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# HIGHER EDUCATION SOLUTIONS NETWORK - ANNUAL REPORT (FY 2013)

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Social Entrepreneurship Accelerator at Duke  
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## Acronyms

<b>CASE</b>	Center for the Advancement of Social Entrepreneurship
<b>CASE i3</b>	Center for the Advancement of Social Entrepreneurship Initiative on Impact Investing
<b>DGHI</b>	Duke Global Health Institute
<b>DHT-Lab</b>	Developing World Healthcare Technology Laboratory
<b>DIHI</b>	Duke Institute for Health Innovation
<b>EWH</b>	Engineering World Health
<b>GRE</b>	Investors' Circle <i>Getting Ready for Equity™</i> workshops
<b>HESN</b>	Higher Education Solutions Network
<b>IC</b>	Investors' Circle
<b>I&amp;E</b>	Duke Innovation & Entrepreneurship Initiative
<b>IPIHD</b>	International Partnership for Innovative Healthcare Delivery
<b>M&amp;E</b>	Monitoring and Evaluation
<b>NCIIA</b>	National Collegiate Inventors and Innovators Alliance
<b>SCALERS</b>	Seven capabilities for scaling impact as identified by CASE Senior Fellow Paul Bloom and collaborators: <i>Staffing, Communicating, Alliance-Building, Lobbying (Advocacy), Earnings Generation, Replication, and Stimulating Market Forces</i>
<b>SEs</b>	Social entrepreneurs
<b>SEAD</b>	The Social Entrepreneurship Accelerator at Duke
<b>SEAD SAC</b>	SEAD Student Advisory Council
<b>SL@B</b>	Saving Lives at Birth

## Executive Summary

Since the award of SEAD on November 8, 2012 through the end of the USAID Fiscal Year (September 30, 2013), SEAD has made great strides in all areas of its work: selecting and engaging a cohort of global health innovators, conducting deep assessments and diagnostics to determine the critical needs to move to scale of impact, broadening the investment ecosystem for global health ventures, developing a strategy for SEAD research and evaluation, and meaningfully engaging students to broaden their understand of the complex issues around global health and social entrepreneurship.

Soon after award, SEAD began the process of recruiting and selecting the first cohort of SEAD innovators; the first cohort is comprised of 13 organizations working on innovations ranging from clinic models to micro-insurance to technologies and devices to health infrastructure. Within the first few months that the new cohort was on board, SEAD engaged the innovators through the SEAD Summit and worked to assess their needs through a variety of efforts including site visits over the summer. During the assessment and diagnostic period, SEAD staff and coaches also provided timely support to innovators as needs were determined; moving forward, SEAD and the innovators are working on scaling strategies and customized actions plans to guide the SEAD interventions over the remaining time in the accelerator. In the second half of Year 1, SEAD put together the eligibility criteria and began recruitment for cohort two, using documented lessons learned to feed into the recruitment and selection process.

Investor's Circle, SEAD's impact investing partner, has been working throughout Year 1 to identify potential members for a Global Health Advisory Board and review potential global health deals for pitch events. Toward the end of Year 1, IC finalized the Global Health Advisory Board recruitment, confirming eighteen distinguished members. The IC team also reviewed 11 global health deals for its pitch events, provided five global health companies with assistance, and with the help of the Global Health Selection Committee, selected two companies to present in 2013. The network provided equity investment for two global health companies.

As SEAD has developed a robust understanding of the key challenges facing the innovators in the cohort and the different stages of development in which they exist, it has been able to develop a more informed strategy for research and evaluation; the research and evaluation work has been guided by an Evaluation Committee and informed by consultations with other faculty around the university. Year 1 research projects provided support and insight to innovators related to specific needs, and preparation for Year 2 has seen a more focused and strategic effort given a greater view of needs across the cohort and challenges across other impact accelerators working in the international realm.

SEAD has seen significant student interest in its work, and a group of over 20 students from across the university came together in Spring 2013 to support SEAD in articulating and operationalizing a student engagement strategy. Over Summer 2013, SEAD supported ten student fellows in work overseas - four who worked directly with SEAD innovators and two who worked on further developing their own innovative global health ventures – and leveraged 21 additional fellows through the DukeEngage Engineering World Health Program. SEAD provided support to incorporate global health and social entrepreneurship content into two courses in Spring 2013, and worked to plan and develop additional contributions for courses that will take place in Fall 2013 and Spring 2014. Additionally, SEAD has provided a significant number of opportunities for students to hear from speakers and attend events that expand their understanding of global health innovation and expose them to paths and opportunities to engage further.

Throughout Year I, SEAD has learned a tremendous amount about all aspects of the program, and has continued to readjust and make changes to ensure continued success of the program (see Lessons Learned section below). SEAD looks forward to continuing to innovate and learning as an organization, and to identify the best way to share this learning within Duke, with USAID, with innovators, with other impact accelerators, and beyond.

## Part I: Major Milestones and Events Completed

### I.1. Milestones

SEAD milestones are listed below, along with the reference number of the relevant indicator from the SEAD M&E Plan.

- Selected first cohort of 13 SEAD innovators, drawn from among the USAID Saving Lives at Birth grantees and SEs participating in the IPIHD network (IR1.1in1) *See Appendix 1 for list and descriptions of SEAD Cohort One innovators.*
  - Developed, refined and launched pipeline process for selection of second cohort of SEs (to on-board in January/February 2014) including the incorporation of lessons from pilot cohort
- Launched accelerator program including regular interactions with SEs such as peer learning calls, coaching calls, and student projects aimed at addressing specific challenges. (IR1.2in1)
  - Conducted needs assessment of the SEAD innovators, including self-assessment of their scaling capabilities using an instrument based on the SCALERS framework as well as site visits in July and August 2013
- Completed individual strategies for supporting scaling of each SE and overall, more comprehensive, set of interventions to work with different clusters of SEs (based on stage of growth/development). IC recruited and launched a strong Global Health Advisory Board, confirming eighteen distinguished members, exceeding our goal of fifteen members. (IR1.3in3) *See Appendix 2 for list of Global Health Advisory Board members.*
- IC vetted 11 global health deals, provided assistance to five and facilitated investments in two of the enterprises. (IR1.3in3, IR1.3in4)
- IC has developed the outline of a global health track, including baseline deal flow, identification of members and prospect members interested in global health and an advisory board to guide the track's development.
- Held first annual SEAD Summit, welcoming the participating innovators to Duke for workshops, networking, and engagement with students and faculty (O2in3) *See Appendices 4-7 for select SEAD Summit Presentations.*
- Participated in eight events or meetings with leaders of health systems, government agencies, policy advocacy groups, NGOs, and the private sector, including meetings with three USAID Missions and one meeting at Duke with USAID Administrator Raj Shah. (IR2.2in1)
- In September 2013, the SEAD website had 7,592 unique visitors. (IR2.1in1)
- Held first annual Duke Symposium on Scaling Innovations in Global Health, drawing in more than 200 participants; *hosted over 20 meetings and events for students & faculty with attendance totaling over 900 participants.* (IR3.1in1)
- Provided support to incorporate global health and social entrepreneurship content into two existing courses, with plans to expand to at least six additional courses in Year 2. (IR3.1in2)
- Supported 31 summer fellows engaged in global health innovation, and an additional 12 in short-term practica. Summer Fellows included four Fuqua MBA students consulting with SEAD innovators and two undergraduates working on their own innovations. (IR3.2in1, IR3.2in2, IR3.3in1)

### I.2. Events

- Participated in HESN launch event in November 2012, bringing three SEAD faculty, three staff, three students, and one alumna advisor.
- Hosted four visits by USAID staff (December, February, April, and September). In February, SEAD organized a public talk by USAID's Alex Dehgan and a lunch discussion for DGHl students with USAID's Wendy Taylor. In September 2013, hosted Administrator Raj Shah and other key USAID staff, with events including meeting with senior university leadership, meeting with SEAD

team and four innovators, student lunch, visit to Prof. Robert Malkin's class on designing healthcare technologies for the developing world, and distinguished speaker series lecture attended by over 200 students, faculty, and community leaders. The USAID visits have also included a number of meetings with university senior leadership. See *Appendix 3 for SEAD's Overview Presentation to Administrator Shah*.

- Organized and supported a number of speakers, presentations, and other events for students and faculty as described under Objective 5 in section 2.2 below, including.
  - Hosted two brownbag lunches for students to meet with USAID/GH's Wendy Taylor and Harvard professor Sujata Bhatia during Duke Global Health Week (also coinciding with the SEAD Summit); hosted two student events with OST Director Alex Deghan.
  - Hosted talks in collaboration with CASE with opportunities for students to hear from SEAD innovators, including a session with Changamka, a live Skype chat session with SalaUno, a session featuring the Riders for Health founders as winners of 2013 CASE Award for Enterprising Social Innovation, and an upcoming (Y2) Fuqua brownbag with the Knowledge Manager of Jacaranda Health.
  - Held brainstorming sessions and meetings for the SEAD Student Advisory Committee.
  - Co-hosted student lunch at Duke with Administrator Shah in September 2013.
- Delivered presentation about SEAD to approximately 30 staff of the USAID Global Health Bureau in DC in June 2013.
- Completed first trip to India and Middle East including extended working sessions with four of the SEs in pilot cohort, USAID mission in Delhi and various investors/funders of global health SEs.
- Completed first trip to Africa including visits to Kenya, Uganda and Ghana including extended working sessions with four of the SEs in pilot cohort, meeting with leadership and HESN team of Makerere University, presentations to USAID missions in Kenya/East-Africa and Ghana, and various investors/funders of global health SEs.
- Presented IC's work with SEAD at a speaking engagement during Agora Partnership's Impact Investing in Action conference in May 2013; spoke with potential pipeline partners and member prospects, including one member who has since joined.
- Additional leveraged conference presentations and sessions relevant to SEAD:
  - Attended SOCAP (Social Capital Markets Conference) in September 2013; SEAD faculty Cathy Clark of CASE i3 attended and presented at the conference. Incorporating research and learnings relevant to SEAD's impact investment efforts, Professor Clark moderated a panel, "What's Next: Evidence-Based Practice, Impact Investing, and Pay for Success Collide" and convened with partners (InSight at Pacific Community Ventures and ImpactAssets) to share "Impact Investing 2.0" - a preview of a new research report the group will be releasing in November on the best practices of exceptional impact investing funds managing over \$3 billion of assets with investments in over 80 countries. (View [the 15 minute video presentation](#) and read the related HuffPost blog, "[Impact Investing 2.0 — What \\$3 Billion Tells Us About the Next \\$300 Billion.](#)") (CASEi3)
  - Co-hosted (through CASE i3) the Impact Investor Project's Convening on Emerging Best Practices in April 2013 at Oxford, in conjunction with the Skoll World Forum on Social Entrepreneurship. CASE i3 cohosted the event with InSight at Pacific Community Ventures, ImpactAssets and the Skoll Centre for Social Entrepreneurship, which was also attended by approximately 80 global practitioners. (CASE i3)
  - Delivered presentation on IPIHD's human capital innovations work, with recommendations for policy and practice, at the Consortium of Universities in Global Health conference in Washington DC, March 15, 2013. The presentation focused on the need for human capital innovation in health care delivery, examples of how

workforce innovations can increase access, decrease cost, and improve quality in many contexts around the world and key recommendations for how governments and health systems can encourage such innovations. (IPIHD)

- Conducted IPIHD Annual Forum in Washington, DC in April 2013 which convened the same innovators at the SEAD Summit and many others with leaders from the life-sciences sector, investors, funders and other leaders in healthcare. The two day event included a day of interactive sessions sharing experiences, opportunities and ideas to catalyze innovations in healthcare delivery followed by a day of interactive workshops, break-outs and panels on a range of topics.
  - Co-hosted dinner reception focused on health innovation at World Economic Forum Annual Meeting in Davos in January, 2013. (IPIHD) with high-level participation including the President of the World Bank, two Federal Ministers from Germany and CEOs and Senior Executives/Leaders from the private and social sector and academia
  - Hosted a healthcare innovation policy roundtable in Washington DC in April 2013 to a group of US (and some international) health system leaders (providers, payers, think-tanks and policy-makers), focused on discussion of the role of human capital innovation in the US health system and necessary policy/regulatory reforms required to facilitate translation of innovations. (IPIHD)
  - Provided content expertise including case studies on healthcare innovations to inform the structure and approach to a major new initiative at the World Economic Forum entitled “Health Systems Leapfrogging in Emerging Economies” as well as the final report of a previous initiatives at the World Economic Forum entitled “Scenarios for Sustainable Health Systems” (<http://www.weforum.org/issues/scenarios-sustainable-health-systems>). (IPIHD)
  - SEAD was highlighted at the Duke Institute for Healthcare Innovation launch in September 2013; SEAD was mentioned throughout the presentations as an example of interdisciplinary collaboration around health innovation, and SEAD displayed a poster at the conference.
- Numerous team meetings and working sessions, as well as meetings of the SEAD executive committee and other committees and working groups.

### I.3. Publications

- Liz Charles (IPIHD Summer Intern), Jeffrey Moe, and Richard Bartlett. [One Family Health Rwanda: Achievements and Challenges 2012](#). IPIHD Case Study #101. Published by IPIHD<sup>1</sup>, 2013.
- Richard Bartlett, Jeff Moe, and Mukesh Singhal (IPIHD Summer Intern). “Replicating Indian Eye Care Innovations in Mexico: The Founding and Expansion of salaUno.” Published by IPIHD, September 2013.
- (Coming soon) Cathy Clark, Richard Bartlett, and Lila Cruikshank (IPIHD Summer Fellow) will be publishing a white paper entitled “Fundraising for Your Global Health Social Enterprises: Lessons from the Field”
- (Coming soon) Three additional IPIHD Case Studies led by summer MBA interns, focusing on SEAD Innovators Jacaranda Health, Changamka, and Vaatsalya.

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<sup>1</sup> Through IPIHD’s MBA Summer Internship program, IPIHD develops case studies focused on the critical challenges and decisions facing healthcare delivery innovators. These case studies are designed to both highlight Network innovators and share their knowledge and lessons learned. They are used as teaching tools for MBA and Global Health students and as catalysts for peer-to-peer learning among healthcare innovators.

