that those 'softer' skills don't come easy to them – but are easy to downplay in the business plan.

Because Unilever doesn't believe there is anything soft about creating customer awareness in new and congested markets, it offers tangible support and expertise to TRANSFORM enterprises, and often continues to support the enterprises long after the initial grant has ended.

Marketeers from Hindustan Unilever helped **Saraplast** launch its distinctive hot-pink coloured buses and branding. The Unilever marketing lead on this project explained "everything has to be pink –even the wheels." It's an exercise – literally – in visibility: users, media and investors have taken notice.



Unilever invited one of **Kasha's** data scientists to shadow their consumer data insights team in London for a week. The objective: to help Kasha learn about the tools and methodologies Unilever uses to better understand consumer preference and behaviours. CEO Joanna explains:



GIVING OUR TEAM MEMBERS ACCESS TO EXPERTISE ALLOWED US TO IMPROVE OUR OWN CAPABILITIES AND KNOWLEDGE SO WE CAN MOVE CLOSER TO DELIVERING ON OUR VISION."

JOANNA BISCHEL
CEO OF KASHA



Joanna Bischel

Of course, there is a short-term and long-term commercial benefit for Unilever in fostering these relationships. But that commercial benefit can be realised in sometimes unexpected ways.

The company took the bold step of launching Lifebuoy exclusively through Kasha in Rwanda. It was difficult for Unilever to penetrate the more rural and lower-income market: but that's where Kasha has a strong and proven operation through the Kasha Agent Network.

This was pre-COVID and there was little mass market awareness of an antibacterial soap: consumer comparisons for soaps were mostly made on price. Kasha drove education on the benefits of Lifebuoy soap through handwashing campaigns. That generated sales, distribution – and valuable insights – for the Unilever team. Kasha recommended a change in bundling and pricing strategy so that Lifebuoy could be more competitive. Unilever implemented their advice and Lifebuoy became the category leader as a result.

THE UNILEVER OFFERING IN A NUTSHELL:

Test the product and market fit, find different ways to reach consumers, agree price points. Offers access to Unilever supply chain and brand portfolio.

EY: STRESS-TEST THE MODEL

Creating life-enhancing products and services is one thing. Turning those innovations into scalable businesses – ones that can efficiently and effectively manage people, finances, customers and data as they grow – is quite another. This is where EY comes in.

HOW DOES EY HELP TO TEST SCALABILITY?

EY projects that stress-test business models typically follow a consistent approach, albeit tailored to the unique needs of each enterprise.

The global professional services organisation has supported entrepreneurs for almost 35 years. Over the past decade, impact entrepreneurs have become more of a preoccupation as EY seeks to fulfil its ambition of positively impacting one billion lives by 2030. EY professionals work with these entrepreneurs in over 60 countries, completing more than 500 projects to help their enterprises improve their resilience, productivity and capacity to scale sustainably.

01

Define and analyse detailed cost and profitability drivers.

This includes examining the following, along with the underlying factors that drive them:

- Fixed costs (those that stay the same, irrespective of sales volumes)
- Variable costs (those that increase or decrease in proportion with sales volumes)
- Revenue streams and revenue received per unit or customer
- Gross and net profit per unit or customer

02

Build a dynamic financial viability modelling tool.

This makes it possible to develop and test various options for improving revenue and margin, observing how different assumptions impact profitability. The overall aim is to determine the combination of assumptions required for the business to achieve break-even and beyond.

03

Developing robust 3-5 year financial projections.

Building on the analysis above, these projections demonstrate the roadmap to commercial viability, and form the basis of the value proposition and business plan for investors.



Source: ZayoHub

HOW IS THIS EXPERIENCE APPLIED TO HELP TRANSFORM ENTREPRENEURS?

EY professionals work full-time, pro bono, alongside TRANSFORM enterprises for several months. Their support helps define detailed cost and profitability drivers, build dynamic financial viability models, and develop robust financial projections. Ultimately enterprises plot a path to viability at scale and to secure the financing runway required to achieve it.

Take the example of **Jeeon**, an impact enterprise in Bangladesh digitising and upgrading retail pharmacies via technology, training and formal sector connections.

Pharmacies account for two-thirds of healthcare visits in the country; yet access to a reliable pharmacy remains a huge challenge for more than 100 million people in rural communities.

