

Dear Friends,

I returned recently from a two week trip to India. The first week, I was with the Acumen Fund board and the second week was with my friend Jane Rivkin. The second week was great fun visiting important sites and staying in wonderful hotels. We were mainly in Rajasthan, home of the Moguls with grand palaces and an exciting history.



Jane and Margo with Baby Elephant

The Acumen Fund Board

(l to r) Andrea Soros Colombel, Cate Muther, Margo Alexander, Stuart Davidson, Jacqueline Novogratz, David Blood, Hunter Boll [missing – Angela Glover Blackwell]



I fully recommend a vacation in India, but I am writing to you to report on the week with Acumen Fund. I am sending this letter to all of you who generously contributed to Acumen a few months ago and to the many of you who joined our fifth year anniversary celebration. I can report with enthusiasm that the work is exciting, real progress is being made, and I am, as always, inspired by the Acumen staff, our investees and the people they serve.

On Monday we had an all day board meeting in Mumbai at the headquarters of ICICI Bank, a bank committed to serving all income levels. The vast majority of the poor have never had a relationship with any financial institution and the process of establishing identity and a financial history is an important step to entering the modern world. ICICI has devised numerous ways of working with groups of people. For example, prostitution claims a huge number of women and many NGO's work with them to help change their lives. Those NGO's can now work with ICICI to create financial products for their "members." The list goes on and the outreach is impressive.



On Tuesday we visited an urban slum where 500 families have agreed to give up their homes in return for an apartment in a medium rise building constructed on the site of their slum. It took 9 years for a dedicated man to secure the people's approval and to work through the incredibly slow-moving bureaucracy. Now one building is up and another one is under construction. It will be at least 15 years before all those 500 families will be

resettled in their apartments. (Each apartment is about 350 square feet with two rooms—one main room and one kitchen area plus a bathroom. There was a great amount of variation in the apartments, reflecting individuals own decorating choices. Like all apartment buildings, some apartments were sparkling clean, others had less tidy standards!) There are approximately 1,500 applications for such



projects of which 250 have been approved. Currently all approvals have been blocked, waiting for new housing rules to be issued.

Walking through the adjacent slum, we saw how closely the people live; in some walkways the path was barely one-person wide. We saw the same wide variation in décor and tidiness, but overall, it was amazing to me to see how clean the people looked coming out of these rambling urban villages.



Tuesday afternoon we visited 1298, our ambulance company. (“1298” is the phone number to call; 911 was unavailable.) Three young men realized that no ambulances serve Mumbai, a city of 16 million people. In an emergency people take a taxi, call a friend with a car or call an “ambulance” that is essentially a van with no medical equipment or paramedical help. These frequently do nothing more than carry a dead person. Three and a half years into the project, 1298 now has more than 30 ambulances, controlled by a GPS-type operation that can identify the closest ambulance to the emergency caller and direct the driver



through Mumbai's street maze. As a result of the original business, 1298 is now training doctors who can work in the ambulances as well as in other health facilities.

Wednesday was great fun as we joined the "Grand Opening" of a new Medicine Shoppe in a village about 2 hours from Mumbai. (Unfortunately, my camera battery was exhausted and I didn't get any pictures.) There were free check-ups by the doctor, free eye exams and

vouchers for purchases of pharmaceuticals and other pharmacy products. When we arrived in the dusty town, one would think a festival was in process! Once again, I am amazed at the cleanliness of the people, their clothes and the children's neatly combed hair. (yes, combed!) We met with two groups of women ("focus groups") to hear what they wanted and needed for better every-day care. Of course they are keen on prices but stressed an interest in quality service from people who treat them with respect. These women also underscored their desire for women doctors to treat "ladies' problems."

Medicine Shoppes is the second largest pharmaceutical chain in India and was persuaded by Acumen to expand into poor areas in urban and rural areas. They now excited about this new direction

and credit us with having pushed them along.



On Thursday we drove 2-3 hours from Hyberadad to visit Scojo and its Vision Entrepreneurs. (This was after travelling 7 hours by overnite train. It was my first opportunity to sleep on triple level bunks in an open sleeping car with 150 other people.) People do not know that age-related vision problems can be solved with a simple test and simple readers. They generally think any treatment requires an expensive doctor visit and prescription glasses. The Vision Entrepreneurs operate a mini franchise and travel from village to village and door to door checking eyes and selling glasses. The glasses cost from \$1.65 to \$3.00 including a case and cleaning cloth. (I bought two pairs and they are far sturdier than my regular



drug store purchases.) It was fun to see a woman able to thread a needle with her new glasses and a man able to read the newspaper. They were obviously delighted by the instant change!



At Water Health International we saw two villages with new water treatment plants that work off a patented UV filter process. Villagers come to the plant and haul away fairly heavy containers (12 liters) of drinking water. (Generally they continue to use government provided water or other water for cooking and



washing.) A funny thing happened by chance: because the containers are heavier than women can carry, picking up the water became a man's job and in quick order a private delivery



system developed.

All means of conveyance—bikes, scooters, wagons—carried away the water. We were also told that the men like coming to the plant: it is high tech looking and they are keen to be part of this new process. WHI has built nearly 50 plants in the last 18 months; 25 are up and running and the others will come on line in short order. Water sells for 1 rupee a liter (about 2 cents); delivery (optional) can add another 2-3 cents, but in many cases the men are willing to pay.



Our final visit was with Drishtee, also running a micro franchise business that provides internet kiosks in villages. Once again, the franchisee is responsible for the marketing of the products/services in the village and collecting revenues. The entrepreneur plans to install 50,000 kiosks in the coming three years. While that is a lot of kiosks, remember that there are over 600,000 villages in India!

Every one of these businesses has faced surprising challenges but has moved through them with enthusiasm and optimism. Each entrepreneur showed real commitment to his business and seems sincere in believing that he can make an important improvement to peoples' lives while making a decent return on their own business.

It is hard to imagine all the work that Acumen Fund is a part of and we are now able to see that there are increasing connections between our entrepreneurs (Medicine Shoppes is selling Scojo glasses; some Drishtee kiosk operators will also become Vision Entrepreneurs). We are also connected to important leaders in the business communities, to leading schools, to government and NGO officials. And the work is receiving increasing recognition in the global press. While we were there an article on Scojo appeared in The Economist and just as I left, an article on Acumen appeared in the Financial Times.

I have not tried to include all the facts and figures, but just give you a flavor for what we saw...and to let you know that the transparency of the work is exciting...real entrepreneurs, real businesses, serving real people. It was exciting and inspiring!