- (Leveraged by SEAD) Liz Charles and Mailande Moran (Fuqua students). “LifeSpring Patient Experience Analysis.” May 2013.
- (Leveraged by SEAD) Sanjay Acharya (IPIHD Intern), Jeffrey Moe, Andrea Taylor. “Process Improvement” tutorial video. September 2013.
- (Coming soon, and leveraged by SEAD) CASE i3 (Cathy Clark), InSight at Pacific Community Ventures, and ImpactAssets will be releasing a research report on the best practices of exceptional impact investing funds managing over \$3 billion of assets with investments in over 80 countries.
- (Manuscript under development, and leveraged by SEAD) Krishna Udayakumar, Alex Cho, Richard Bartlett, Andrea Taylor, Victor Dzau. Scaling Disruptive Innovations to Improve health: Lessons from the study of transformative models of healthcare delivery globally.
- (Manuscript under development, and leveraged by SEAD) Victor Dzau, Natalie Grazin, Andrea Taylor, Will ElLaissi, Richard Bartlett, Thomas Kibasi, Nicolaus Henke, Matthew Pettigrew, Krishna Udayakumar. Reforms to Enable Human Capital Innovation.

#### I.4. Communications

- Press Announcement: “Duke Receives Award for Social Entrepreneurship Accelerator,” *DukeToday*, November 8, 2012, <http://today.duke.edu/2012/11/sead>
- Blog Posting: “Introducing the Social Entrepreneurship Accelerator at Duke!” Erin Worsham, CASE Notes blog, November 9, 2013, <http://blogs.fuqua.duke.edu/casenotes/2012/11/09/introducing-the-social-entrepreneurship-accelerator-at-duke/>
- Blog Posting: “HESN Launch Event: ‘What’s Your Problem?’” Liz Charles (student), IPIHD blog, November 15, 2012, <http://www.ipihd.org/blog/hesn-launch-event-whats-your-problem/>
- Blog posting: “Inaugural Duke Symposium on Scaling Innovations in Global Health,” Erin Worsham, CASE Notes blog, March, 20, 2013, <http://blogs.fuqua.duke.edu/casenotes/2013/03/20/inaugural-duke-symposium-on-scaling-innovations-in-global-health/>
- Press Announcement: “Global Health Social Entrepreneurs Gather at Duke,” David Jarmul, *DukeToday*, April 3, 2013, <http://today.duke.edu/2013/04/sead>
- Blog Posting: “SEAD Summit: To the moon? If sparks travel,” Carolyn Kent, IPIHD blog, April 25, 2013, <http://www.ipihd.org/blog/sead-summit-to-the-moon-if-sparks-travel/>
- Launched SEAD website ([www.DukeSEAD.org](http://www.DukeSEAD.org)) and our Twitter presence (@DukeSEAD). We also produced a tri-fold brochure to help raise awareness on campus and at external events.
- Fuqua magazine: <http://www.dukesead.org/1/post/2013/06/sead-featured-in-duke-magazines-fuqua-edition.html>
- Blog posts (<http://www.dukesead.org/blog.html>), including
  - 2013 Symposium on Scaling Innovations in Global Health (event recap)
  - Interviews with 2013 SEAD Innovators and Partners
  - First Human Use of Pratt Pouch
  - Experiencing Global Health Policy from the Inside: Global Health Fellows, Geneva, 2013
- IPIHD articles featuring SEAD innovators
  - Vaatsalya: <http://www.nextbillion.net/blogpost.aspx?blogid=3521>
  - Changamka: <http://www.nextbillion.net/blogpost.aspx?blogid=3485>
- Article initiated by SEAD (BBC report on Changamka): <http://www.bbc.com/future/story/20130822-smart-cards-that-top-up-health>
- Ashoka U named SEAD Summer Fellow (Duke senior and co-chair of the SEAD Student Advisory Committee) Katie Guidera their Changemaker of the Week for her work developing

an anti-malaria social enterprise in South Africa (<http://ashokau.org/blog/changemaker-of-the-week-katie-guidera/>)

- Leveraged additional IPIHD blogs on healthcare delivery innovation (<http://ipihd.org/blog/>).

## Part 2: Description of Key Activities

### 2.1. Annual Objectives

**Objective 1.1: Build Global Health Pipeline**—SEAD will identify a qualified pool of innovative technologies, systems, business models, and approaches for healthcare and preventive services.

*Anticipated Results & Outcomes per YI Work Plan:*

- a. Pool of SEs to select cohort from
- b. First pilot cohort of 8-15 SEs brought into SEAD program
- c. Process (including selection criteria) for outer years

**Objective 1.2: Develop Resources and Capabilities**—SEAD will help social entrepreneurs to scale their social impact by developing and strengthening skills to design effective business models, develop and implement scaling strategies, and attract sufficient resources.

*Anticipated Results & Outcomes per YI Work Plan:*

- a. Approach for assessing challenges in scaling impact of SEs
- b. Process metrics for initial programs (e.g., online platform, mentoring, etc.)

**Objective 1.3: Leverage Impact Investing**—SEAD will serve as a bridge between global health social entrepreneurs and the impact investment community to facilitate increased access to investors, innovative deal structures, instruments, and funding partnerships.

*Anticipated Results & Outcomes per YI Work Plan:*

- a. Landscape of challenges facing SEs
- b. Outline of new global health track and initial elements launched including first track at venture fair

**Objective 2: Enhance Knowledge and Policy**—SEAD will broaden and enhance understanding of the conditions that foster or inhibit effective, sustainable, scalable innovations in health care and preventive services; and, based on this knowledge, it will recommend regulatory and policy strategies as well as private sector mechanisms to foster more promising innovation and more effective scaling of impact.

*Anticipated Results & Outcomes per YI Work Plan:*

- a. Strategy for research and evaluation components
- b. Creation of database
- c. Approach for providing grants and other support for research network

**Objective 3: Engage Students and Faculty**—SEAD will increase the engagement of students and faculty in meaningful opportunities for experimentation, innovation, learning, civic engagement, and knowledge development in the field of global health.

*Anticipated Results & Outcomes per YI Work Plan:*

- a. Strategic approach developed and under early development
- b. Initial programs underway working with early stories captured

## 2.2. Summary of Key Activities and Outcomes

**Objective 1.1: Build Global Health Pipeline**—SEAD will identify a qualified pool of innovative technologies, systems, business models, and approaches for healthcare and preventive services.

- Designed, developed and launched first pilot cohort of 13 SEs for the first year of the SEAD program including the development of criteria
- Gathered lessons learned from work with the first pilot cohort to enhance and adapt the criteria and application process for year two
- Designed and developed more robust application and selection process (including selection criteria) for second cohort (targeting decisions by January 2014) based on lessons learned in first pilot cohort and launched application process and “call for applications”

**Objective 1.2: Develop Resources and Capabilities**—SEAD will help social entrepreneurs to scale their social impact by developing and strengthening skills to design effective business models, develop and implement scaling strategies, and attract sufficient resources.

- Developed and deployed needs assessment based on SCALERS framework to understand the challenges faced by innovators in the pilot SEAD cohort to determine the approaches required for supporting the scale up of the innovator. See Appendices 8 and 9 for the scaling assessment and diagnostic tools used for Cohort 1.
- Held the inaugural SEAD Annual Summit including 1.5 days of workshops and programs to kick-start work with the pilot SEAD cohort as well as a public symposium to expose students and faculty to global health social entrepreneurship.
- Performed site visits to 8 of 13 SEs in pilot cohort including trip to India/Middle East; as well as trip to Kenya/Ghana to perform deeper diagnoses of each SE
- Launched accelerator program including regular interactions with SEs:
  - Peer learning calls aimed at creating a platform for SEs to learn from each other, share best practice and access resource/strategies from faculty around common challenges faced by SEs
  - Coaching calls with each SE in the pilot cohort to discuss individual business plans and challenges in scaling with SEAD faculty and staff
  - Projects with students aimed at helping SEs address specific challenges or needs faced in scaling
- Completed individual strategies for supporting scaling of each SE and overall, more comprehensive, set of interventions to work with different clusters of SEs (based on stage of growth/development)
- Developed necessary systems, processes (online and offline) and interactions internally to manage accelerator effectively
- Shared lessons learned with SEAD team (and shortly USAID during teleconference scheduled for Nov 13th) about working with the SEs and developing program in next year

**Objective 1.3: Leverage Impact Investing**—SEAD will serve as a bridge between global health social entrepreneurs and the impact investment community to facilitate increased access to investors, innovative deal structures, instruments, and funding partnerships.

- Held a workshop for the for-profit entrepreneurs at the SEAD Summit in which the participants shared their funding experience to date, and IC asked them to think about how IC can help them achieve their future funding goals. IC followed up with each entrepreneur to determine

which *Getting Ready for Equity™* course is best suited to their needs and at which point in their development/growth, or if some other mentoring/ workshops would be more appropriate.

- Continued to build partnerships and relationships with the necessary organizations and institutions that will enable the drive of deal flow in the global health space. This is an ongoing activity to grow the pipeline of investible companies.
- IC engaged with individual members, prospects, partners and audiences in individual meetings and general IC presentations to promote SEAD, develop global health deal flow, and inform our SEAD work.
- IC finalized Global Health Advisory Board recruitment, confirming eighteen distinguished members, including IC member investors, representatives of venture funds investing in global health innovations, representatives of venture funds investing in developing markets, corporate representatives working in health care innovation for developing markets, and NGO representatives working with health innovations and entrepreneurs. The interest and positive response exceeded our goal of fifteen members.
- IC planned for and held the launch call of the Global Health Advisory Board, reviewing IC's global health investing goals, the SEAD program and IC's role, the Board's role. The Board also discussed opportunities and challenges in early stage global health investing and provided input on the selection criteria for the next SEAD cohort. IC planned for the October 21 annual meeting of the Global Health Advisory Board in Washington, DC.
- IC worked with SEAD coaches to provide SEAD innovators with business plan and fundraising feedback.
- The IC team reviewed 11 global health deals for its pitch events, and provided five global health companies with assistance. For three of the companies, IC provided coaching to the entrepreneurs as they prepared to pitch to IC investors, hosted them at a pitch event, and facilitated due diligence efforts post pitch in order to help them get access to capital. For two of the companies, who were part of the SEAD cohort, IC provided business plan review and feedback. With the help of the Global Health Selection Committee, IC selected 2 companies to present in 2013. The network provided equity investment for 2 global health companies.
  - The two companies that received funding through IC were Cardinal Resources and Eniware. Cardinal Resources' mission is to provide clean water around the world, through economical and environmentally friendly means. Eniware has a power-free, sterilization unit for surgical instruments, and its mission is to enable health professionals worldwide to provide infection-free medical care for all those in need, anywhere, at any time.

**Objective 2: Enhance Knowledge and Policy**—SEAD will broaden and enhance understanding of the conditions that foster or inhibit effective, sustainable, scalable innovations in health care and preventive services; and, based on this knowledge, it will recommend regulatory and policy strategies as well as private sector mechanisms to foster more promising innovation and more effective scaling of impact.

- Established SEAD Evaluation Committee which meets bi-weekly to discuss and advise on SEAD M&E Plan, program evaluation design, and research efforts
- Developed Monitoring & Evaluation (M&E) Plan for SEAD.
- Built upon the SCALERS framework to inform work SEAD's work, including adapting the SCALERS needs assessment instrument for use with cohort one and using the framework to inform the accelerator interventions and research questions. The needs assessment data is likely to constitute some of the baseline data for assessing our capacity building efforts, including within one of the PMP indicators (IRI.2in1). In Year 2, we will continue to refine the SCALERS assessment tool and use of the framework within SEAD's work.

- Development of SEAD Program Evaluation: The SEAD Program Evaluation, led by a Research Scholar from DGHI, will help SEAD to determine if and how the innovators are different following the SEAD intervention, and which components of the SEAD intervention are working well and why.
- Considering ways to incorporate additional research with SEAD and leveraged funds, including research on conditions that foster and inhibit scaling of impact and research on global health innovation and social entrepreneurship using SEAD as a platform. These research initiatives will also allow us to engage a diverse set of faculty from across the university.
- Completed one student-led case study on a global health innovator (One Family Health in Rwanda, posted <http://ipihd.org/images/PDF/OFH%20Case%20Study%20FINAL.pdf>); three additional case studies on SEAD innovators are in development by the MBA students who interned with those innovators this past summer.
- See other publications in progress in Section 1.3.
- SEAD is determining how best to move forward with what was initially envisioned as the creation of a database with research and publications on scaling impact; online resource centers with some of the relevant information already exist (e.g. Social Impact Exchange knowledge center developed by CASE and Growth Leadership Forum, CASE Knowledge Center scaling database). In Year 2, SEAD will consider ways in which it could strategically build upon existing resources to support social entrepreneurs and researchers in finding high quality scaling research, publications, and tools relevant to a developing world context.

**Objective 3: Engage Students and Faculty**—SEAD will increase the engagement of students and faculty in meaningful opportunities for experimentation, innovation, learning, civic engagement, and knowledge development in the field of global health.

- Engaged students in informing the direction of SEAD student engagement activities by convening a preliminary working group to inform the SEAD Student Advisory Council in Spring 2013; more than 20 students participated from across the university, including undergraduates, graduate/professional students, and Ph.D. candidates. The students drafted a charter for the SEAD SAC and identified opportunities for student engagement in the 2013-2014 academic year.
  - Launched and chartered the SEAD Student Advisory Council (SAC) in Fall 2013. The SEAD SAC is comprised of 17 students representing nine different schools and programs at Duke, and will take leadership in guiding, planning, and promoting student activities.
- Provided opportunities for students to engage directly in global health innovation and social entrepreneurship through the following activities:
  - Supported 31 summer fellows engaged in global health innovation. Summer Fellows included four Fuqua MBA students consulting with SEAD innovators, two graduate students consulting with other global health social entrepreneurs, two undergraduates working on their own innovations, one graduate and one undergraduate working abroad through DHT-Lab, and 21 students working through Duke Engage Engineering World Health Summer Institute in Tanzania and Nicaragua. The summer MBA internships with SEAD innovators, through IPIHD, included the following work:
    - Changamka Microhealth: Student reviewed their data structure, created a data analytics framework, identified data risks and provided suggestions for corrective action, created marketing material, and connected with a BBC reporter who then wrote an article about Changamka.

