



Spark* Bangladesh Entrepreneurs Update for Seven Streams

January 2018

Rangpur Mother and Child Hospital (Physical Well-Being)

Rangpur Division is the newest and poorest division of Bangladesh. Despite a population of 20 million people it had no special hospitals for maternal and child health. While the rich can go to Dhaka, the poor - up to 7 million - had no options.



Dr. Abdul Wahed is a veteran medical doctor and professor who grew up poor in Rangpur. He made a promise to himself to one day build a hospital for low-income people in his area. His son, Rashid Saleh, is a medical-school-dropout-turned-entrepreneur. Together they started Rangpur Mother and Child Hospital in the outskirts of Rangpur City using Dr. Wahed's retirement savings.

RMCH's activities include:

1. Providing clinical and diagnostic services to poor and underprivileged children and mothers at low cost. Clinical services include ultrasonography, clinical delivery, neonatal ICU and C-Sections, while diagnostic services include urine tests, blood tests, etc. They set the price to be less than any other private or semi-private medical clinics in the area, and have a three-tiered pricing structure with up to 80% discounts for the lowest tier. They never turn anyone down - Only after providing the service, they settle the bill and discount based on ability to pay.
2. Providing physiotherapy and other rehabilitation services to disabled children and mothers free of cost.

3. Engaging in social welfare works, such as a vaccination program in association with Rangpur City Corporation and World Vision.
4. Creating awareness about emerging diseases like thalassaemia (genetic blood disorder) and find solutions like providing pre-marriage counseling to help preventing it.
5. Offering training programs for community-based healthcare providers to provide services to rural and remote places.

Beginning with US\$8,000 in seed money along with donations on equipment and other fixtures, the hospital has grown to serve 7,000+ people in the first year, earning US\$65,000 in revenues at a 23% margin. The retained earnings are used to fund operations and investing in growing capacity. They are able to keep labour costs low by recruiting new graduates from medical colleges in Rangpur City, which is a hub for such institutions.

The most urgent financial and operational needs are:

- Extra beds - right now, the 25 beds are at full capacity, with some patients having to sleep on the floor; There is space in the current site to increase by 15 to 40 beds (US\$2,000).
- Equipment to start a full-time physiotherapy center within the hospital, as there are none in the area (around US\$3,500)
- An ambulance to expand coverage into more rural areas, and bring patients to/from rural areas (US\$15,000)
- Starting one or two satellite mini-clinics in rural areas, where once or twice a week an RMCH doctor will go to provide clinical services and refer patients to RMCH for diagnostic and in-patient services if need be.
- Investing in an Enterprise Resource Planning / Customer Relationship Management system to better manage operations and track both cashflows and patient files.

RMCH is willing to take out loans and spend its retained earnings to invest in expansion, but a US\$5,000 grant, combined with matching support from YGAP/Spark*, would be catalytic in terms of providing the down payment on a potential loan to buy an ambulance, extra beds and

equipment for the physiotherapy center, for example. This would mean that the organization can expand capacity now, as opposed to waiting until 2nd half next year for more free cashflow. Freeing up cash would allow the organization to invest in the upcoming year in non-revenue activities such as health awareness programs, healthcare provider training, etc., which can lead to more revenue if a portion of beneficiaries then come to RMCH for services.



Beyond financial support, the organization is looking for help in capacity development. It needs an experienced accountant / audit firm to help draft audited financial statements as well as business analysts to create a

bankable business plan to align with its goals. For example, Dr. Wahed and Rashid plan to move into an 8-story facility next door, with an elevator, which would double the capacity from the current 4-story building in the medium term. In the long run, they want to build a 200-bed hospital across on a vacant plot across the street as well as a network of mini-clinics around Rangpur Division. The organization is currently an NGO, but has plans to spin off the hospital as a stand-alone social business owned by the NGO and other impact shareholders. It needs legal advice in that regard. Finally, the organization wants to connect with and learn from other low-cost healthcare providers around the region and the world to adopt best practices, novel technologies and anything else that will allow them to continue to provide affordable, low-cost healthcare services to mothers, children and families in their area.

The founders' story behind RMCH is the stuff that drama serials are written about - the prodigal son who disappointed his father by not following his footsteps, but redeeming himself by turning his father's dream of a hospital in his native area into a profitable social enterprise. The YGAP/Spark* team are excited about where the duo will take his business, and look forward to supporting them together with Seven Streams.

Farmers Hub (Necessities)

Agriculture in Bangladesh is labor intensive and operates from a low technology and resource base, resulting in relatively low yields. 88% of farm households are "small or marginal", farming just 0.05-2.49 acres, according to Syngenta, the dominant agro-input company in Bangladesh. The farmers are exposed to risk but have trouble directly accessing markets, new technologies and finance. Moreover, the presence of middle men in the supply chain means that there is a significant gap between the price paid by consumers in cities and what the farmer earns.

Farmer's Hub is a center point for aggregation of agro-inputs and machinery and equipment rental services for smallholder and community farmers in different areas, while also taking their produce and selling it in the downstream market, thereby cutting out the middlemen. This was conceptualized by the Syngenta Foundation in Bangladesh, which trained and provided co-investment to various farmers in Northern Bangladesh to become Hub owners. Nurul Islam, a farmer and owner of Farmers Hub Natore in Northern Bangladesh, came through the Spark* Accelerator after being nominated by project leaders because of his high potential. Each Hub owner runs his business based on the demand of his local area, completely independent of Syngenta.



Right now, Nurul has eight nurseries/hubs under his control - 7 through franchisees and one directly, in addition to a go-down warehouse that serves as his collection point. He and his franchisees use coconut waste and homemade fertilizer to produce seedlings for various high-value vegetables (e.g. chilli, radishes).

Seeds are provided by Syngenta to

Transplanting already mature seedlings rather than direct planting and waiting for seeds to sprout allows farmers to grow more on less land, while also giving them more control over their

planting cycle. Mature seedlings are also less susceptible to pests, lowering potential yield losses. To ensure productivity, Nurul and his team also train the farmers. The farmers are then able to sell back the produce to Nurul, who then collects it in his go-down and transports it to Dhaka to sell. Nurul also makes money from selling seeds and machinery to his franchisees at a wholesale price.