Through its JeeonConnect digital platform, Jeeon had connected a network of more than 2,000 micro-pharmacies providing them with the training, technologies, products and services to reach more than four million underserved patients. But to grow its impact further, it needed to refine its financial and operational model, and develop a business plan for commercial viability.

EY strategy professionals spent three months with co-founder and CEO, Rubayat Khan, and his team. Armed with a more compelling value proposition for investors and a clearer plan for scaling its services and impact, Jeeon has been able to raise further financing. That's essential when you consider how ambitious the goal is: to connect every pharmacy and informal drug store in Bangladesh to its digital network.



Source: ZayoHub

In rural Zambia, an EY team helped **ZayoHub** prepare for significant expansion. ZayoHub work with last-mile communities to build community spaces design to create locally driven sustainable social and economic development. Its solar-powered community hubs provide up to 5,000 people with access to services including renewable energy, internet connectivity, education and secure storage for agricultural equipment. While the customer proposition and impact potential was clear, EY professionals provided the dedicated support the business needed to refine the economic viability of its model and develop a sustainable business plan.

With this in hand, ZayoHub now aims to scale from seven to 40 of these hubs by 2027, positively impacting more than 200,000 people and generating returns of more than £4.4 million a year for its communities.

IT'S NOT A ONE-WAY STREET

TRANSFORM has looked at what our partners can offer a range of impact enterprises. But let's banish any thought that this is a paternalistic relationship where powerful institutions help small SMEs.

We may be able to share financial and commercial support, access to networks and so on. But these impact enterprises can offer us something just as valuable in return: disruptive innovation that challenges existing ways of doing things within often slow-moving global organisations.

The ability to articulate a strong value proposition and business plan is essential for impact enterprises and the investors they wish to source additional funding from. But helping to pull that together also offers a fantastic learning and development experience for EY people.

Working with impact enterprises lets them test and stretch their skills in new contexts. It exposes them to the real-life challenges facing the low-income and marginalised communities these enterprises serve. And, in doing so, it helps build a deeper appreciation of the social value of their skills and a stronger sense of connection to the EY purpose of building a better working world.

“

IT'S AN HONOUR AND A PRIVILEGE TO WORK WITH SOMEONE LIKE RUBAYAT. NOT ONLY IS HE INCREDIBLY SMART, HIS OPTIMISM IS INFECTIOUS AND THE EXPERIENCE HAS LEFT ME WITH A RENEWED SENSE OF HOPE THAT BUSINESS CAN BE PART OF HELPING SOLVE SOME OF THE WORLD'S TOUGHEST CHALLENGES.”

BENJAMIN ROJSUONTIKUL
EY PROFESSIONAL ON
WORKING WITH JEEON'S CEO



THE EY OFFERING IN A NUTSHELL:

Test and fine-tune the business model, develop robust financial projections and define the roadmap to commercial viability. Offer access to EY talent and business modelling experience.

THE FCDO: FLEXIBLE GRANT FUNDING

Science, research and technology are key components of the FCDO's international development ambitions. Through its UK aid-funded innovation programming, the FCDO seeks to uncover, test and scale inclusive and high-potential solutions to global development challenges, while producing and sharing evidence on what works best.

The funding provided is less prescriptive than what you might expect from a traditional donor. TRANSFORM has the freedom to invest in enterprises with flexible timelines and untested assumptions and approaches. The FCDO sees this as the best way to uncover new insights and learnings that can help early-stage business models become sustainable and increase their impact – and which can be shared to benefit others on a similar journey. The funding flexibility is a recognition of the often complex and challenging environments in which TRANSFORM's entrepreneurs are operating, which demand greater empathy and a mandate to test and learn, iterate and pivot.

This was particularly evident during the global COVID-19 pandemic. In 2020, TRANSFORM deployed an agile "Survive & Thrive" response to support its entrepreneurs – who are best placed to understand the needs of their own communities – to respond at pace by adapting payment and project plans and providing additional funding. Providing flexible pre-seed funding at this early and risky stage of growth also makes it easier for corporates and follow-on funders to invest, once assumptions are tested and scale pathways defined.



Maya has been part of the TRANSFORM programme since January 2020. With its 'digital wellbeing assistant' it connects people to experts, including doctors and therapists, to get the advice they're looking for—hassle-free and without stigma. As part of its growth strategy, the company has partnered with garment factory owners – the mainstay of the Bangladesh economy – to offer the service to female workers on-site.