- Vaatsalya Health: Student conducted a feasibility analysis of a proposed plan to conduct health screenings at nearby schools, created a business plan for the screening pilot, and trained the staff in how to do basic financial modeling.
    - Jacaranda Health: Student provided marketing and development support, creating marketing content for the organization website and brochures, developing a scaling blueprint to help Jacaranda prepare to replicate their first clinic, identified opportunities for corporate sponsorship, and trained lead staff in how to engage potential corporate funders.
  - Supported 12 students working on short-term practica related to social entrepreneurship and global health. These experiences included two graduate students working on research projects, two graduate students participating in the Duke Global Health Fellows Program, and eight MBA students working with social enterprises through the Fuqua Client Consulting Practicum.
  - Engaged, through IPIHD, graduate research assistants and undergraduate interns to support IPIHD and SEAD's knowledge development and policy agenda and to provide the students with opportunities to engage in global health work while leveraging their interests and skills.
- To expose students and faculty to the complexities and opportunities in global health innovation, organized, hosted, and/or collaborated on a number of events for audiences totaling over 900 students and faculty, including:
  - Held first annual "Duke Symposium on Scaling Innovations in Global Health" in April 2013, a portion of the SEAD Summit open to students and the public; students attended plenary sessions with USAID and SEAD leaders, participated in breakout sessions with SEAD innovators, and interacted with the innovators in an exhibit hall.
  - Organized opportunities for students to hear from SEAD innovators, including a session with Changamka, a live Skype chat session with SalaUno, a session featuring the Riders for Health founders as winners of 2013 CASE Award for Enterprising Social Innovation, and an upcoming (early Y2) Fuqua brownbag with the Knowledge Manager of Jacaranda Health.
  - Collaborated with organizers of Duke Global Health Week —organized lunchtime talks by USAID's Wendy Taylor and Harvard's Dr. Sujata Bhatia.
  - Collaborated with USAID, Sanford, and DGHI to support student lunch discussion with Administrator Raj Shah, the Terry Sanford Distinguished Lecture by Administrator Shah, and a student international development career talk with Alex Deghan.
  - Organized panel session on scaling global health innovations for Net Impact Club's annual Duke Conference on Sustainable Business and Social Impact.
  - Delivered presentation on health innovations at the Fuqua Health Sector Management Bootcamp.
  - Delivered presentation on health innovations for the Duke School of Medicine Global Health Clinical Core.
  - Held a SEAD information session at Fuqua with 40 participants, and an information session in collaboration with DGHI with 26 participants.
- To bolster academic offerings, provided support for two courses: Pratt School of Engineering's *Design for the Developing World*, and the Fuqua Client Consulting Practicum (FCCP). Additionally, SEAD has already developed plans to incorporate global health innovation content into six additional existing courses: DGHI's *Global Health 101*, DGHI's *Global Health Capstone*, DGHI/Trinity's *Voices in Global Health*, Fuqua's *Supply Chain Management*, School of Medicine's *Health Policy and Global Health*, Fuqua's *Health Care Provider Strategy*, Duke Law's *Health Policy and Law*, and Fuqua's Seminar Series in Health Sector Management. Note that for the Fuqua *Supply Chain Management* course, SEAD is working in collaboration with the USAID Office of HIV/AIDS

Supply Chain for Health Division to bring examples of innovation in the PEPFAR supply chain and expose students to opportunities to work on supply chain development within the international development realm. Additionally, SEAD worked to recruit one of the South Africa-based partners in the PEPFAR/USAID Supply Chain Management Systems project to submit a project for FCCP that has been accepted; work will occur in Year 2.

- Initiated plans to submit research topics related to SEAD innovator needs for consideration by DGHI MSc students for their field research and thesis requirement and by student groups in the Global Health Capstone course for their capstone projects.
- Engaged faculty across Duke in advising components of SEAD, exposing them to the complexities of global health innovation, and both exploring and solidifying ways to collaborate. Examples include:
  - Convened faculty across a number of schools for a brainstorming meeting in late Spring to discuss opportunities and methodologies for the SEAD Program Evaluation.
  - Convened the SEAD Institutional Oversight Committee, composed of senior academic leaders from across the university.
  - Targeted diverse faculty attendance at SEAD-sponsored events, including the SEAD Symposium and Administrator Shah’s distinguished lecture.
  - Collaborated with a number of faculty to incorporate global health and social entrepreneurship content into their courses.
  - Discussed opportunities for involvement in SEAD-related research with a number of faculty, and are continuing to work to solidify those opportunities within the SEAD research agenda.

### Part 3: High Value Areas of Collaboration [HVAC] (Lab-to-Lab)

As discussed in our previous quarterly reports and detailed in our Year 2 workplan, we have identified several potential opportunities for knowledge sharing and/or collaboration with other HESN development labs, especially with the labs at MIT (both labs), UC Berkeley, and Makerere.

Opportunities for collaboration range from sourcing global health innovations for possible inclusion in the SEAD portfolio (if the innovations are at a scale-ready stage and meet other selection criteria to be established in consultation with USAID), to sharing publications, tools, and frameworks (e.g., MIT’s approach to assessing innovations for impact, scalability and sustainability). In particular, SEAD has spent time exploring a potential for partnership with Makerere, which could include working together to better identify and support global health innovators in East Africa, engage East African students in global health innovation, and identify and address policy and ecosystem issues in the region. Within the most recent quarter, Investors’ Circle engaged a representative from Berkeley’s HESN Development Lab to serve on the Global Health Advisory Board (Lina Nilsson, Innovation Director, Blum Center for Developing Economies).

We look forward to continuing to explore the other opportunities with the other HESN labs. However, our top priority over the past three quarters has been to identify the first cohort of SEAD innovators, and work with them to develop their scaling strategies customized plans for the SEAD intervention.

#### 3.1. Data

Partner	Completed / Ongoing Activity [Indicate tie to activity number]	Outcome(s)
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All HESN Labs	HESN Data Working Group	Identify strategic ways to share data across development labs
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### 3.2. Solutions (Creation, Testing, Scaling)

Partner	Completed / Ongoing Activity [Indicate tie to activity number]	Outcome(s)
Berkeley	SEAD Summit (Obj 1.2)	Participated in SEAD Summit
All HESN Labs	Building GH innovation pipeline (Obj 1.1)	Through the HESN labs' networks, particularly Makerere, identify promising innovations to include in SEAD Cohort 2
Berkeley	Developing IC Global Health Advisory Board (Objective 1.3)	Identified Berkeley Development Lab rep to serve on IC Global Health Advisory Board

### 3.3 Student Engagement

Partner	Completed / Ongoing Activity [Indicate tie to activity number]	Outcome(s)
Berkeley	Berkeley Big Ideas Competition (Obj 3)	Engaging Duke students in Berkeley's Big Ideas Competition

### 3.4. Co-Location of Resources

Partner	Completed / Ongoing Activity [Indicate tie to activity number]	Location (City and Country)	Outcome(s)
N/A			

## **Part 4: Intra-Development Lab/ University Engagement**

### **4.1. Interdisciplinary Collaboration**

Promoting an Interdisciplinary approach is key to all components of our work at SEAD, and is evident in our direct work with the innovators (in providing them with perspectives and resources across disciplines), in our research and evaluation (through engaging experts across epidemiology, medicine, social sciences, business), and in our work with students (through collaboration with different schools for student programming, and a Student Advisory Council that represents seven of Duke's schools and programs). Below are some examples of SEAD's interdisciplinary work with its key partners.

#### **Duke Global Health Institute**

SEAD is collaborating with DGHI in research by engaging a DGHI Research Scholar to help guide the SEAD program evaluation and make connections with other DGHI faculty on pertinent areas of global health research. Additionally, SEAD is working with DGHI to explore incorporating SEAD innovator research needs into student projects through the undergraduate Capstone course and the graduate field research and thesis requirement. SEAD is also collaborating with the faculty leading the Voices in Global Health language courses and the Global Health 101 course to incorporate global health innovation and social entrepreneurship content, so as to expose students to ways in which organizations are innovating to solve critical global health challenges. Several DGHI students have worked with SEAD and IPIHD as research assistants, and are completing Master's level thesis work with IPIHD/SEAD. SEAD has also co-hosted events with DGHI, delivered presentations on SEAD at a DGHI faculty meeting and to the DGHI Student Council, and will continue to identify meaningful ways to engage DGHI students and equip them with skills and knowledge to bolster their success innovating in the global health field.

#### **Sanford School of Policy**

SEAD supported two students from different disciplines to participate in Sanford's Duke in Geneva Global Health Fellows Program and bring their diverse perspectives to the challenges of global health policy within multilateral organizations and international NGOs. Additionally, SEAD engaged a number of Sanford faculty in a brainstorming meeting in late Spring to discuss opportunities and methodologies for the SEAD Program Evaluation; SEAD will continue to identify ways to engage Sanford faculty and students in the SEAD research and program evaluation. SEAD staff also met with faculty from the Center for International Development and Program on Children in Adversity and discussed ways in which to collaborate in the future. In September, SEAD collaborated with Sanford to secure Administrator Shah to deliver a lecture, which also helped to highlight the Sanford School's work through the event. In future years, SEAD will also consider the best ways in which to engage Sanford students in SEAD research and projects through existing student research and problem-solving platforms.

#### **Pratt School of Engineering**

SEAD provided support for two students innovating within the Developing World Healthcare Technology Lab (DHT-Lab) over the summer, in addition to students working in developing countries as part of DukeEngage's Engineering World Health Program. SEAD also supported the school's Design in

the Developing World course. Additionally, SEAD provided business consulting for the Pratt Pouch through two student led projects: a feasibility study with market analysis, and currently on development of a business plan.

### **School of Nursing**

SEAD delivered a presentation to School of Nursing faculty, and have continued to follow-up to identify opportunities for faculty and student participation in SEAD. School of Nursing Faculty have provided direct coaching support for SEAD innovators.

### **Duke Institute for Health Innovation**

SEAD is a core part of the broader Duke Institute for Health Innovation, recently launched, which will promote transformative innovation in health and healthcare. Work from SEAD will help influence “reverse innovation” programs wherein the Duke University Health System will serve as a living laboratory to evaluate and scale many of the innovations under study through SEAD.

### **School of Medicine**

SEAD has engaged multiple faculty and students from the School of Medicine, including exploring opportunities to engage third year medical students in fieldwork and research opportunities.

### **Fuqua School of Business**

In addition to having Fuqua faculty serving on the SEAD team, SEAD has worked to incorporate global health social entrepreneurs into the Fuqua Client Consulting Practicum and has recruited Fuqua MBA students to serve as summer interns with SEAD innovators through IPIHD.

### **Duke Innovation & Entrepreneurship Initiative (I&E)**

Within this new university-wide initiative, SEAD serves as a model of interdisciplinary collaboration within the Social Entrepreneurship & Social Innovation pillar. SEAD will continue to be closely linked with the greater Duke I&E initiative, as SEAD’s Center Director also serves as the I&E Managing Director for Social Entrepreneurship.

### **Additional Collaboration**

Additionally, SEAD team members have delivered a number of brief presentations across campus to other interested audiences with potential for additional collaboration, including at the Graduate and Professional Student Council, Innovation & Entrepreneurship Council, Innovation & Entrepreneurship alumni taskforce; and at meetings with faculty and staff of Duke Center for Civic Engagement, Duke Office of Global Strategy and Programs, DukeEngage, the Enterprising Leadership Initiative (Sanford School of Public Policy), and others. SEAD is continuing to identify opportunities to engage faculty and students across campus through speakers/events, research opportunities, and opportunities to collaborate and build upon existing programs.

## **4.2. Partner Engagement**

The following partners were engaged during the past fiscal year:

Partner	Partner Type (Funded/ Unfunded)	Location (City and Country)	Outcome(s)
Investor's Circle	Funded	Durham, NC	IR1.3 – Leverage impact investing

Investors' Circle has been a key partner in the SEAD program. As the oldest and most successful network of early stage, angel investors in for-profit social ventures, IC has brought its extensive experience in mobilizing capital for social impact. As reported above under Objective 1.3: Leverage Impact Investing, IC has worked closely with the SEAD team to assemble a global health investment advisory board, reviewed and offered feedback on ventures in SEAD cohort #1, and provided advising to help prepare for investment global health innovators in the SEAD cohort and beyond. In FY14, the SEAD team will continue to work closely with IC to integrate them even more fully into the SEAD program.

Additionally, we initiated phone calls with three other social impact accelerators (Ashoka, Mulago Foundation, and Acumen Fund) to discuss their methods for measuring the impact of their accelerator model and to gage their interest in participating in a working group to develop more robust ways in which accelerators can measure and understand their impact.

We have also been in discussion with other universities around the possibility of expanding from a single institution to a consortium focused on scaling innovations in global health. These discussions will move forward toward a formal consortium development proposal in Year 2.

### 4.3. Student Engagement

One of SEAD's three core objectives is to promote students' understanding of the complex issues of innovation in global health through engagement in meaningful opportunities in experimentation, innovation, civic engagement, and learning. Throughout the past year, under the guidance of a diverse set of student leaders from across the university, (now formalized through the SEAD SAC,) SEAD has offered and co-sponsored a range of opportunities for students to becoming inspired about global health and social entrepreneurship (through speakers, course content, events), to be engaged directly in working with those innovating in global health (through internships, fellowships, practica, short-term consulting and research projects), and to develop innovative solutions themselves (through campus competitions and field work). Described in more detail in section 2.2 above under Objective 3, examples of the student engagement activities over the past year include:

- Engaged students in informing the direction of SEAD student engagement activities by convening a preliminary working group to inform the SEAD Student Advisory Council in Spring 2013; launched and chartered the SEAD Student Advisory Council (SAC) in Fall 2013. The SEAD SAC

is comprised of 17 students representing nine different schools and programs at Duke, and will take leadership in guiding, planning, and promoting student activities.