Nurul's hubs collectively have 4,000 registered farmers who receive inputs, rental services and formal training. They also serve countless more unregistered farmers with inputs and rental services, along with informal advice. Nurul and the local Syngenta representative estimate that at least 3,000 farmers - both registered and unregistered - in each season obtain inputs and rental services from Nurul's hubs. According to an impact report commissioned by Syngenta, the yields of listed farmers increased by 25% on average at Farmers Hubs. The most important reasons given for the yield increases were access to improved inputs (seedlings, as mentioned by 44%-50% of respondents) and access to information (32%-36%).

Right now, Nurul also purchases two tons per day of produce from 200-250 farmers. In terms of those who sell regularly (at least once a week), this is about 500 farmers in each season. Nurul pays 10-20% higher than middle men. According to Syngenta, the average Hub-affiliated farmer who takes in inputs from and sells the outputs to Hubs is able increase his household income by 51% thanks a combination of higher yields and higher prices.



YGAP assisted by helping Nurul create a pitch deck, including a brand new logo, and coaching him on his pitch - something he has never done before. Thanks to this work, he won the audience prize at the accelerator pitch event. The Syngenta country leadership who were in attendance was so impressed that they agreed to a AU\$15,000 investment right after the accelerator which will help double the number of franchised hubs under Nurul.

Nurul also used the AU\$1,000 in prize money to purchase two riksha vans to move produce and products to/from his go-down and his franchise hubs. The Spark* Bangladesh team is working with him right now to analyze his financials and create a long-term business plan.

Preliminary data shows that he has a great business, though a substantial portions of funds are tied up in working capital. He has 3 key revenue streams - seed and machinery sales to franchise hubs, seedling sales and machinery rentals to farmers via his own hub and trading of produce, with the latter contributing 85% of revenue and 60% of profits. In November 2017, he turned over close to US\$18,000 at a 10% net margin.

According to Nurul, his most pressing financial need is his own truck. Right now, he has to rent trucks on a daily basis to get produce to market. This is not ideal, as he spends close to US\$1,000 every month on truck rentals, and when the truck drivers fail to get goods on time to market, he also has to sell at a substantial discount. He estimates that he faces losses of at least 10% in produce value every month. Altogether, this is roughly US\$2,500 every month out of his pocket. Having US\$15,000 in hand would allow him to buy a second-hand truck that would double his capacity from two tons per day to 4.5, and allow him to purchase from up to 500 Hub farmers every day.

YGAP is looking at a potential medium-sized grant or soft loan of between AU\$5,000-10,000 (US\$3,900-7,800) into Nurul that would allow him to put down the down payment on a loan for the truck - the rest he can pay back in installments in less than one year. If Nurul is able to obtain US\$5,000 on top of the YGAP grant, and combine that with a potential bank loan, he's able to accelerate his payback and use the free cash to continue to expand the number of hubs and services he's offering to farmers.

Non-financial needs for Nurul, based on diagnostics being conducted by the Spark* Bangladesh team, include:

- Accounting support to produce proper financial statements.
- An impact assessment to corroborate the numbers from Syngenta's study, which applies to all Hubs, for Nurul.
- A long term business plan with planned investments in storage, machinery, processing and other areas.
- Linkage to downstream buyers for produce such as restaurants, hotels and supermarkets. Right now, he's selling his vegetables to traders at local markets in

Dhaka. So while he's able to cut out the middle men in Natore, he's still dealing with middle men in Dhaka.

The tragedy of Nurul Islam is that he graduated from high school and was on the verge of attending college when he was taken out by his mother to take care of his family and work on the farm. But he has taken what life has given him and built an incredible business from scratch. A self-taught businessman, he is now teaching us at YGAP/Spark* about how to be a great entrepreneur with humility and grace, and we love working with him. We believe Seven Streams will as well.

Creative Connections (Necessities & Conservation)

Jute is a long, soft vegetable fiber than can be spun into coarse threads like rope and bags. Jute has been cultivated in the Bengal delta for centuries and has a strong cultural relevance to Bangladeshis. Dubbed the “Golden Fibre,” it was the primary foreign export and a symbol of pride for the young impoverished country as a product that was synonymous with Bangladesh that was in demand around the world. The rise of synthetic fiber put a stop to that, and over time other export products have taken over from jute.



Today, Bangladesh has fallen to being the 2nd largest jute exporter in the world, behind India. Nevertheless, the sector earns US\$620 million a year and employs 500,000 people.¹ But it is plagued by inefficiencies and lack of diversification, as 95% of exports are raw, unprocessed jute. This is despite favorable consumer trends in developed countries where textile products from organic, 100% recyclable geo-fiber would fetch a premium. At the same time, increasing consumer spending power and

more discerning consumer tastes is opening up the the domestic market in Bangladesh.

Mashraka Binte Mosharrof was working in advertising in Berlin 10 years ago when she realized that hardly anyone knew where Bangladesh was or what it did well. Resolving to make “Made in Bangladesh” a brand, she came back to the country and started researching and experimenting with jute products and created Creative Connections to sell those products. She has shown tremendous resilience through many fits and starts, including her original supplier poaching her customers and becoming estranged from her family when she had her child, because they were worried about the social stigma over working mothers. Through constant experimentation, she has created a line of high quality products that are attracting

¹http://www.ilo.org/dhaka/Informationresources/Publicinformation/features/WCMS_511710/lang--en/index.htm

both foreign and increasingly discerning domestic buyers and redefining the image of jute-based products in the process.

They include:

- Ladies bags with embroidery - Made from scotch-blended jute, she has three different types of blends: Cotton, rexine (artificial leather) and leather. She is selling more than

150 pieces of cotton-blended jute ladies bags per month, at 40% margins. Prices range from AU\$10-20.



- Home decor - 200-300 pieces per month each of cushion covers, table mats, runners, bed runners and coasters, with margins ranging from 30-40%. The bulk of the customers are foreign, from countries such as the UK, Japan, Germany and Australia, for whom she makes white label products to be sold in those markets under their labels. Prices for sets start from AU\$15-70.