As COVID-19 took hold in Bangladesh, TRANSFORM awarded Maya a COVID-19 Survive & Thrive grant. That allowed the business to discount subscriptions and launch a marketing campaign targeted at low-income families most in need.

What happened next:

- **Users:** +2.7 million
- **Sales:** +1,300%
- **Revenues:** +470%
- **Consultations:** +300%
- **Enquiries to Maya information services:** over 250,000, reaching over 2.5 million users every month.
- **Subscription purchases:** +1500%
- **Downloads:** +400%
- **Garment factories onboarded:** +100
- **Factory workers now using the service:** +300,000

This high-risk, high-reward approach to research from the FCDO allows Unilever and EY to leverage their skillsets and provide relevant and invaluable support to enterprises beyond the secured cash in the bank. And the balanced partnership between the flexibility of the FCDO funding and wide-ranging in-kind support from Unilever and EY gives the enterprises immense opportunity to take risks and test assumptions. This models that traditional Private Public Partnerships would be wary of greenlighting.

THE FCDO OFFERING IN A NUTSHELL:

Provide flexible funding to produce insights and learnings that wouldn't be possible through traditional Private Public Partnerships and de-risks private sector investment.



Source: Maya



SUMMARY: FIVE LESSONS

01

There is no one-size-fits-all approach to scale: it's not about reaching a numerical goal, but instead having an end game – an authentic vision of what success ultimately means to you, your business, consumers and society in the long term.

02

Failure is inevitable, and a necessary part of the scale journey: the validation phase is a high-risk stage for all enterprises but leveraging the support of large partner organisations to test and pivot helps to absorb some of this risk – and should mean your business comes out stronger.

03

Social entrepreneurs tackling complex development challenges have many more assumptions to test: they're not only creating new products or services – in many cases, they're creating entirely new markets, systems and consumer behaviours. They require particularly flexible financial and human capital to test and refine the business model.

04

The pathway to scale involves testing two key elements: the market proposition and the business model. TRANSFORM's founding organisations test market or business model assumptions in order to unlock their commercially viable route to scale.

05

There are four key features of impact enterprises with high potential for scale: a commercially savvy CEO with strong links to the local community; an innovation built around the real needs of people; a clear set of assumptions to test; a strong vision of your 'endgame'.



TRANSFORM is a joint initiative between Unilever, the FCDO and EY. Established in 2015, it works to accelerate impact enterprises, blending funding and support to deliver market-based solutions to the world's biggest development challenges. TRANSFORM uses its capabilities and expertise in marketing, distribution, digital, and business resilience to deliver transformative market-based solutions to low-income households in sub-Saharan Africa and South Asia that last. For more information on TRANSFORM, visit our [website](#), and follow us on [Twitter](#) and [LinkedIn](#).



The UK's Foreign, Commonwealth & Development Office pursues the UK's national interests and projects the UK as a force for good in the world. It promotes the interests of British citizens, safeguards the UK's security, defends its values, reduces poverty and tackles global challenges with its international partners. For more information please visit <https://www.gov.uk/government/organisations/foreign-commonwealth-development-office>, and follow us on Twitter [@FCDOGovUK](#) and [@FCDOResearch](#).

This initiative has been funded by UK aid from the UK government; however the views expressed do not necessarily reflect the UK government's official policies.



Unilever is one of the world's leading suppliers of Beauty & Personal Care, Home Care, and Foods & Refreshment products, with sales in over 190 countries and products used by 2.5 billion people every day. We have 149,000 employees and around 400 brands found in homes all over the world.

Our vision is to be the global leader in sustainable business and to demonstrate how our purpose-led, future-fit business model drives superior performance. The Unilever Compass, our sustainable business strategy, is set out to help us deliver superior performance and drive sustainable and responsible growth, while: improving the health of the planet; improving people's health, confidence and wellbeing; and contributing to a fairer and more socially inclusive world.

While there is still more to do, we are proud to have been recognised in 2020 as a sector leader in the Dow Jones Sustainability Index and - for the tenth-consecutive year - as the top ranked company in the 2020 GlobeScan/SustainAbility Sustainability Leaders survey. For more information about Unilever and our brands, please visit www.unilever.com.



EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY Ripples

The global EY Ripples program aims to positively impact one billion lives by 2030. EY people, together with clients and other like-minded organizations, use their skills, knowledge and experience to bring positive change across three focus areas: supporting the next generation workforce, working with impact entrepreneurs and accelerating environmental sustainability. Learn more at ey.com/eyripples.