- Provided opportunities for students to engage directly in global health innovation and social entrepreneurship through the following activities:
  - Supported 31 summer fellows engaged in global health innovation. Summer Fellows included four Fuqua MBA students consulting with SEAD innovators, two graduate students consulting with other global health social entrepreneurs, two undergraduates working on their own innovations, one graduate and one undergraduate working abroad through DHT-Lab, and 21 students working through Duke Engage Engineering World Health Summer Institute in Tanzania and Nicaragua. The summer MBA internships with SEAD innovators, through IPIHD, included the following work:
  - Supported 12 students working on short-term practica related to social entrepreneurship and global health. These experiences included two graduate students working on research projects, two graduate students participating in the Duke Global Health Fellows Program, and eight MBA students working with social enterprises through the Fuqua Client Consulting Practicum.
  - Engaged, through IPIHD, graduate research assistants and undergraduate interns to support IPIHD and SEAD's knowledge development and policy agenda and to provide the students with opportunities to engage in global health work while leveraging their interests and skills.
- To expose students and faculty to the complexities and opportunities in global health innovation, organized, hosted, and/or collaborated on a number of events for audiences totaling over 900 students and faculty, including:
  - Held first annual "Duke Symposium on Scaling Innovations in Global Health" in April 2013, a portion of the SEAD Summit open to students and the public; students attended plenary sessions with USAID and SEAD leaders, participated in breakout sessions with SEAD innovators, and interacted with the innovators in an exhibit hall.
  - Organized opportunities for students to hear from SEAD innovators, including a session with Changamka, a live Skype chat session with SalaUno, a session featuring the Riders for Health founders as winners of 2013 CASE Award for Enterprising Social Innovation, and an upcoming (early Y2) Fuqua brownbag with the Knowledge Manager of Jacaranda Health.
  - Collaborated with USAID, Sanford, and DGHI to support student lunch discussion with Administrator Raj Shah, the Terry Sanford Distinguished Lecture by Administrator Shah, and a student international development career talk with Alex Deghan.
- To bolster academic offerings, provided support for two courses: Pratt School of Engineering's *Design for the Developing World*, and the *Fuqua Client Consulting Practicum (FCCP)*. Additionally, SEAD has already developed plans to incorporate global health innovation content into six additional existing courses: DGHI's *Global Health 101*, DGHI's *Global Health Capstone*, DGHI/Trinity's *Voices in Global Health*, Fuqua's *Supply Chain Management*, School of Medicine's *Health Policy and Global Health*, and Fuqua's *Health Care Provider Strategy*. Note that for the *Fuqua Supply Chain Management* course, SEAD is working in collaboration with the USAID Office of HIV/AIDS Supply Chain for Health Division to bring examples of innovation in the PEPFAR supply chain and expose students to opportunities to work on supply chain development within the international development realm. Additionally, SEAD worked to recruit one of the South Africa-based partners in the PEPFAR/USAID Supply Chain Management Systems project to submit a project for FCCP that has been accepted; work will occur in Year 2.

## 4.4. Student Highlights

### SEAD Student Research & Internships

SEAD engages students across the university, at all levels, and plugs them in to opportunities where they can apply their knowledge to real problems while also learning about entrepreneurship, research, and global health. For example, the MBA students in IPIHD's summer internship program received a week of orientation training with experts in global health, management consulting, and monitoring and evaluation. They were then placed in the field with global health entrepreneurial organizations for 5 to 6 weeks, where they conducted projects to support the impact and growth of the organization. Each project was tailored to both the needs of the organization and the expertise of the intern. Through this internship, the students learned to engage multiple stakeholders, design solutions to challenging issues facing global health organizations, problem solve in resource-constrained settings, and reflect through the writing of a case study on how the challenges they saw within a larger context of global health and innovation. One of the students wrote about her summer internship in [a blog published by Next Billion](#). Student work with innovators through SEAD included development of a data analytics framework, creation of marketing material, conducting a feasibility analysis of a new program, creation of a business plan for a pilot program, training of innovator staff in financial modeling, and development of a scaling blueprint.

One of the summer MBA interns, Colby Warner, said, "Coming from a pure health consulting background, I was looking for a way to get experience in global health and nonprofits. This was a great way to know if I was on the right path or if I needed to course-correct. It was a great learning experience for me, and gave me solid proof that this is the direction I need to go: global health, nonprofit, social impact."

Another summer MBA intern, Jen Fluder, described the value of the internship to her: "Being able to see how nimble a model is, to look at a healthcare model where you are tweaking one intervention and see things shift in person, was extremely interesting and valuable in understanding health innovators. I gained a much stronger understanding of global health in general and a great amount of confidence about being able to walk into a situation and figure out how I can add value. It made me realize how important global health innovations are even to the bottom line in America. Understanding these innovations are what is going to allow us to improve in the future."

Through independent studies, students research a problem and create a product that meets a specific need for an organization or the field in general. One of IPIHD's students, Sanjay Acharya, used his experience in lean processes to help an eye care provider in Mexico improve their patient flow. Then to help disseminate these lessons to more organizations, he worked with our undergraduate film intern to create a short tutorial that guides other organizations through applying lean principles to their own processes. He said about this experience, "I was attracted to IPIHD by the opportunity to work in cutting edge healthcare companies in an international setting. Through my work with IPIHD, I became even more interested in learning more about international healthcare models and finding ways to apply them in the US."

IPIHD and SEAD also provide opportunities for students to engage in research and writing. For example, one of our research assistants designed and conducted a landscape analysis of health care innovations in China and wrote a report of her findings (coming soon), including analysis of how health reform policies in China are both encouraging and potentially limiting innovations. Another research assistant has just begun developing policy briefs to disseminate health policy recommendations for the US, based on evidence from innovative delivery models around the world.

One of our graduate research assistants, Sylvia Sable, described the value of the exposure she gained through working with IPIHD and SEAD: "I had the opportunity to travel with IPIHD and SEAD staff

members to two events during this past year, the USAID Higher Education Solutions Network launch event and the IPIHD Annual Forum. Each time I was inspired to see others working with passion and purpose in the areas of global health and international development. These opportunities reminded me of the incredible drive and dedication among my peers to solve some of the world's largest problems. This kind of exposure to the field of international health care delivery is an experience that has renewed my interest in the field and inspired me to continue along the path I have chosen."

### **Duke Global Health Fellows Program**

Summer 2013 marked the ninth year of the Duke Global Health Fellows program at the Sanford School of Public Policy (<http://graduate.sanford.duke.edu/geneva/health>), where graduate students from Duke and beyond have a unique opportunity to learn firsthand how global health policy is formulated and implemented. This past year's class of 23 fellows was the largest class ever, and included two students partially supported by SEAD. SEAD worked with the fellows program to ensure that it also incorporated content related to innovation. The fellows kicked off the summer in mid-May as many arrived in Geneva to take part in the 66th World Health Assembly (WHA). The fellows worked in a broad range of internships including the World Health Organization, World Trade Organization, GAVI Alliance, World Heart Federation, UNAIDS, UN Development Program, UN Environment Programme, International Organization for Migration, and UN High Commission for Refugees.

The program staff led the one week, capstone course, "Health Policy in a Globalizing World". The course included 15 expert seminars on topics such as Innovation + Access, a new international R&D framework, global mental health, non-communicable diseases, and Human Resources for Health. Alongside the seminars, the program organized 10 site visits to organizations in Geneva, including GAVI, MSF, WHO SHOC room and World Polio Eradication Initiative.

The fellows also met with many of Geneva's leading policymakers during mentorship dinners, including TDR Director (John Reeder), Executive Director of UNITAID (Denis Broun), Silas Holland (Duke graduate and Global Fund Specialist), and Nina Schwalbe (Managing Director of GAVI Alliance Policy and Performance Unit).

The week was capped off by participation in the Trilateral Symposium on Medical Innovation- New Business Models, hosted by WHO, WTO, and WIPO. All three Director Generals spoke to the symposium, which provided another unique opportunity for the fellows to learn and interact with lead policymakers in the field. In exchange for seats provided for the fellows, Program Coordinator Professor Anthony So (Director of the Program on Global Health and Technology Access) agreed to present at the Symposium on the need for innovative business models through the lens of Antibiotic Resistance. This talk highlighted the reasons for the current dearth of novel antibiotics in the pharmaceutical pipeline currently and provided a framework for rethinking the models of antibiotic R&D. The talk generated much interest and was picked up by many outlets, including the White House Office of Science and Technology Policy, which contacted the Program for guidance on how to move forward with federal action on antibiotic innovation.

SEAD-supported fellow, Liz Charles (an MBA student), wrote the following blog post about her experience as a Duke Global Health Fellow: (<http://www.dukesead.org/1/archives/09-2013/1.html>).

### **Duke Student Changemaker Provided Opportunities Through SEAD**

Ashoka U named SEAD Summer Innovation Fellow (and Duke senior and co-chair of the SEAD Student Advisory Committee) Katie Guidera their Changemaker of the Week for her work developing an anti-

malaria social enterprise in South Africa (<http://ashokau.org/blog/changemaker-of-the-week-katie-guidera/>). As a SEAD Summer Innovation Fellow, Katie worked to further develop her Malaria Awareness Program – a venture that also won first prize in the 2012 Duke Changeworks Competition. In Katie’s interview by Ashoka U, she credits SEAD as providing opportunities that have helped her become a “changemaker” and social entrepreneur.

## **Part 5: USAID Engagement and Travel**

### **5.1. USAID/Washington Interactions**

In addition to regular interactions with the SEAD AOR in OST and Activity Manager in the GH Bureau and scheduled convenings, SEAD team members had the opportunity to engage with USAID Washington staff on a number of occasions:

#### **USAID Front Office**

##### **September 2013**

*Purpose:* USAID Administrator Raj Shah and key staff from the Office of Science and Technology visited Duke’s campus in mid-September to deepen the relationship and collaboration between Duke and USAID.

*Discussion:* Members of the SEAD team, along with representatives from four SEAD innovators, provided an overview of the SEAD program and overview of approaches and challenges of the innovators present. Administrator Shah expressed enthusiasm for continuing to learn together through this partnership, and encouraged SEAD to use the GH Bureau and USAID Missions to help forward its work in addition to leveraging the existing investments of USAID around the world. Administrator Shah also encouraged SEAD to be innovative in how it approaches working with students and encouraging them to pursue careers in global health and international development.

*Follow-Up:* Building upon a point of discussion with Administrator Shah, DGHI Director Mike Merson is following up on how students could better access project opportunities within USAID for capstone projects. SEAD is also moving forward with the development of a consortium proposal as well as direct engagements with regional USAID missions.

#### **USAID Global Health Bureau**

##### **June 2013**

*Purpose:* Members of the SEAD team traveled to Washington to introduce the GH Bureau to SEAD and make connections with members of the Bureau who are working in related areas.

*Discussion:* Global Health Bureau staff in attendance were interested in SEAD’s approach as well as the focus of the innovators with whom SEAD is working. SEAD offered to share learning and findings throughout the program that would help with existing work.

*Follow-up:* The SEAD Team had planned to meet with M&E representatives from the GH Bureau to discuss SEAD’s monitoring and evaluation, but the meeting needed to be postponed; SEAD plans to

follow-up with those members of the M&E team to discuss the program evaluation in Fall 2013. The Global Health Bureau also discussed setting up a group of interested staff to interact with SEAD regularly. Additionally, SEAD will share the call for applications for SEAD Cohort 2 with members of the Global Health Bureau and USAID Missions.

### **February 2013**

*Purpose:* USAID introduced SEAD staff to the leadership of the Lemelson Foundation and the National Collegiate Innovators and Inventors' Alliance.

*Discussion:* During a day-long meeting facilitated by USAID, representatives of all parties agreed to continue to seek opportunities for engagement and collaboration.

*Follow-up:* NCIIA sent a representative to the SEAD Summit, who spent time in discussion with the SEAD Center Director to continue to identify opportunities for collaboration. The SEAD Center Director also promoted the NCIIA conference and course development grant opportunities to Duke faculty engaged in developing relevant innovative products.

## **5.2. USAID Mission Interactions**

### **USAID/India Mission- February 2013 and July 2013**

*Purpose:* Met USAID health policy and impact investing/innovation team members at the USAID/India office to share details on the SEAD program. Initial meeting in February 2013 was with SEAD co-PI Krishna Udayakumar, and second meeting in July 2013 was with SEAD Associate Center Director Richard Bartlett and IPIHD Program Manager Anne Katharine Wales. During the July meeting, Richard provided an overview of the program, the Cohort 1 innovators working in India, the investors in India with whom we are building relationships, corporate supporters in India we are engaging, and ways that USAID India and the SEAD program could collaborate. The USAID team shared their priorities for the year, their work in the healthcare/impact investment space, and several health innovations that they have seen to date.

*Discussion:* The meeting provided an excellent forum for discussion on possible collaborations moving forward. USAID India saw value in helping SEAD innovators connect to impact investors, health policy makers and Indian corporations that could help in their scaling efforts. SEAD saw value in sharing existing network of innovators, insights learned from each organization/cross-organizations and connecting health policy research with the USAID/India office.

*Follow-Up:* Since the meeting, SEAD and USAID/India have completed the following:

- SEAD provided in-depth materials on the SEAD program for a USAID/India high level meeting in September
- USAID India's innovation and impact investing team shared list of impact investors with whom SEAD can begin building relationships
- USAID/India's health team helped gather attendees for IPIHD's India Study Tour small group dinners in October that brought together healthcare entrepreneurs, investors and corporate leaders for small group discussions
- USAID/India's health team connected a SEAD innovator with Indian pharma companies for consideration to participate in a pilot for a new TB intervention

- USAID/India's innovation team will share their innovation finalists for consideration in SEAD's cohort #2

### **USAID/Kenya & East Africa Missions - August 2013**

*Purpose:* Met USAID Kenya and East Africa mission to share details on the SEAD program, learn more about their priorities and discuss possible collaborations moving forward. During the meeting, Richard provided an overview of the program, the SEAD innovators working in East Africa, investors in East Africa with whom we are building relationships, corporate supporters in East Africa we are engaging, and ways that USAID India and the SEAD program could collaborate. The USAID team shared their priorities for the year, their work in the healthcare/impact investment space and several health innovations that they have seen to date. This mission seemed most focused on health policy, rather than corporate connections, which ties in nicely with the work of many of our healthcare innovators as well.

*Discussion:* During the meeting, USAID/East Africa mentioned their interest in investing more resources in social entrepreneurship in the healthcare space and especially as it relates to women. They talked about the possibility of structuring more in depth work with SEAD in East Africa to really further the ecosystem that already exists. Additionally, the East Africa mission shared a number of working groups and events in the healthcare space that were coming up in the next few weeks that our innovators might be interested in attending.