- Executive (laptop) bags - Laptop bags and duffel bags from AU\$13-\$39, with 40% margins. She manufactures 500 pieces on average per month.

- Scarves - Cotton- and scotch-blended jute, from AU\$6. She manufactures 300-500 pieces per month

at 20% margins.

- Shopping bags - Though these are common, Mashraka was one of the first to make jute shopping bags with lacing and other value added features. She produces 1,000+ pieces

per month, mostly for domestic institutions such as corporates and public sector organizations to be used for conferences and gift-giving.

Her top customers domestically include government and public sector institutions. Recent orders include the Islamic Arabic University of Bangladesh (2,500 laptop bags at AU\$6 each), the District Commissioner of Gazipur (1,000 shopping bags at AU\$4 each) and a customer in Germany who ordered AU\$5,800 worth of jute calendars.

One of the her key competitive advantages, besides a constant willingness to experiment and come up with new variations of products, is the connections and profile she's built up over the years as one of the few self-supported female entrepreneurs in the nascent value-added jute sector. The current Bangladeshi government, which wants to be seen as "jute-friendly," has a vested interest in both procuring more jute products and in the process promoting someone like her as a success story. For example, she's listed as a preferred jute product vendor with the foreign ministry, which has ordered items from her to provide to visiting dignitaries, such as jute gift boxes to Narendra Modi's delegation in 2015. At the Jute Ministry among the 150-200 listed vendors she's one of the few that are focusing solely on value added jute, and the textile director, a family friend, is a huge champion who keeps giving referrals. The government has also used her as a trainer for village jute artisans on topics such as product design and market access.

In 2017, Mashraka did AU\$50,000 in business, tripling her full-time employees from 4 to 12, for whom she provides shelter as well. She also relies on a revolving pool of 18-20 trained freelancers paid on a daily basis. These are typically young women living in Dhaka slums. They get paid on average 3,000-4,000 BDT per week to perform tasks such as cutting, sewing, printing and others. They use these funds to pay for their studies and to support families.

Her goals for 2018 and beyond are to diversify her customer base into consumers, corporations and foreign buyers. Specifically, she aims to:

1. Invest in her domestic consumer business - Middle class families in Bangladesh represent a huge potential market for value-added jute products, particularly for items such as home decor. Right now, the domestic consumer segment is only 20% of her

business, coming from two small full-time display centers and occasional booths at fairs. She wants to create a new brand for this segment and invest in marketing, including digital media and more regular presence at trade fairs.

2. Invest in her direct-foreign business, which is only 15% right now. Foreign buyers provide higher margins and put less pressure on her cashflow. If she can increase her volume and obtain certain paperwork, she would also be eligible for up to 16% export cash incentives from the Bangladeshi government, which would help her compete with Indian companies who get up to 30% support from their government, allowing them to currently dominate the international market. Going to at least 1 or 2 exhibits would do wonders in signing up customers. She gets discounted invitations all the time through the government, but due to a lack of funds she has not been able to go yet.
3. Continue to grow the domestic institutional segment, particularly through partnerships with event management companies and corporates. Right now, this segment is the bulk of her sales, at 65%. Some of these include Bangladesh-based exporters who export her products abroad under their name. She has a list of 1,000 companies that she would like to target, particularly as they buy branded gift products at least every 6 months for Eid, annual meetings and holidays.

In 2018, she wants to double her revenues from the current AU\$4,400 per month to US\$8,800, with 60% coming from domestic institutions, 25% from foreign buyers and 15% from domestic consumers. In 2019, she wants to increase her sales 50% to AU\$14,000 per month, then 30% to AU\$19,000 per month in 2020. By then, she wants to diversify her revenue among the three segments sufficiently so that no revenue stream represents more than a third of the total.

To realize this goal, Mashraka is looking for an AU\$12,800 / US\$10,000 investment to purchase, among other things, new machinery, inventory, accessories, a new website and trips to exhibits abroad in 2018. If she's able to hit her targets, she can expand her employment / freelancer pool to 200 people, diversify her product and revenue streams and open up new international markets. Given the strength of her existing business, we can structure this as a potential loan or profit share.

The YGAP/Spark* team have been helping her create this expansion strategy and related investment plan. In addition, we have been supporting her in creating a new brand, “Monarchy” for the consumer market, as well as the creation of a catalog for the institutional market. Seven Streams / ZXY have been extremely helpful in lending us their photo studios for that purpose.

In addition to financial support, she needs guidance and mentorship around:

- Legal documentation - Completing certain paperwork to be able to become eligible for the government’s export credit program
- Finances - Accounting help to produce statements going back at least the last 3 years
- Branding - On-going support as she redesigns her brand, and establishes new digital channels in social media and online
- Market access - Introductions to potential foreign buyers, including Bangladeshi diaspora communities in key markets like UK, US, Canada and Australia
- Product design and collaborations - Working with designers from around the world would help her continue to evolve her portfolio
- Compliance - she operates out of two workshops in Farmgate and Old Dhaka; Being a manufacturing company, she needs help in creating policies and standard operating procedures to avoid any accidents and harm to workers

Mashraka is a living, breathing proof of why we need to back female social entrepreneurs. For the YGAP/Spark* team, her resilience and energy drives us every day to be better for our entrepreneurs. We look forward to working with Seven Streams to make her the next big global fashion icon.

Biofil (Conservation, Responsibility & Well-being)

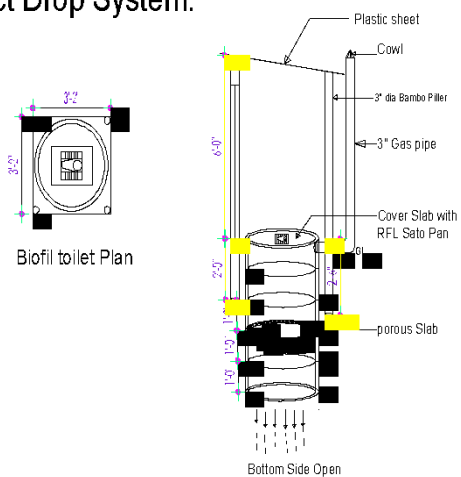


Only 2.5% of Bangladeshis have access to sewers. The rest rely on on-site sanitation systems like septic tanks and pit latrines, the fecal waste of which are carried via open drains into the surrounding environment, polluting and contaminating our water supply. This adversely affects poor people the most, when they drink from and bathe in

contaminated waters.