*Follow-Up:* Since the meeting, USAID/East Africa and SEAD have done the following:

- USAID/East Africa and SEAD have been in discussions on a proposal to engage SEAD in more in depth work in East Africa
- USAID/Kenya is working to help one of the SEAD innovators connect to relevant health policy people within Kenya to identify ways their technology can best support overall government health services

### **USAID/Ghana Mission- August 2013**

*Purpose:* Met USAID/Ghana mission to share details on the SEAD program, learn more about their priorities and discuss possible collaborations moving forward. During the meeting, Richard provided an overview of the program, the SEAD innovators working in Ghana, corporate supporters in Ghana we are engaging, and ways that USAID Ghana and the SEAD program could collaborate. The USAID team shared their priorities for the year, their work in the healthcare space and several health innovations that they have seen to date.

*Discussion:* During the meeting, USAID/Ghana seemed very adamant that funding and working with proven healthcare solutions rather than more pilot projects was the way to move the health system forward. They were interested in learning from SEAD how to take something that's proven and scale it given the challenges that most organizations face at the scaling stage. SEAD offered to share findings throughout the program that would help with existing work.

*Follow-Up:* Since the meeting, USAID Ghana and SEAD have done the following:

- SEAD shared key reports on scaling organizations with the USAID Ghana team

### 5.3. Travel

The following travel (domestic and international) using HESN funding occurred during the past fiscal year:

Location (City and Country)	Number of Travelers	Partner(s) Engaged (If applicable)	USAID Engagement (If applicable)	Outcome(s) & Next Steps
<b>Washington, DC, USA (November 8, 2012)</b>	5	USAID GH and OST, HESN Labs	USAID HESN Launch	Met with USAID, other labs, launched HESN, committed to on- campus meetings with USAID
<b>Washington, DC, USA (February 13, 2013)</b>	3	NCIIA	Meetings with USAID	Met with USAID GH Bureau and NCIIA to discuss GH's Center for Accelerating Innovation and Impact; committed to keep sharing expertise and interact regularly
<b>Washington, DC, USA (April 1, 2013)</b>	3	USAID, HESN Labs	Meetings with USAID	Lab Director Meetings in DC; lots of connections to other labs catalyzed in terms of where touch- points could exist
<b>Durham, NC, USA (April 4, 2013)</b>	14	CASE, IC, USAID	SEAD Summit	N/A
<b>Washington, DC, USA (June 17, 2013)</b>	6	USAID GH	Meeting with USAID Global Health Bureau	Presented and had discussions with GH Bureau; next step was for GH bureau to set up group to interact with SEAD
<b>Delhi, India (July 17, 2013)</b>	2	Innovators, USAID Mission, Investors/Funders	Visit/Meet with SEAD Innovators in India	Met with Operation ASHA, Vaatsalya, Heartfile and Naya Jeevan to perform in depth needs assessment on each innovator. Met with leaders from India's pharma and med device space as well as healthcare investors. Met with USAID India health and innovation teams.
<b>Washington, DC, USA (July 31, 2013)</b>	2	Saving Lives at Birth (SL@B) Grantees	Meetings with USAID	Launch of SL@B – went on USAID's request; met some innovators to invite to next cohort
<b>Nairobi, Kenya, (plus Kampala and Accra) Africa</b>	2	Innovators, USAID Mission, Investors/Funders	Visit/Meet with SEAD Innovators in Kenya and Uganda	Met with Changamka, Jacaranda, Penda and MOTTECH to perform in

<b>(August 2, 2013)</b>					depth needs assessment on each innovator. Met with healthcare investors, pharma leaders and social enterprise accelerator support programs. Met with Kenya, East Africa and Ghana USAID offices to present SEAD program.
<b>Durham, NC, USA (September 12, 2013)</b>	2	USAID		Raj Shah Visit, Innovators attended	N/A
<b>Washington, DC, USA</b>	3 (partially funded)		-	-	SEAD/IC speaking engagement at Agora Partnerships event - SEAD networking and recruitment. Spoke with potential pipeline partners and member prospects, including one member who has since joined.
<b>San Francisco, CA, USA</b>	1 (partially funded)		-	-	IC Speaking engagement on Angel Squared panel & NVCA Social Enterprise event - SEAD networking & recruitment. Shared information about our global health work with SEAD, engaged with prospect members, several of which are interested in global health. Cultivation continues.
<b>Boston, MA, USA</b>	1 (partially funded)		-	-	Growing the Impact Economy event at Harvard – SEAD/IC networking & recruitment. Shared information about our global health work with SEAD, engaged with prospect partners and members. Continuing to cultivate several.
<b>New York, NY, USA</b>	3 (partially funded)		-	-	IC NYC meeting - SEAD networking and recruitment and pipeline meetings.

<b>Milwaukee, WI, USA</b>	2 (partially funded)	-	-	Investor visits – SEAD/IC networking & recruitment. Met with prospect investors, some of whom are interested in global health. Continuing to cultivate.
<b>New York, NY, USA</b>	1 (partially funded)	-	-	IC Pipeline partner development, including Blueprint Health Incubator and member prospects.
<b>New York, NY, USA</b>	1 (partially funded)	-	-	IC Potential sponsor and investor outreach, including Edelman Health Practice, NYC impact group
<b>Chicago, IL, USA</b>	1 (partially funded)	-	-	IC Potential sponsor and investor outreach, including Healthbox and Impact Engine. Continuing to engage both on global health deal flow pipeline.
<b>San Francisco, CA, USA</b>	2 (partially funded)	-	-	IC Potential sponsor and investor outreach, including Intel, JP Morgan, Gates Foundation and individual investors. Continuing to engage with Gates Foundation and prospect members around global health deal flow and capital spectrum.
<b>Minneapolis, MN, USA</b>	1 (partially funded)	-	-	IC Potential sponsor and investor outreach, including Medtronic and individual investors.
<b>New York, NY, USA</b>	1 (partially funded)	-	-	SJF reception Case Foundation meeting – SEAD/IC networking & recruitment. Met several prospect members and discussed SEAD and global health work. These prospects are still being engaged in our pipeline.

<b>San Francisco, CA, USA</b>	1 (partially funded)	-	-	SOCAP – SEAD/IC networking & recruitment. Met with prospect members and partners, sharing our work in global health with SEAD. Now working on an expanded partnership with Village Capital that would include global health deal flow development.
<b>Miami, FL, USA</b>	1 (partially funded)	-	-	IC Speaking engagement at Sustainatopia - discussed IC's work with SEAD and networked with potential pipeline partners for Latin American deal flow and potential investor members, including OPIC representative who is now a prospect for the 2014 Global Health Advisory Board and is now a pipeline partner.
<b>Boulder, CO, USA</b>	1 (partially funded)	-	-	Unreasonable Institute – SEAD/IC networking & recruitment. Met several potential company applicants, one of whom was selected to present at BTP DC but had a conflict, and prospective members interested in global health deals, one of which who has since joined and is attending the BTP event in DC.
<b>Louisville, KY, USA</b>	3 (partially funded)	-	-	Village Capital venture forum event and reception. IC made connections to develop deal flow pipeline, as well as members interested in global health and developing market deal flow. Now in conversations with several prospect members and discussing opportunities to work

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with the Sorenson  
Global Impact Investing  
Center.

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## Part 6: Monitoring & Evaluation

### 6.1. Progress Narrative

In Year 1, major milestones within SEAD were largely achieved. With the first cohort of innovators, SEAD achieved the selection of ventures within months of the grant award, and has spent the bulk on the remaining time assessing the ventures while also providing initial support through the various SEAD approaches; the initial months of work with the SEAD innovators has led to the development of action plans toward the end of Year 1. The development of the research and evaluation agenda was slower than initially anticipated due to delayed hiring resulting from extended final negotiations on the cooperative agreement and a necessary initial focus on forming the first cohort, but is getting back on track.

Given that the first cohort of SEAD innovators came on board in March 2013, and that the bulk of the time over Spring and Summer has focused on assessment and scaling diagnostics (including site visits in June and July), robust quantitative and qualitative data about changes in innovator institutional capacities or reach are not yet available as we are still in early stages of our interventions. As part of the initial assessments, SEAD collected data on organizational capacities (building upon the SCALERS framework), critical challenges, and financial status; this data has informed the development of the action plans, goals for scaling impact, as well as the eligibility and selection criteria for cohort 2. The majority of the Objective 1 indicators related to work with the innovators and their progress do not have targets for Year 1, given the amount of time needed to start the program and see progress toward capacity to scale and scale of impact itself. Additionally, as we are identifying the key areas of intervention with each innovator, we will need to collect relevant baseline data - which may be different than the initial, general baseline data collected from the innovators when they joined the program.

For the investment and Investors' Circle indicators, IC is moving forward successfully in establishing their Global Health Advisory Board, supporting global health deals, and look forward to their first venture fair with this new focus in October 2013. With respect to the SEAD cohort, IC has had limited direct interaction with the current innovators to date and the assessment period is helping SEAD to understand the various stages of equity capital readiness among the cohort.

For the Year 1 Annual Report, we will be reporting on the subset of PMP indicators that are relevant for the work in Year 1 (as we had also indicated in the M&E Plan). Note that in we have updated some FY14 targets in the excel spreadsheet, but were unable to highlight them in yellow (per instructions) due to the format of the spreadsheet. Changes were as follows:

- Established FY14 targets for two indicators without targets previously: O1in2 and IR1.2in1.
- Increased the target for two indicators based on progress in Year 1: G1n3, IR2.2in1, and IR3.1in1.
- Noted that the establishment of an FY14 target for O1in1 is still in progress due to data collection challenges.

### 6.2. Monitoring & Evaluation Issues

Data collection challenges:

- Innovators' targets will (and should) change over time to adapt to strategic changes in their business, so for the portfolio performance indicators if we hold them to the

targets they articulated in the beginning of Y1, they will not likely be working toward those same targets in Y3. The SEAD team will work with USAID to determine to best way to report toward this indicator in future years if and when targets change; one possibility is to use six month or one year targets.

- As mentioned in previous reports, we have experienced continued challenges defining the “time required” indicator (IR 1.2in2) as it relates to SEAD in order to meet the intended understanding for HESN; we continue to request guidance from USAID in defining this indicator.
- We face challenges extracting some of the requested data from innovators in our cohort (including health output data, business data, and data from surveys/assessments) in addition to challenges in setting targets with the innovators. Additionally, as each innovator reports their performance data on different timelines, it is difficult for us to aggregate data exactly on the USAID FY timeline. For data that would be collected through a survey to the innovators, we would ideally send the survey to the cohort once per year tied to the SEAD Summit (as a requirement for attending the Summit); however, that timing does not correlate to the USAID reporting timeline, so we would like to discuss the best way to proceed for the coming years.
- Data quality
  - SEAD is reliant upon the data that the innovators provide under Objective 1 and how they interpret number of people reached or volume of services delivered – particularly for those whose services are more indirect. While we are offering to support innovators with their performance metrics and monitoring systems, we cannot guarantee the quality of the data they generate internally.

### 6.3. Update on Performance Indicators

Below are the updates on the performance indicators for Year 1. A full M&E report was submitted along with this Annual Report to document the full set of performance indicators as detailed in the M&E Plan.

Note that SEAD is reporting on indicators relevant to the Year 1 work to date. Please see reporting on the full set of indicators in the M&E Report spreadsheet.

Lab Ref.	Performance Indicator	FY12 Baseline	FY13 Target	FY 13 Actual	FY14 Target
Gin1	# of transformative innovations, technologies, or approaches that achieved wide-scale adoption with human, financial, or institutional resources contributed by SEAD	0	No target	0	No Target
Gin2	# and % of innovators who attribute performance improvements to	0	No target	Not reported	7; 54% (Cohort 1)

support provided by Duke

<b>Gin3</b>	Ratio of total value of outside (non-USAID) resources utilized to the dollar value of USAID investments	0	No target	1.3	0.5
<b>O1in 1</b>	# and % increase of individuals served by global health ventures participating in the SEAD portfolio	In process of being collected	No target	Not reported	Currently being discussed
<b>O1in 2</b>	Portfolio Performance Index: # and % of SEAD ventures achieving or exceeding targets	0	No target	Not reported	8; 62%
<b>O2in 1</b>	# of white papers, articles, assessments, analyses, and evaluations on development challenges, innovations, technologies, approaches, and contexts (drafted with human, financial, or institutional resources contributed by SEAD) published in targeted for a and publications OR provided to USAID operating units, HESN partners, and the broader development community	0	No target	2	4
<b>O2in 2</b>	# of citations of white papers, articles, assessments, analyses, and evaluations (drafted with human, financial, or institutional resources contributed by SEAD) on development challenges, innovations, technologies, approaches, and contexts in targeted for	0	No target	0	No target

	a/publications/projects				
<b>O2in 3</b>	# of participants in summits and other problem-solving institutions created with human, financial, or institutional resources contributed by SEAD	0	No target	31	25
<b>O3in 1</b>	% of student and faculty respondents to surveys reporting evidence of Objective 3 outcomes	0	50%	Not reported	80%

## Part 7: Lessons Learned / Good Practices

The first year of the SEAD program was focused on launching and setting up the program and learning how the program can be adapted moving forward. A great deal was learned about how to improve and adapt the program. In November 2013, the SEAD team will be providing an in-depth presentation of lessons learned from work with cohort 1 to USAID. Summary of overall lessons learned is as follows:

- **SE Stage of Growth:** SEAD has been more successful working with later stage SEs and global health innovators; this is where the institutional and research expertise of CASE resides and is the sweet-spot for IPIHD, creating a great amount of leverage for the program. This type of SE is apparently not the typical type of SE that USAID funds so the program may need to identify ways to support USAID funded SEs that are in earlier stages than originally envisioned for SEAD. This issue is partially being addressed through our pending proposal to expand SEAD to a consortium model. For SEAD cohort 2, we are including questions and criteria to better capture the stage of growth of the applicants so as to inform selection.
- **Size of Cohort:** In consultation with USAID, the SEAD team brought on board a larger than expected pilot cohort (13 SEs instead of the 8 targeted in our proposal and budget). This has put pressure on the team in terms of capacity to engage with innovators given the focus in year one on building the program. USAID and SEAD will need to manage expectations on the size of future cohorts to ensure that the program can effectively be delivered with budgeted financial and human resources; for cohort 2, SEAD plans to choose 6-8 innovators.
- **Work with SEs:** To date, SEAD has learned a great amount from working with the SEs both in terms of how to provide effective support and therefore how to adapt the program. This learning has led to changes in the design of the program including the introduction of “peer learning groups” so that SEs can continue to learn from each other outside of in-person events like the SEAD Summit; however, SEAD is still working to establish a model of peer learning beyond the Summit that works, given challenges convening these organizations remotely. Being able to convene SEs given limited resource will continue to be a challenge (e.g., an interest exists of having regional events for SEs but is currently outside of scope of SEAD resources). Other lessons learned in the work to-date with SEs include:
  - Relationships and trust between the innovators and SEAD is extremely important, and requires up-front and continued investment. Innovators with a historic relationship with SEAD through IPIHD have been most open and transparent in their challenges in scaling.
  - As the innovators are going through rapid testing and change to their operating and business models, their challenges change regularly and SEAD must balance the desire to proactively plan long-term but also be reactive to rapidly evolving needs.
- Platforms for SEAD support to innovators, such as coaching, peer learning groups, and student projects, have had varying degrees of success, and SEAD is continuing to identify the critical factors for success in these interventions. For example, we are working to refine what elements a coaching call is best suited to cover, and what additional

interactions are best handled by a relationship manager or strategic counselor; this effort will also be continued in the SEAD formative evaluation.