Biofil is a revolutionary toilet technology that has the potential to eliminate and replace septic tanks and pit latrines altogether. Rather than containing feces and waiting for it to be collected, Biofil is essentially “a living ecosystem in a box.” An IP-protected filter system made from semi-porous concrete separates the solid feces from the liquid effluent. The effluent is safely absorbed by the soil and the fecal waste consumed by worms inside the tank, so there is no pollution of water bodies. Over time the households can use the vermin-compost produced by the worms as fertilizers in their fields or gardens. There is no bad odor and it does not attract flies and insects. Whereas a pit latrine needs to be emptied every 6 months, a Biofil needs to be emptied every ten years. Furthermore, Biofil tank/digester has the flexibility to be constructed on-set or off-set, on top of the ground or underground, depending on the water table. The shape of the tank is also not fixed, which makes it convenient to be constructed almost

Direct Drop System:



everywhere including congested urban slum areas.

Biofil was brought to Bangladesh and tested alongside other toilet technologies as part of a Gates Foundation-funded project in Dhaka slums. During the testing, both the project team and the testers from the Bangladesh University of Engineering and Technology (BUET), the premier technical institution in the country, certified that Biofil was by far the best technology when it came to lowering potential pollution from human feces. Unfortunately when the project



ended, there were no plans to commercialize the technology. Sarwar Hossain, the project manager, took it upon himself to acquire the IP license for Bangladesh, borrowed US\$40,000 from friends and family and created a local company to manufacture and distribute the product. Being so confident in the technology, he became a first-time entrepreneur after 30+ years in the NGO sector.

Biofil Bangladesh has five different toilet models ranging from 15,000 BDT to 60,000 BDT, with typical margins of 20%. Their strategy is to focus on B2B sales in the beginning, while using the proceeds to continuously experiment with cheaper and newer models to eventually expand distribution through B2C channels. Within one year, they have been able to sell 120 units worth US\$30,000+, mainly to institutional customers such as NGOs looking to install these as part of their sanitation projects. Since going through the Spark* accelerator in October 2017, the company has installed 500 additional units worth \$137,500, almost all in Rohingya camps, through NGOs such as Oxfam. Sarwar credits the Spark* accelerator, in particular its emphasis on quickly pitching and distilling ideas down for audiences, as a key catalyst in his becoming more aggressive in his sales. In the coming year, he and his team have built a pipeline of 1000's of more units to be installed in Rohingya camps and low-income slums in urban areas with major NGO clients. Assuming each toilet is used by at least 5 people - the size of a typical family in Bangladesh - that is a lot of people enjoying access to safe, hygienic sanitation.

The company is currently working to introduce a plastic version of the product which would reduce costs significantly, and distribute them through certified production centers in each

district. This would help mainstream the technology as a consumer product. But this requires huge investments in plastic moulds, manufacturing facilities, supply chains and branding. In between 15-16 hour days installing toilets in refugee camps, Sarwar and his team have been diligently conducting research and talking to vendors, and believe they can start with making a plastic version of just the filter (and not the whole toilet) through a US\$20,000 mould, which would reduce production costs by 20-30% while doubling the team's capacity from the current 400 units per month to 800. Sarwar is also confident that the plastic filter could also be sold by itself in the apartment and commercial building market to retrofit existing latrines so they can become Biofil latrines. In short, it would truly be catalytic.



Right now, Sarwar's working capital is tied up in production as his customers only pay after construction, and he still has about a third of his original loan to be repaid. So rather than waiting for him to cobble together enough funds for the mould, Spark* is looking at an AU\$10,000 (US\$7,800) grant into Biofil right away to get started on this process and test the hypothesis. Sarwar is confident that with another US\$5,000 he would be able to make up the rest, through borrowing, imminent payments from customers, delayed instalments to the mould-maker or a combination of the three.

Beyond an investment, YGAP/Spark* team is also assisting Sarwar and his team on creating branding/promotional materials and creating linkages with other actors serving refugees. Other support he can use include:

- He started as a simple sole proprietorship, and has plans to become a joint stock company and needs legal advice in that regard.
- He needs help in producing financial statements, as he's been running the business himself up to now as a first-time entrepreneur.
- He requires support in crafting a go-to market strategy for the middle-class housing / commercial building market, including potential demonstration units at garment factories and/or in nearby slums.

- Creating linkages with foreign buyers who might want to sponsor Biofil toilets in low-income communities and schools as public latrines.
- Finally, as he shifts from being a toilet builder to a manufacturing and distribution company, he will undoubtedly need mentorship from marketing and brand experts and those with experience managing supply chains.

Sarwar is an inspiration that it's never too late to become a social entrepreneur - one that the YGAP/Spark* are proud to support. We welcome Seven Streams' potential support and partnership with him.

Togumogu (Happiness, Knowledge & Well-Being)

There are 20 million young parents (with 0-5 years old children) in Bangladesh. Unfortunately, there is not a single local language platform that educate young parents on various stages of parenting: pregnancy, infant, toddler up to preschooler. Meanwhile, the market for baby-related products and services is booming in Bangladesh, with 30%+ growth in the sale of diapers and baby foods.² This is driven by an increase in the number of women participating in work, particularly in the formal sector, and the rising purchasing power of young middle-class couples.³ But the industry is rife with inferior products and false marketing.⁴ In the case of baby formulas and milk substitutes, the government has moved to ban the outright advertising of such products in a bid to encourage breastfeeding and organic alternatives.⁵ Against this backdrop, young parents are confused more than ever about where to go, what to buy and what to do for their baby, and rely mostly on hearsay regarding best parenting practices.