- **Diversity of SEs:** In order to learn as much as possible from the pilot cohort, a diverse set of SEs were selected. Although this diversity has been helpful in terms of testing interventions and driving learnings, it has meant that the approach has to be very customized, which increases the pressure on staff and faculty time. SEAD and USAID will need to bear in mind this consideration in the future to ensure effective management as well as delivery of the program. For the second SEAD cohort, we will be focusing on East Africa and India as priority regions to help address the challenges of geographic diversity among the SEs.
- **Working with USAID:** SEAD has built effective relationships with the Office of Science and Technology as well as the Global Health Bureau. Broadly speaking, the engagement has been very positive both in DC as well as in key Missions, and we greatly appreciate the positive relationships we have built with individual USAID staffers. However, at the systemic level, there is a disconnect between the new model for partnership that HESN advocates within USAID and the actual experience of working with the agency. It has been noted across the SEAD team that significant administrative challenges persist in working with USAID. One example includes restrictions around travel for SEs and visa requirements; although a waiver was possible in year one, the lack of waiver in year two will create significant additional work that USAID will need to factor in to resource deployment for SEAD (and may limit SEAD's ability to bring all the SEs to Durham for the annual SEAD Summit) – and should be addressed in advance. Timeframes for responding to information requests from USAID are often unreasonably short given the challenge of working with faculty and staff dispersed across the university and regularly travelling around the world. Performance reporting requirements—both in terms of the specific data sets required by USAID and the redundancy in reporting formats, this report not excepted—require a level of staff time that does not add value to program management and that detracts from program delivery capacity. At times, OAA has been unresponsive and opaque, though we understand that some of this may be due to recent organizational changes. To date, Duke University's grants management team is still waiting for responses from OAA from 4 months to go, for example requesting approval to change the PI structure of SEAD and make budget changes. Not only is this taking up a large amount of the grants management team's time but is creating internal challenges and unknowns and is requiring the program leadership to make decisions without knowing whether USAID will ultimately approve the decision. Finally, we wish to note the inexplicably intensive preparation for Administrator Shah's visit that required an unacceptably high level of effort from the SEAD team and others at Duke.
- **Mission Engagement:** SEAD believes that the USAID Missions are critical in terms of local engagement to support SEs and ensuring that our knowledge development agenda meets their needs. So far, HESN does not seem to have a systematized mechanism to engage key Missions. SEAD has reached out directly to certain Missions using contact information on their websites to facilitate introductions. Perhaps HESN could identify a point person in each of the regional bureaus who can assist with facilitating introductions, perhaps routing inquiries through Global Health Bureau country team

leads and/or Regional Bureaus and country desk officers. However, the interactions we have had with Missions with whom we have engaged have been beneficial – particularly, the relationships with the East Africa and India Missions have been very productive.

## **Part 8: Appendix**

1. SEAD Cohort One Innovator List and Descriptions
2. Investors' Circle Global Health Advisory Board Member List
3. Presentation: SEAD Overview to Administrator Shah. Delivered by SEAD Team to Administrator Shah in September 2013.
4. Presentation: Needs Assessment Analysis. Delivered by Paul Bloom at SEAD Summit in April 2013.
5. Presentation: Scaling Impact. Delivered by Greg Dees at SEAD Summit in April 2013.
6. Presentation: Nonprofit Capital Markets. Delivered by Cathy Clark at SEAD Summit in April 2013.
7. Presentation: Investors' Circle. Delivered by Investors' Circle at SEAD Summit in April 2013.
8. SEAD Needs Assessment Tool (Cohort I)
9. SEAD Scaling Diagnostic Tool (Cohort I)

# Introducing SEAD Innovators Cohort 1

VARIOUS COUNTRIES



<sup>1</sup> Headquarters in the UK (London) and US (San Francisco)  
<sup>2</sup> Headquarters in the US (Boston)

# SEAD Innovators Cohort 1 Summary

- Split of 50/50 profit and nonprofit:
  - *Profit (majority actively seeking private funding):*
    - Changamka, ClickMedix, Penda Health, SalaUno Salud, Sproxil and Vaatsalya Healthcare
  - *Nonprofit:*
    - Grameen Foundation, Heartfile, Jacaranda Health, Naya Jeevan, One Family Health, Operation ASHA and Riders for Health
- Mixture of *geographical centers* or hubs:
  - Southern Asia (India and Pakistan)
  - East Africa (Kenya and Uganda)
  - West Africa (Ghana and Nigeria)
  - Latin America (Mexico)
- Range of different *business models* and *settings of care* covered across cohort

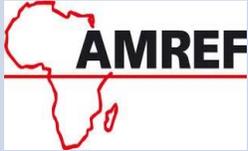
# SEAD Cohort 1: Settings of Care & Business Models

Setting of Care	Franchising	Technology Enabled	Production Specialization	Healthcare Financing	Products and pure-technology
<b>Community</b>	Operation ASHA				
<b>Primary</b>	Penda Health	ClickMedix		Naya Jeevan	Sproxil, We Care Solar
<b>Acute</b>			Vaatsalya	Heartfile	
<b>Speciality</b>		ClickMedix	salaUno		
<b>Maternal</b>			Jacaranda	Changamka	Grameen Foundation, We Care Solar
<b>Infectious Diseases</b>	Operation ASHA	Operation ASHA			
<b>General</b>	Riders for Health				

# SEAD Cohort 1: Geographic Mix

- Kenya (3): In and around Nairobi
- India (2): Delhi (HQ, but located in rural areas), Bangalore
- Pakistan (2): Karachi, Islamabad
- Mexico (1): Mexico City
- Ghana (1): Local office (HQ in Washington, DC)
- Uganda (1): Local office (HQ in California)
- Global (3): Each have operations in 3-7 countries:
  - Riders for Health: HQ in UK and US
  - Sproxil: HQ in Boston (offices in India, Ghana, Nigeria)
  - ClickMedix: HQ in Rockville, MD

# SEAD Cohort 1: Summary Profiles

INNOVATOR	CORE MODEL	INNOVATION
  <p>Nigeria, Sierra Leone, Uganda</p>	<p><b>Non-profit with for-profit arm</b></p> <p>In many countries, the difference between life and death for is dependent upon reliable light and electricity. Without that, health workers and midwives cannot provide life-saving care. The WE CARE Solar Suitcase is a simple, user-friendly technology providing a sustainable source of power, allowing health workers to provide life-saving interventions 24 hours a day.</p> <p><a href="http://wecaresolar.org/">wecaresolar.org/</a></p>	<p>The Solar Suitcase makes solar-power accessible, affordable, and useful in developing rural communities</p>
  <p>Kenya</p>	<p><b>For-profit</b></p> <p>Enabler: Savings e-voucher / pre-paid smart card providing expectant mothers access to a set of maternal care interventions at healthcare providers signed up to be part of the program.</p> <p><a href="http://changamka.co.ke/">http://changamka.co.ke/</a></p>	<p>Cuts costs: Patient discount from 10-30%. Provider receives higher volume and a quick payment. Patients make regular savings deposits through mPesa in order to pay for the delivery</p> <p>Increases Access: reinforces need for proper prenatal care at a registered provider.</p> <p>Reduces system burden: For providers and the system, administrative payment flows are fully automated.</p>
  <p>USA, Philippines, Uganda, Guatemala, Taiwan, India, and Trinidad</p>	<p><b>For-profit</b></p> <p>Tele-triage: Primary, maternal, and senior care and monitoring through tele-triage model. Care model starts with risk assessment, to triage, to tele-consultation with doctors, and tele-referral to specialists, as well as continuous monitoring.</p> <p><a href="http://clickmedix.com/">http://clickmedix.com/</a></p>	<p>Sustainable and customizable platform with ability to host more than a billion users. Costs are kept lean. Technology addresses connectivity issues in other countries and US airports by allowing offline processing and measures clinical effectiveness.</p>

INNOVATOR	CORE MODEL	INNOVATION
 <p>Grameen Foundation USA: Scaling-Up of Mobile Technology for Community Health (MOTECH) Ghana</p>	<p><b>Non-profit</b></p> <p>M-health: MOTTECH has two interrelated mobile applications which focus on improving the health of pregnant women and infants in poor rural areas: Mobile Midwife (VM containing important health information) + Nurse Application (electronically record care given to patients to easily identify clients in their area due for critical care).</p> <p><a href="http://www.grameenfoundation.org/motech/devinfo">http://www.grameenfoundation.org/motech/devinfo</a></p>	<p>A key innovation of MOTTECH is the linking of Mobile Midwife and the Nurse Application. If a patient misses scheduled antenatal care, the Mobile Midwife service sends a message to remind the woman to go to the clinic. If she fails to attend, her nurse is alerted via text message enabling the nurse to follow up quickly.</p>
  <p>Pakistan</p>	<p><b>Non-profit</b></p> <p>Financing: Innovation in health financing using technology to support cash transfers to protect the poor against catastrophic healthcare expenditures.</p> <p><a href="http://www.heartfile.org/">http://www.heartfile.org/</a></p>	<p>Platform eliminates abuse of system by creating accountability. Eliminates duplication, and checks multiple criteria rather than one. Also benefits donors who contribute to the financing and can be confident in accuracy by learning how their funds were used on a transaction basis.</p>
  <p>Kenya</p>	<p><b>Non-profit</b></p> <p>Delivery + Technology: Maternity hospital and mobile clinic + mobile savings plan.</p> <p><a href="http://jacarandahealth.org/">http://jacarandahealth.org/</a></p>	<p>Using mobile health, evidence based medicine, electronic medical records, and financial and marketing innovations to measure impact on quality of care and health behaviors.</p> <p>Out of pocket burden reduced through product created allowing women to save for delivery using mobile device.</p>
  <p>Pakistan</p>	<p><b>Non-profit</b></p> <p>Insurance + Tele-health: Provides affordable access to quality, catastrophic healthcare to low-income families throughout the emerging world with a subsidized health insurance plan underwritten by leading insurance companies. Members get 24 hour tele-health 'family doctor' service, annual general health checkups and preventive health awareness.</p> <p><a href="http://www.njfk.org/">http://www.njfk.org/</a></p>	<p>Leverages corporate distribution networks, supply chains and human resources to distribute, market and co-finance health plan for low-income beneficiaries. Creates novel corporate value chain by serving double bottom line to help develop/empower future customers and markets.</p> <p>Technology enables access to care and prevents poverty in climate where 97% of all health care expenditures occur out-of-pocket.</p>

INNOVATOR	CORE MODEL	INNOVATION
  <p data-bbox="283 574 466 602">India, Cambodia</p>	<p data-bbox="646 237 764 264"><b>Non-profit</b></p> <p data-bbox="646 303 1293 516">Technology + specialization: Employs non-medical counselors to monitor patients and has taken drug-resistant TB treatment to the doorsteps of 4.9 million individuals living in disadvantaged areas. Operates in over 2,053 villages and slums in six states spread across India and Cambodia; third largest TB control organization at 18,000 served.</p> <p data-bbox="646 555 926 583"><a href="http://www.opasha.org/">http://www.opasha.org/</a></p>	<p data-bbox="1325 253 1961 407">Treatment centers are built into existing institutions to allow access without need for transportation. Biometric verification tracks treatment and visits, produces reports. Preliminary results show non-compliance reduced from 20-60% to 2.75%.</p> <p data-bbox="1325 446 1919 570">Operates where the government has failed to reach, specifically targeting drug-resistant TB, which is 50-200 times more expensive to treat than normal TB. Obtain drugs through government support to treat TB.</p>
  <p data-bbox="338 854 411 881">Kenya</p>	<p data-bbox="646 631 758 659"><b>For-profit</b></p> <p data-bbox="646 695 1236 818">Delivery: Health clinic for primarily low- and middle-income women and men. Provides general outpatient health, community health education, health talks at factories, schools and churches.</p> <p data-bbox="646 854 1056 881"><a href="http://pendahealth.wordpress.com/">http://pendahealth.wordpress.com/</a></p>	<p data-bbox="1325 631 1948 755">Centers built in industrial areas with high concentrations of target market to ensure the highest possible patient to provider ratio, allowing provision of quality services at below market rates.</p> <p data-bbox="1325 790 1906 881">Provides quality healthcare where norm is unlicensed providers operating in unsanitary conditions selling illegitimate drugs.</p>
  <p data-bbox="195 1235 558 1295">Kenya, Nigeria, Gambia, Zambia, Zimbabwe, Malawi, and Lesotho</p>	<p data-bbox="646 927 764 954"><b>Non-profit</b></p> <p data-bbox="646 990 1173 1081">Enabler: Mobilizes community health workers on motorcycles and health teams in 4x4s to address preventative, treatment and emergency care.</p> <p data-bbox="646 1117 1257 1208">Maintain vehicle fleets for Ministries of Health, Internal NGOs, bilateral and multilateral agencies and the private sector to provide predictable and reliable transport.</p> <p data-bbox="646 1243 833 1271"><a href="http://www.riders.org/">www.riders.org/</a></p>	<p data-bbox="1325 990 1961 1208">Strengthens health systems by addressing one of the most neglected aspects of development for the health of Africa: transport and logistics. Very innovative model and well cited example of innovative healthcare delivery models; breaks down challenges of supply chains and need for infrastructure, while adapting to the hostile and harsh environments in Africa.</p>