Anika Rahman Mou was one such person. While working as an ecommerce and digital media executive, she became pregnant with her daughter and was confused about what to do. Realizing that other parents were facing similar problems, she and her husband, Maruf Islam, started Togomogu.com, the first ever parenting portal in Bengali.

Together with a team of technical and supply chain specialists, they have been working hard over the last 1.5 years to build up the website and related services.

Togumogu.com is a parenting blog, ecommerce site and parenting services provider. The parenting blog models itself after websites like Babycenter.co.uk, which takes a parent through a journey from pregnancy all the way to preschool, with vetted advice every step of the way.

² <http://www.euromonitor.com/markets-of-the-future-in-bangladesh/report>

³ <http://www.thedailystar.net/business/locally-made-baby-diapers-gaining-popularity-163297>

⁴ <http://archive.dhakatribune.com/business/2014/dec/01/baby-diapers-open-new-business-window>

⁵ <http://www.dhakatribune.com/law-and-rights/2014/01/27/baby-food-cos-flout-law-to-market-products/>

The key difference is that this is the first such website of its kind in Bengali, a language spoken by 400 million people around the world. Language is a key factor in targeting lower middle class and middle class parents. Right now, the site receives 2,000 unique visitors per day spending on average an hour on the website. There is huge potential for native advertising and sponsored posts to monetize this kind of audience, while over time creating a network of mommy and daddy bloggers/vloggers to drive even more engagement and traffic.

The ecommerce site focuses on various baby-related products. The Togumogu team have created a database of potential customers through various promotions on facebook as well as through a partnership with Light of Hope, another Spark* entrepreneur company, which runs a network of “Kids Time” centers around Dhaka for kids’ after-school creativity activities. One of the main revenue drivers are children’s books, which are popular with young mothers. In particular, they focus on selling books and series that are hard to find in the market as a set by purchasing directly from the publisher. In the future, they have plans to go into their own line of illustrated children’s books. Other popular products include craft kits, where parents and kids can follow Kids Time videos on youtube to make different kind of craft items. Baby foods like Gerber are also popular, and a potential opportunity in the future is sourcing their own line of natural baby food products.



The parenting services are quite unique. In particular, they are the only photo studio in Bangladesh focused exclusively on maternity and newborn photography, which is not easy. Anika in particular is the driving force behind the service, called “Baby Pixels” and is quite hands-on in designing sets for each client. They typically charge between 6,000-15,000 BDT for sessions lasting up to 5 hours and with three different themes/sets, and they are booked pretty much every weekend.

Right now, the revenues come from the ecommerce site and baby services, in a 75:25 ratio. In the past two months, sales have grown by 60%

to more than \$2500 per month. The team has plans to aggressively go into marketing in the coming year, including corporate partnerships and introducing privileged cards with discounts for companies' employees. They also plan to launch a new website in February, with a daycare center review to cater to the growing number of working parents opting to put their child in daycare who have a hard time figuring out which one is the right one for their baby. The creative designer from Spark* is providing some aesthetic guidance around the redesign.

On the content site, Togumogu is developing three detailed parenting e-guidebooks for 3 vital stages of parenting (pregnancy, 0-2 years old, 3-5 years old) each focusing on various needs of both mothers and children. These guidebooks will be delivered both through the existing platform and via 'free facebook basics' to the parents from rural areas who uses low-end smartphones (around \$50 or above) and has limited internet access.

With just US\$5000, the Togumogu team can create Bangladesh's first local language 3-stage parenting guidebooks and deliver them to 50,000 young parents; impacting one family's well-being with just 10 cents.

Budget Breakdown

The budget will be allocated in 3 areas: development of contents, website renovation for user friendly interface so that all types of users can use and online promotion and outreach.

Contents (articles in Bengali) will be developed for 3 parenting stages. They are briefly described:

Age category	Number of weeks	Number of contents/articles	Total engagement time (reading time) in hours
Pregnancy period	40	164	40 hours
0 – 2 years	104	208	52 hours
2 – 5 years	156	195	48 hours
Total	300	567	140 hours

3 parenting guidebooks on three stages will develop a total of 567 articles with average 800 words with average reading time 15 minutes/article. A total of 140-hour reading materials covering all three stages. A young mother will ideally go through a 5-year journey reading 140 hours of reading materials to aware and educate her on pregnancy and early development stage of her child.

Budget Estimation

1 USD = BDT 81

Budget Item	Unit cost	Unit number	Total cost (BDT)	Total cost (USD)
Content Development	500 tk	567	283,500	3500
Website renovation	81000 tk	1	81,000	1000
Online promotion and outreach	40,500 tk	1	40,500	500
Total			405,000	5000

Beyond the parenting guide, other types of support the team is in need of include:

- Mentorship around crafting and executing digital media campaigns
- Potential corporate partnerships for the privileged card program for employees who are expecting or are young parents
- Introductions to and partnerships with potential advertisers, particularly FMCG companies
- Linkages with product manufacturers - especially if Togumogu can become the exclusive distributor of aspirational and high quality baby products in Bangladesh
- Linkages with parenting experts and websites abroad who can provide content and potentially help organize parenting seminars and workshops in Bangladesh in the future
- Occasional use of an access to the Seven Streams' photo studio and equipment for high-quality photographs of products and content-related images

Anika and her team are an incredibly talented group who are passionate about making it easier to be both a parent and a baby in Bangladesh. They have found and are dominating a niche

that is profitable, growing and has the potential to make great impact. The YGAP/Spark* team are quite privileged to work with them and welcome the potential support of Seven Streams.

Tech Academy (Knowledge & Necessities)

In Bangladesh, a lack of work opportunities in science and engineering is both causing a brain drain of graduates and forcing those who stay to move out of the science and engineering fields altogether, hurting the country's potential for innovation. In agriculture, at least 1 in 5 scientists in public research institutions have left their jobs in the past decade, either to emigrate or seek non-research jobs in the private sector.⁶ In engineering at least 18% of qualified engineers have left the country between 2006-2011.⁷ In all, between 1976-2008 about 6.57 million Bangladeshis left the country for employment abroad within which 4% are professionals, i.e., doctors, engineers, teachers and nurses.⁸



Shams Jaber is a college drop-out who felt let down by the educational system in the country and dreaded going into the working world. In particular, he saw that there is a cradle-to-grave system where high potential young people are pushed to get high marks through rote learning

⁶ <http://www.thedailystar.net/news-detail-255714>

⁷ <http://journals.abc.us.org/index.php/ajhal/article/view/Hossain/251> p6

⁸ <http://journals.abc.us.org/index.php/ajhal/article/view/Hossain/251> p1

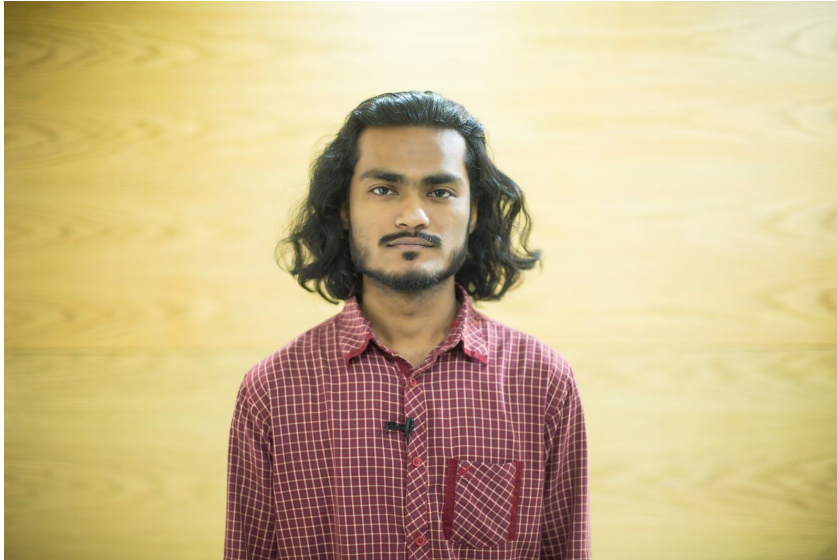
in order to become professionals who would either become institutionalized or emigrate. This was inhibiting the potential of many others like him.

In response, through self-education and much trial and error over four years, he has built Tech Academy, which provides science and engineering education - innovation training - for 7- to 16-year olds in after school and weekend programs. The innovation these students come up with their teachers in a classroom are then fine-tuned in Tech Academy's labs to provide as products or solutions to companies in the market with the proceeds shared between the kids and Tech Academy. For example, Tech Academy has provided an interactive artwork for the Coca Cola Bangladesh head office in Dhaka and have built Bangladesh's first home-made dumb waiter (food elevator) that brings food from Jatra Biroti's restaurant kitchen to the customer eating area. Recently, Tech Academy have sold an interactive computer game for IFAD, a local conglomerate, which was used in the Dhaka International Trade Fair. They are also developing web games for international brands. No other organization is combining extracurricular education for young people with real-life problem solving in such a way.

Tech Academy has a "one-for-one" model parents of high income backgrounds pay for their children's education at Tech Academy, while companies pay for the products and solutions created by Tech Academy. This is used to provide free education to children from low-income backgrounds, including those in remote areas like Bandarban. Since inception, Shams and the Tech Academy team have provided programming and electronics education to 500 kids. In the last year, the Tech Academy team achieved two key milestones: Earning close to AU\$28,000 while six students were chosen to represent Bangladesh at the First Global Robotics Olympiad last summer. Shams is supported by a revolving team of 21 part-timers, including under-18 youth who have learned under him. He is also supported by world-class technology and creative advisors from MIT Media Lab, New York University, Shanghai and the Tarek Masud Memorial Trust in Bangladesh.

Since the Spark* accelerator in October 2017, Shams is focused on taking his model across Bangladesh and beyond. In particular, he is working to create a second branch of Tech Academy in Dhanmondi (the first is in Banani), and recruiting teachers and students for new batches beginning in January 2018. He is also investing in a full-time staff for the first time, confident that he now has a product that can scale. He needs an investment of around 400,000

BDT (US\$5,000) for marketing and campaign materials in schools as well as working capital for his growing team. Spark* is working with him to create branding and marketing collateral, and will look to provide him with a small grant to begin marketing, with an option for larger grants/soft loans to be followed soon after.



Beyond money, Shams will readily admit that he is a product person first, though he did study business before dropping out. He is looking for mentorship from experienced business people in order to define a clear expansion strategy and seek investments for it.

He is also looking for further collaborations with institutions and companies for projects for Tech Academy and its kids. Finally, the classrooms and space owned by Seven Streams could be a great place to hold some classes for students in that area. He is redefining education in Bangladesh - please join us in creating a generation of innovators who will learn, work and build for and from Bangladesh.

Buy2Give (Knowledge)

Bangladesh has one of the lowest literacy rates in Asia, estimated at 66.5% for males and 63.1% for females in 2014. The dropout rate is also higher than neighboring countries. In 2017 alone, almost 17% of girls and 24% of boys at the primary education level dropped out, according to data compiled by the Bangladesh Bureau of Education. There are different reasons for dropping out. Often they occur due to financial problems within family and/or a lack of interest in continuing the child's education (e.g. they have reached working or marriage age). In most cases dropouts are working as child labourers or becoming dependent on their families, including husbands if they end up getting married.



Asib Akram is a serial social entrepreneur who has been working in education since high school. Now 28, he started his organization, We Foundation, as a tutoring program for street children which has since evolved to two full-time schools in Dhaka and Bogra that are providing education, healthcare and other support to 100's of vulnerable children on a sponsorship basis. His sponsors include some of the most successful, up-and-coming young corporate executives and entrepreneurs in Bangladesh, thanks to his prodigious networking.

He came through the April 2017 Spark* Accelerator to shift to a social business, and created the concept for Buy2Give. The idea is a twist on the "Tom's shoes" model, whereby he will go to the same sponsors for his children and provide office supplies to their companies at a discount, thanks to direct procurement from wholesalers. The office supply market in Bangladesh is quite fragmented, and there is a growing market for a one-stop shop model for office supplies. Companies like Ananta Group have invested in this sector through their website Kiksha.com, but they are focused on large corporates like themselves, and mostly use it for internal procurement. Asib believes he can capture the market for smaller corporates,

SMEs and social organizations, thanks to his connections. He went all-in on his idea and quit his full-time job as an engineer to become a full-time social entrepreneur.