INNOVATOR	CORE MODEL	INNOVATION
  <p data-bbox="331 488 415 513">Mexico</p>	<p data-bbox="648 272 758 297"><b>For-profit</b></p> <p data-bbox="648 334 1283 423">Delivery: Treat 85% of eye care illnesses with a focus on cataract surgery through one clinic; provides eye care with Lean and Six Sigma processes applied.</p> <p data-bbox="648 461 989 485"><a href="http://www.salauno.com.mx/">http://www.salauno.com.mx/</a></p>	<p data-bbox="1327 289 1934 378">Modeled after Aravind. Implements Lean and Six Sigma approaches to improve clinic efficiency. Specializes in cataract surgery, and deploys hub and spoke system.</p> <p data-bbox="1327 415 1944 472">High volume approach lowers costs: surgery is 1/3 to 1/2 the cost of competitors.</p>
  <p data-bbox="191 878 562 902">Ghana, India, Kenya, Nigeria, USA</p>	<p data-bbox="648 586 758 610"><b>For-profit</b></p> <p data-bbox="648 651 1289 805">Technology: SMS based anti-counterfacy solution enabling tracking and authenticity checking of drugs at every step. Free to patients at point of purchase; manufacturers pay to receive protection of their brands, patents, and patients from counterfeit drugs.</p> <p data-bbox="648 842 936 867"><a href="http://www.sproxil.com/">http://www.sproxil.com/</a></p>	<p data-bbox="1327 683 1919 773">Increase patient safety by ensuring authenticity of medicine through mobile devices while simultaneously protecting company brands.</p>
  <p data-bbox="346 1154 405 1179">India</p>	<p data-bbox="648 959 758 984"><b>For-profit</b></p> <p data-bbox="648 1021 1285 1110">Delivery: Bridging the gap in rural care by building primary and secondary care hospitals in semi-urban and rural areas with 15 primary and secondary care hospitals.</p> <p data-bbox="648 1148 1024 1172"><a href="http://www.vaatsalya.com/web/">http://www.vaatsalya.com/web/</a></p>	<p data-bbox="1327 976 1955 1154">Specialized: Cuts operational costs by focusing on specific set of specialties - Maternity, Childcare, intensive care and basic surgeries --creating ability to build viable hospitals in smaller towns. Targeted: Provide care to underserved semi-urban and rural communities. Focuses on targeted interventions and underserved markets.</p>



## GLOBAL HEALTH ADVISORY BOARD

<b>Name</b>	<b>Company</b>
Elizabeth Bailey	Massachusetts General Hospital Center for Global Health
Elizabeth Boggs Davidsen	Inter-American Development Bank
Lala Faiz	USAID Office of Science and Technology
Daniel Grossman	Medtronic
Bill Harrington	Vista Ventures, LLC
Bethann Kassman	Go Beyond Network
Tricia Keller	Virgin Unite
Marc Kerachsky	General Electric
Josh Mailman	Serious Change Investments
John May	New Vantage Group, LLC
Gloria Nelund	TriLinc Global
Lina Nilsson	Berkeley Blum Center for Developing Economies
Yota Palli	
Johanna Posada	Elevar Equity
Pradeep Ramamurthy	The Abraaj Group
Varun Sahni	Impact Investment Partners
Joseph Steig	Venture Well
Andrew Taylor	Grand Challenges Canada
Investors' Circle Team: Rachele Haber-Thomson, Bonny Moellenbrock	

# Duke

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## Introducing SEAD: A USAID Development Lab for Scaling Innovations in Global Health



# Enduring Challenges in Global Health and Healthcare

- In developing countries, **ACCESS** to health care services is severely limited
  - Many lack access to even basic services
  - Poor access leads to higher mortality from treatable diseases
- In developed countries, the **COST** of delivering health care is unsustainable
  - Growth in spending on healthcare outstrips GDP growth
  - Burden unsustainable if not checked
- In all countries, **QUALITY** is a continuing challenge
  - Basic standards a challenge in many developing countries
  - Higher cost not leading to higher quality in developed countries

## Health challenges...

- Rising tide of *non-communicable diseases* (NCDs), including in low and middle income countries
- Rapidly shifting *demographics*, aging of populations
- Lack of *infrastructure and human capital* to meet evolving health needs of populations

### ...provide opportunities:

- *Innovative models* of prevention and care delivery are emerging, especially in resource constrained settings
- New models have the potential to be transformative in providing *affordable access to quality care*

# Social Entrepreneurship Accelerator at Duke (SEAD)

- Ecosystem approach to scaling impact of promising innovations in healthcare delivery and prevention
  - Spark, select, and scale *new solutions and technologies* to address global health challenges
  - Engage in building an *ecosystem* of networking support and access to investment capital to help entrepreneurs scale their enterprises
  - Assess the effectiveness of SEAD, the development problems it engages, and the solutions it supports
  - Disseminate *practical and academic knowledge* and evidence about scaling health innovations globally, especially among actors on the ground in developing economies.

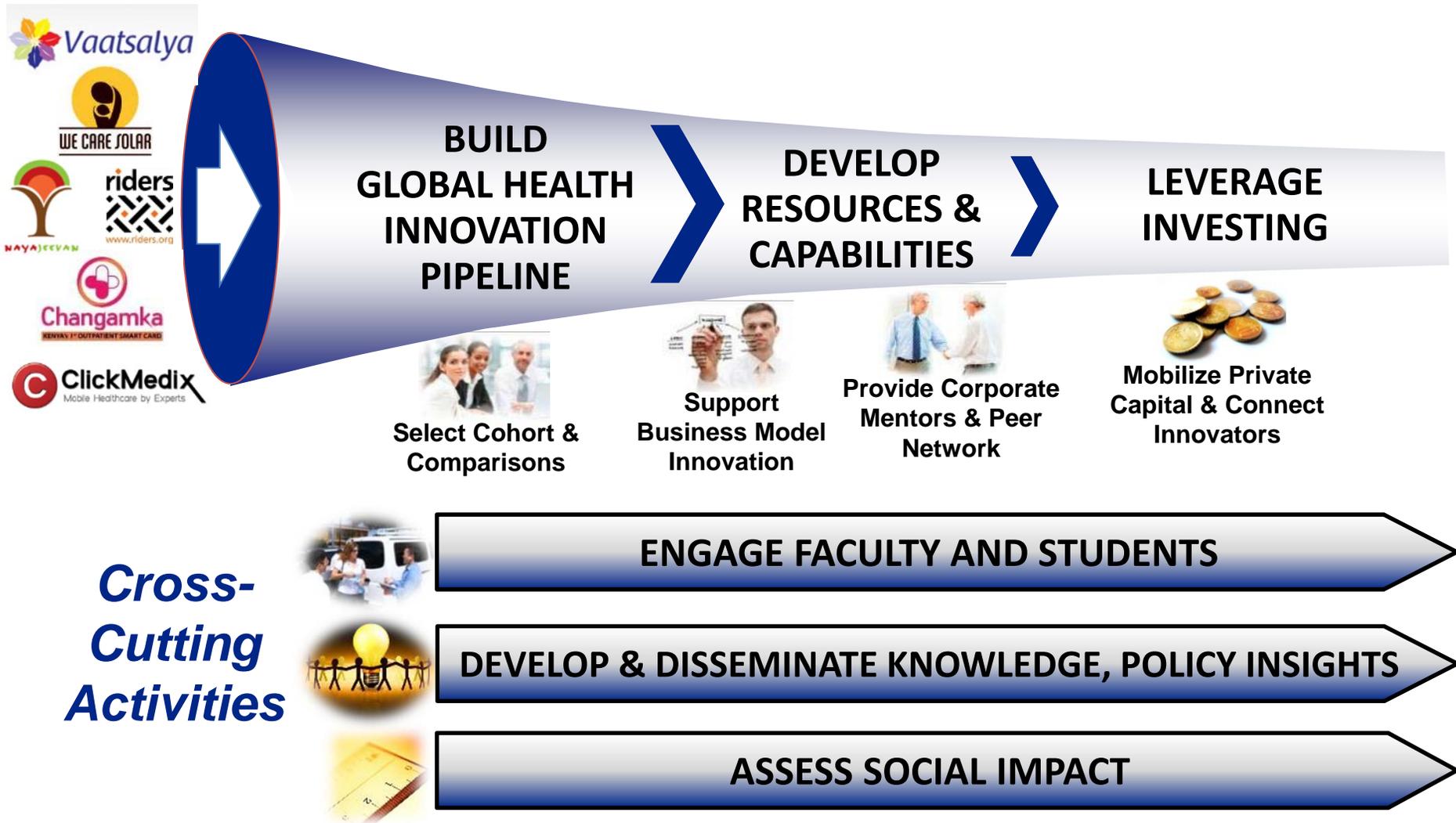
## SEAD Leverages Strengths of Duke and Partners...

- Build on Duke's proven capabilities
  - Strong university commitment to **global health** and **innovation**
  - Long history of **interdisciplinary scholarship**
  - Track record of **building bridges** between academics and practitioners
  - Extensive **global partnerships** and **cross-sector collaboration**
  - Robust capacity in **grants administration, financial management**
- Engage students and faculty across Duke
- Collaborate with USAID Higher Education Solutions Network (HESN) partner universities
- Foster and support high-impact global health innovations

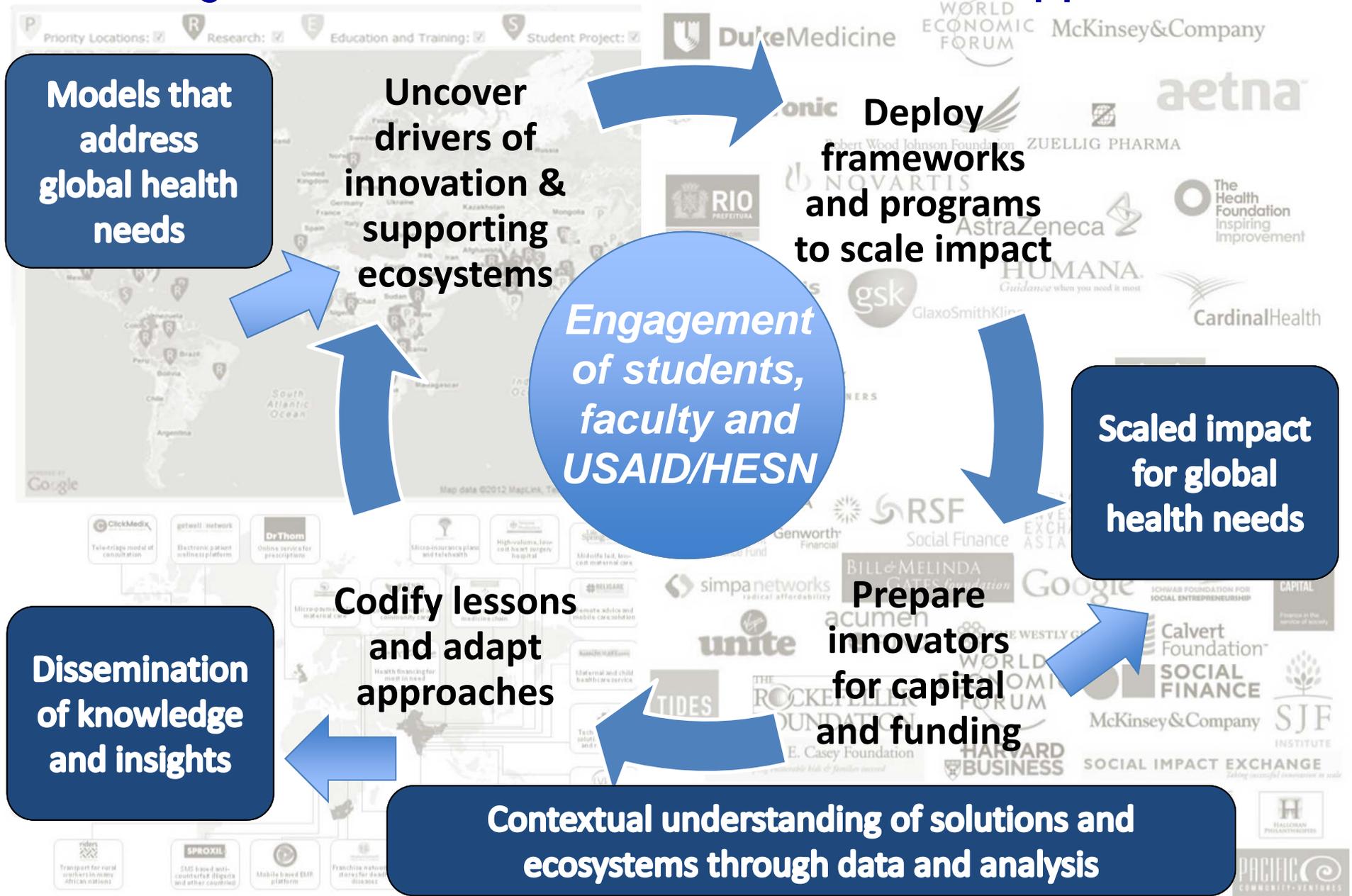
# SEAD links an ecosystem of groups working at the intersection of global health and innovation



# SEAD cultivates a pipeline of global health innovations...



...through a coordinated and collaborative approach



## SEAD will leverage investing with Investors' Circle...

- Improve health enterprises' readiness for capital
  - Getting Ready for Equity™ workshops and webinars
  - Advising on integrating best practices
- Create a new IC global health track
  - 2 global health virtual venture fairs per year
  - Pipeline partnerships to increase global health deal flow
- Cultivate a community of investors interested in global health enterprises
  - Global Health Advisory Board
  - Online discussion, knowledge sharing, deal sharing & review



## ...and harnesses the passion and expertise of our faculty and students campus wide

- SEAD is *virtual hub* for faculty and students interested in global health, international development, innovation and entrepreneurship, and civic engagement
- SEAD aims to:
  - enrich the student experience
  - support global health innovations
  - advance a culture of academic inquiry
  - engage faculty in evaluation and policy research and dissemination
  - promote interdisciplinary collaboration
  - inspire a commitment to change-making in global health among a new generation of students