A portion of the proceeds will be used to provide school supplies to kids at risk of dropping out and teacher training at poorly-staffed government schools. From his experience, those are the two most important reasons why kids drop out - they cannot afford it and they are not sufficiently motivated when they do go. Buyers will receive a report card each term with stories and numbers on how many students they've been able to impact. In the process, they are able to combine their procurement with CSR for double the impact, rather than having to spend the two separately. This is important for certain industries like banks, which are mandated to spend money on CSR.

Based on research and initial trials, Buy2Give can have a margin of 7%-15% on most products, with an overhead cost of 3%. In less than two months, he and his team have secured orders of around USD 2,538 per month and expected to break even within six. The Spark* team have supported him through a small grant to set up the website and business, and have provided creative support in creating promotional materials and collateral. We are potentially looking at a soft loans to cover working capital for some of his supply contracts.

On the impact side, he's signed an MOU with 5 government-run primary schools to implement "Phenomena-Based Learning (PBL)" in their school through training sessions with teachers and students over the course of one year. PBL uses real-world cases studies and applications to engage students, making sure that the "why" is just as important as the "what" and "how" when it comes to learning new subject matter. In addition, rather than having silos, students tackle real-life topics (e.g. "Politics in Bangladesh") through an interdisciplinary approach from multiple angles and subjects. The year is divided into multiple units like this, with students working alongside teachers rather than being spoon-fed ideas. Their questions and ideas serve as starting points when conceptualizing and planning essays, presentations and projects. It is a cutting edge approach that was popularized in Finland - the world's foremost leader in education.⁹

⁹ <https://teach.noodle.com/phenomenon-based-learning-what-is-pbl>

Buy2Give have already started to implement this in a government school in Jamalpur, and have plans to work in four more in the upcoming year. The team needs a grant of US\$5,200 to cover the cost of training materials, follow-ups and logistics, with the aim of impacting the lives of 2,400 students across grades 1-8. The goal is for PBL to become a standard throughout Bangladesh, and that is why it makes sense to trial it in government schools. Buy2Give is getting the encouragement from the state minister for education in this regard.

Beyond it financial support, he's in need of on-going mentorship and guidance on the business side of things as a first-time entrepreneur, when it comes to structuring contracts, financing his working capital and other matters. He would also love to supply Seven Streams / ZXY with office supplies. We look forward to working with you to end dropouts in Bangladesh.

Ousud.com (Physical Well-Being)

Chronic diseases like diabetes, which affects 10 million people, are on the rise in Bangladesh.¹⁰ But people are hesitant about spending on preventative measures in fear of healthcare costs as Bangladesh lacks a comprehensive health safety net. Right now, two-thirds of all health spending is private and it is growing, whereas it is the reverse in developed countries.¹¹ Hence, the country ends up with citizens that do not know how to take measures against preventable illnesses or that are sick but don't know it, or struggle to pay for medicines and services once they realize they are ill.

Another aspect that is often ignored is the authenticity of medicines available at pharmacies. Pharmaceuticals is a US\$2 billion industry in Bangladesh, growing at an astounding 15% per year.¹² But competition is intense - there are more than 200 active pharmaceutical companies and almost 40,000 retail drug license holders (e.g. pharmacy owners/operators).¹³ Almost all sales are done through retail pharmacies, which are not required to staff licensed pharmacists. The combination of lax regulation and lack of knowledge at the retail level and the intense competition among both pharmacies and pharmaceutical companies means that the sector suffers from the prevalence of counterfeit and substandard medicines. This is done as a way to boost profits in the midst of low prices. For example, in a 2009 survey of 193 active pharmaceutical manufacturers, more than a third were found to be non-compliant with international standards.¹⁴ In a 2010 survey of medicine samples by the Public Health and Drug Testing Lab - the country's testing authority - 6% were either counterfeit or substandard. This percentage doubled two years later. The Mitford market in Dhaka, ironically near the country's oldest hospital, is a notorious den for counterfeit medicines that are repackaged and sold through wholesalers and find their way onto retail shelves, where pharmacists practice a "don't ask, don't tell" policy with suppliers and vulnerable customers.

The four founders of Ousud.com ("Drugs.com") - Salman Ahmed, Sabbir Siddiqui, Dr. Istiaque Ahmed and Bazlul Lutful - all had family members who have suffered in the past from obtaining

¹⁰ <https://futurestartup.com/2016/07/27/the-state-of-diabetes-in-bangladesh/>

¹¹ <https://bdnews24.com/health/2015/01/15/per-capita-health-spending-rises-in-bangladesh-but-concerns-remain>

¹² <http://www.thedailystar.net/business/pharma-sector-grow-15pc-year-study-1429024>

¹³ <http://www.lightcastlebd.com/blog/2015/12/market-insight-how-the-bangladesh-pharmaceutical-sector-is-performing-in-2015>

¹⁴ <http://www.irinnews.org/feature/2013/11/04/bangladesh%E2%80%99s-battle-fake-and-low-standard-medicine>

counterfeit or expired medicine, or couldn't find a pharmacy open in the middle of the night when the prescription had run out. Like many households, a growing share of their monthly incomes are spent on medicine, particularly those for family members with chronic diseases. Seeing all these problems, and observing the growing trend towards e-commerce, they came up with an idea to launch an online pharmacy to make their lives easier.



They are also a well-balanced group - a banker, a computer programmer focusing on healthcare IT, a doctor and a logistics business owner - who grew up with each other. They are joined by Arefin Ankur, the Head of Operations, who has a BS in pharmacy and is the longest-tenured employee and a participant in the October 2017 Spark* accelerator.

Ousud.com sells authentic medicines acquired directly from pharmaceutical manufacturers and select healthcare products through physical branches and digitally on their website, on Facebook/Whatsapp and by phone. They also help manage prescriptions and make sure their customers always have the right medicine they need at the right time. They partner with vendors to give customers access to healthcare services. Finally, through Ousud.com Foundation, they engage customers and the general public with awareness campaigns for chronic disease prevention and management, as well as organize programs to provide affordable (or free) medicines, vaccinations, or health checkups for the underserved population.

The target market for Ousud.com's services are the growing legions of lower-middle income and middle-income professionals in Bangladesh who are looking after their elderly parents and relatives or are chronic patients themselves. Often, they may live in Dhaka with their parents and relatives. Sometimes, they may be studying and working in Dhaka but their parents and relatives may be back home in secondary towns. In lesser cases, they may be outside

Bangladesh altogether while their parents and relatives remain here. In all three cases, these young people are breadwinners for their families and have to make decisions regarding their healthcare.

Ousud.com's unique selling proposition, compared to regular pharmacies or purely online ones are:

1. Guaranteed authenticity - They have 10,000+ unique products, all sourced directly from manufacturers. No other other pharmacy, to their knowledge, sources 100% of products from manufacturers and cuts out wholesalers and traders.
2. Affordability - They provide a 5-7% discount on manufacturer's suggested retail price for all medications, for both in-store and online purchases. This was authenticated by the Spark*/Ygap team during mystery shopping. Others may offer comparable or higher discounts, but they cannot guarantee authenticity, as Ousud.com operates on the thinnest possible margins while making sure that quality is still guaranteed.
3. Omni-channel customer service - they have two locations in high traffic areas in Dhanmondi and Banani, which are then used to sign up customers for online deliveries. No online pharmacy has this hybrid model, as well as orders via digital media and phone. It provides real convenience and peace of mind for customers, particularly through the management of prescriptions and proactive updates through their histories on the company's CRM.

This is reflected in the strong customer loyalty they have fostered: In 20 months of operations, they have served more than 6,000 customers who purchased at least once a month. The revenue at the physical pharmacies grew 40% between year 1 and 2 to US\$850 per day. Online sales went up by 3 times since introduction at the beginning of 2017, with a current average of US\$200 per day. On a run rate of roughly US\$30,000 per month, the company has now broken even and is operating at an 8% net margin.

As mentioned earlier, they have also invested in community, providing cancer awareness programs, diabetes checkups and subsidized hepatitis B vaccinations to more than 4,000 people during this period. The funds are from sales and donations to Ousud.com Foundation,

in particularly through their strong linkages with the Bangladeshi community in Australia. It is also a good way to conduct marketing - sales tripled since these programs began as people heard about Ousud.com's social mission and roughly 20% became customers.

The long term vision of Ousud.com is to take the healthcare economy of Bangladesh and put it on a streamlined, digital platform. To be more precise, they want to become for Bangladesh what "CVS" is in America - a network of pharmacies that take advantage of scale to provide affordable medicines and distribute them through hubs, where your purchases and prescription histories can be stored and accessed anywhere - online and offline, whose retail locations provide both basic healthcare services and medications.

On the first point, as infrastructure and communications linkages improve rapidly across Bangladesh, this is increasingly becoming a reality. Courier services are already doing overnight deliveries with reliability, and most of the population of Bangladesh are within an 8 hour ride from Dhaka. And by creating strong systems in supply chain, customer management, logistics and brand, Ousud.com will absorb retail pharmacies throughout Bangladesh as affiliates and franchises so they don't have to constantly invest in their own branches. On the second point, with every purchase the digital health record of every customer is being built and will be shared with them if they ask. Over time, this can become a platform for predictive analytics, and be used to connect customers with relevant information and services and specialists both at home and abroad. Customers can take the information when visiting doctors. Pharmaceutical companies, which do not have a direct relationship with customers, would also be able to use the data for business planning and marketing. Insurance companies can use the data to rate customers and assess premiums. The applications are endless. On the third point, building off of their experience with Ousud.com Foundation, Ousud.com plans to move into home pathology and other services for their customers and effectively combine that with medicine. They are working with their foundation benefactors to acquire some of this testing equipment.

In the coming year, Ousud.com is trying to raise US\$50,000 to invest, among other things, their IT and distribution infrastructure, call center facilities and employee base. Of that amount, up to US\$7,000 will be spent on awareness and treatment programs, including those by visiting Non-Resident Bangladeshi doctors. This will be their first capital round, and will grow the

business to serve 9,000 repeat medicine customers and the foundation to serve 12,000 people through services.

Spending Priority	Amount (BDT)
Enhancement of digital platform, website, ERP system, Customer Relation Management system and online payment gateway	650,000
Mobile app	750,000
Distribution vehicles (4 Honda)	400,000
Increase call center facilities a. Additional Call Center Reps b. Distribution Staffs c. Doctor Services including medicine queries d. Free information on medical services (mainly for outside Dhaka patients)	400,000
Salary for 10 additional employees	1,200,000
Awareness programs (5)	100,000
Free Treatment Programs by NRB doctors	450,000



The YGAP/Spark* team have been working with Ousud.com to create a business strategy and more defined expansion plan, as well as helping to invest in their branding and digital media collateral. We are strongly considering them for an AU\$10,000 grant, which can get them started on building some of this IT infrastructure and invest in marketing, while we conduct further due diligence for an investment in

the range of AU\$25,000-\$40,000. Altogether, this could be up to AU\$50,000 (US\$39,000) We would welcome a potential co-investment or grant by Seven Streams to make up the rest, particularly the US\$7,000 for awareness and treatment programs.

In addition to financial support, what Ousud.com needs is:

- A brand redesign and overhaul
- Cleaned up financial statements and business plan to go after capital
- Mentorship from experienced business executives in scaling a business
- Stronger linkages with pharmaceutical companies such as Incepta, part of the Build Bangladesh family
- Linkages with corporates, where professionals can be acquired as customers through workshops and awareness programs
- Connections with the Bangladeshi diaspora to raise further funds for the foundation

Ousud.com by far is one of the highest potential companies to come of the Spark* accelerator, in terms of product/market fit, vision, team and financials. We are excited to make this a success, and look forward to working with you to do so.