# SEAD creates value for multiple stakeholders

- ***Innovators and Entrepreneurs***
  - Improve effective scaling of models and solutions with regard to intended impact, and increase the pace at which this impact is achieved
- ***Funding Community***
  - Enable funders to access attractive “deals” that better fit with the realistic potential for ventures operating in these markets
- ***USAID and International Development Community***
  - Improve efficacy of development professionals to empower entrepreneurs to take proven innovations to scale and achieve greater impact
- ***Students and Faculty***
  - Engage in experimentation, innovation and learning designed to have impact in the developing world
- ***Policy and Decision Makers***
  - Develop and disseminate actionable ideas, knowledge and expertise on how to create a viable ecosystem to harness news ideas and solutions

# SEAD Year One (Nov 2012-Sept 2013)

- **Year One Objectives**
  - Create structure for success: mobilize resources, deploy team, launch programs
  - Forge relationships to succeed through collaboration
  - Demonstrate some early success of the approach
  
- **Progress to Date**
  - SEAD team assembled
  - Cohort 1 mobilized
    - 13 SEAD Innovators selected
    - First SEAD Summit & Symposium held
    - Customized scaling plans under development
  - Investors' Circle recruiting advisors, planning venture fairs
  - Student programs initiated to inspire, engage, innovate, and learn
  - Research and evaluation agenda in development; seeking input

# Inaugural SEAD Summit, 3-5 April 2013

- Attended by all 13 SEAD Innovators, USAID representatives
- Reviewed results of initial needs assessment, including SCALERS index of scaling capacity
- Workshops on strategies for scaling impact, analyzing ecosystems, acquiring capital, and behavior change
  - Led by Duke faculty and CASE Senior Fellow Dan Heath, *NYT* bestselling author of *Made to Stick*, *Switch*, and *Decisive*
- Opportunities for networking



# Summit included first annual *Duke Symposium on Scaling Innovations in Global Health*

Drew over 200 students, faculty, administrators & local professionals

- Plenary Speakers
- Panel Discussions
- Lunch Discussions
- Featuring:
  - SEAD Innovators
  - USAID Staff
  - Duke Faculty
  - Investors' Circle
  - Astro\_Ron, who was out of this world!
- Exhibition Hall
- Capstone of Duke Global Health Week



# Introducing SEAD Innovators Cohort 1

VARIOUS COUNTRIES



<sup>1</sup> Headquarters in the UK (London) and US (San Francisco)  
<sup>2</sup> Headquarters in the US (Boston)

# SEAD Innovators Cohort 1 Summary

- Split of 50/50 profit and nonprofit:
  - *Profit (majority actively seeking private funding):*
    - Changamka, ClickMedix, Penda Health, SalaUno Salud, Sproxil and Vaatsalya Healthcare
  - *Nonprofit:*
    - Grameen Foundation, Heartfile, Jacaranda Health, Naya Jeevan, One Family Health, Operation ASHA and Riders for Health
- Mixture of *geographical centers* or hubs:
  - Southern Asia (India and Pakistan)
  - East Africa (Kenya and Uganda)
  - West Africa (Ghana and Nigeria)
  - Latin America (Mexico)
- Range of different *business models* and *settings of care* covered across cohort

# SEAD Cohort 1: Settings of Care & Business Models

Setting of Care	Franchising	Technology Enabled	Production Specialization	Healthcare Financing	Products and pure-technology
<b>Community</b>	Operation ASHA				
<b>Primary</b>	Penda Health	ClickMedix		Naya Jeevan	Sproxil, We Care Solar
<b>Acute</b>			Vaatsalya	Heartfile	
<b>Speciality</b>		ClickMedix	salaUno		
<b>Maternal</b>			Jacaranda	Changamka	Grameen Foundation, We Care Solar
<b>Infectious Diseases</b>	Operation ASHA	Operation ASHA			
<b>General</b>	Riders for Health				

# APPENDICES

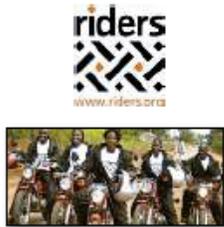
# SEAD Cohort 1: Summary Profiles

Innovator	Core model	Innovation
 <p>Nigeria, Sierra Leone, Uganda</p>	<p>Non-profit with for-profit arm</p> <p>In many countries, the difference between life and death for is dependent upon reliable light and electricity. Without that, health workers and midwives cannot provide life-saving care. The WE CARE Solar Suitcase is a simple, user-friendly technology providing a sustainable source of power, allowing health workers to provide life-saving interventions 24 hours a day.</p>	<p>The Solar Suitcase makes solar-power accessible, affordable, and useful in developing rural communities.</p>
  <p>Kenya</p>	<p>For-profit</p> <p>Enabler: Savings e-voucher / pre-paid smart card providing expectant mothers access to a set of maternal care interventions at healthcare providers signed up to be part of the program.</p>	<p>Cuts costs: Patient discount from 10-30%. Provider receives higher volume and a quick payment. Patients make regular savings deposits through mPesa in order to pay for the delivery</p> <p>Increases Access: reinforces need for proper prenatal care at a registered provider.</p> <p>Reduces system burden: For providers and the system, administrative payment flows are fully automated.</p>
  <p>USA, Philippines, Uganda, Guatemala, Taiwan, India, and Trinidad</p>	<p>For-profit</p> <p>Tele-triage: Primary, maternal, and senior care and monitoring through tele-triage model. Care model starts with risk assessment, to triage, to tele-consultation with doctors, and tele-referral to specialists, as well as continuous monitoring.</p>	<p>Sustainable and customizable platform with ability to host more than a billion users. Costs are kept lean. Technology addresses connectivity issues in other countries and US airports by allowing offline processing and measures clinical effectiveness.</p>

# SEAD Cohort 1: Summary Profiles

Innovator	Core model	Innovation
 <p>Grameen Foundation USA: Scaling-Up of Mobile Technology for Community Health (MOTECH) Ghana</p>	<p>Non-profit</p> <p>M-health: MOTECH has two interrelated mobile applications which focus on improving the health of pregnant women and infants in poor rural areas: Mobile Midwife (VM containing important health information) + Nurse Application (electronically record care given to patients to easily identify clients in their area due for critical care).</p>	<p>A key innovation of MOTECH is the linking of Mobile Midwife and the Nurse Application. If a patient misses scheduled antenatal care, the Mobile Midwife service sends a message to remind the woman to go to the clinic. If she fails to attend, her nurse is alerted via text message enabling the nurse to follow up quickly.</p>
<p>heartfile</p>  <p>Pakistan</p>	<p>Non-profit</p> <p>Financing: Innovation in health financing using technology to support cash transfers to protect the poor against catastrophic healthcare expenditures.</p>	<p>Platform eliminates abuse of system by creating accountability. Eliminates duplication, and checks multiple criteria rather than one. Also benefits donors who contribute to the financing and can be confident in accuracy by learning how their funds were used on a transaction basis.</p>
  <p>Kenya</p>	<p>Non-profit</p> <p>Delivery + Technology: Maternity hospital and mobile clinic + mobile savings plan.</p>	<p>Using mobile health, evidence based medicine, electronic medical records, and financial and marketing innovations to measure impact on quality of care and health behaviors.</p> <p>Out of pocket burden reduced through product created allowing women to save for delivery using mobile device.</p>
  <p>Pakistan</p>	<p>Non-profit</p> <p>Insurance + Tele-health: Provides affordable access to quality, catastrophic healthcare to low-income families throughout the emerging world with a subsidized health insurance plan underwritten by leading insurance companies. Members get 24 hour tele-health 'family doctor' service, annual general health checkups and preventive health awareness.</p>	<p>Leverages corporate distribution networks, supply chains and human resources to distribute, market and co-finance health plan for low-income beneficiaries. Creates novel corporate value chain by serving double bottom line to help develop/empower future customers and markets.</p> <p>Technology enables access to care and prevents poverty in climate where 97% of all health care expenditures occur out-of-pocket.</p>

# SEAD Cohort 1: Summary Profiles

Innovator	Core model	Innovation
 <p data-bbox="415 630 579 654">India, Cambodia</p>	<p data-bbox="709 375 810 399">Non-profit</p> <p data-bbox="709 428 1104 634">Technology + specialization: Employs non-medical counselors to monitor patients and has taken drug-resistant TB treatment to the doorsteps of 4.9 million individuals living in disadvantaged areas. Operates in over 2,053 villages and slums in six states spread across India and Cambodia; third largest TB control organization at 18,000 served.</p>	<p data-bbox="1129 386 1743 592">Treatment centers are built into existing institutions to allow access without need for transportation. Biometric verification tracks treatment and visits, produces reports. Preliminary results show non-compliance reduced from 20-60% to 2.75%. Operates where the government has failed to reach, specifically targeting drug-resistant TB, which is 50-200 times more expensive to treat than normal TB. Obtain drugs through government support to treat TB.</p>
 <p data-bbox="464 889 533 914">Kenya</p>	<p data-bbox="709 699 800 724">For-profit</p> <p data-bbox="709 753 1104 878">Delivery: Health clinic for primarily low- and middle-income women and men. Provides general outpatient health, community health education, health talks at factories, schools and churches.</p>	<p data-bbox="1129 724 1709 849">Centers built in industrial areas with high concentrations of target market to ensure the highest possible patient to provider ratio, allowing provision of quality services at below market rates. Provides quality healthcare where norm is unlicensed providers operating in unsanitary conditions selling illegitimate drugs.</p>
 <p data-bbox="352 1174 642 1219">Kenya, Nigeria, Gambia, Zambia, Zimbabwe, Malawi, and Lesotho</p>	<p data-bbox="709 943 810 967">Non-profit</p> <p data-bbox="709 997 1104 1097">Enabler: Mobilizes community health workers on motorcycles and health teams in 4x4s to address preventative, treatment and emergency care.</p> <p data-bbox="709 1127 1104 1252">Maintain vehicle fleets for Ministries of Health, Internal NGOs, bilateral and multilateral agencies and the private sector to provide predictable and reliable transport.</p>	<p data-bbox="1129 1019 1734 1174">Strengthens health systems by addressing one of the most neglected aspects of development for the health of Africa: transport and logistics. Very innovative model and well cited example of innovative healthcare delivery models; breaks down challenges of supply chains and need for infrastructure, while adapting to the hostile and harsh environments in Africa.</p>
 <p data-bbox="464 1495 533 1520">Mexico</p>	<p data-bbox="709 1328 800 1352">For-profit</p> <p data-bbox="709 1382 1104 1482">Delivery: Treat 85% of eye care illnesses with a focus on cataract surgery through one clinic; provides eye care with Lean and Six Sigma processes applied.</p>	<p data-bbox="1129 1312 1743 1393">Modeled after Aravind. Implements Lean and Six Sigma approaches to improve clinic efficiency. Specializes in cataract surgery, and deploys hub and spoke system.</p> <p data-bbox="1129 1422 1730 1466">High volume approach lowers costs: surgery is 1/3 to 1/2 the cost of competitors.</p>

# SEAD Cohort 1: Summary Profiles

Innovator	Core model	Innovation
  <p>Ghana, India, Kenya, Nigeria, USA</p>	<p>For-profit</p> <p>Technology: SMS based anti-counterfacy solution enabling tracking and authenticity checking of drugs at every step. Free to patients at point of purchase; manufacturers pay to receive protection of their brands, patents, and patients from counterfeit drugs.</p>	<p>Increase patient safety by ensuring authenticity of medicine through mobile devices while simultaneously protecting company brands.</p>
  <p>India</p>	<p>For-profit</p> <p>Delivery: Bridging the gap in rural care by building primary and secondary care hospitals in semi-urban and rural areas with 15 primary and secondary care hospitals.</p>	<p>Specialized: Cuts operational costs by focusing on specific set of specialties - Maternity, Childcare, intensive care and basic surgeries --creating ability to build viable hospitals in smaller towns. Targeted: Provide care to underserved semi-urban and rural communities. Focuses on targeted interventions and underserved markets.</p>

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## Innovator Self Assessment Overview



SEAD Summit - Durham Launch

**Presenter:**  
Paul Bloom  
**April 4, 2013**

# SEAD Cohort: Geographical Mix

VARIOUS COUNTRIES



<sup>1</sup> Headquarters in the UK (London) and US (San Francisco)

<sup>2</sup> Headquarters in the US (Boston)

# Overview of Innovator Self-Assessment

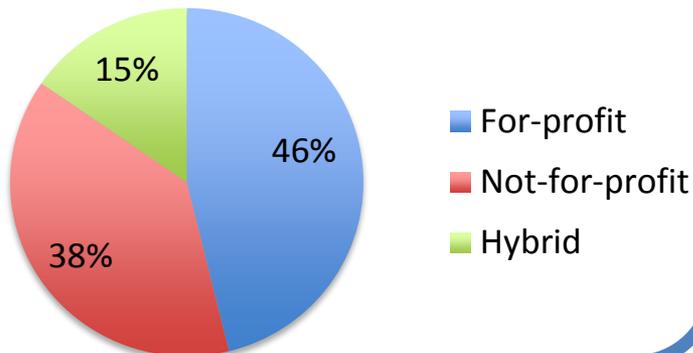
## Demographics

- 13 innovators completed survey
- Average age of organization- 7 years
- Provide service to the general population, but more focused on women
- 92% service the lowest quintile income
- All service suburban/periurban area

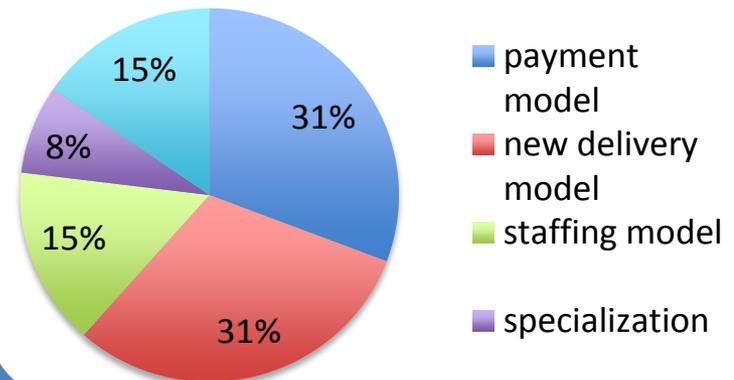
## Services

- 2/3 provide patient service, 1/3 service health care providers
- Most common areas of service include: Mobile health, TB, screenings/ Immunizations, Community population health, Technologies to improve health

## Organizational Structure

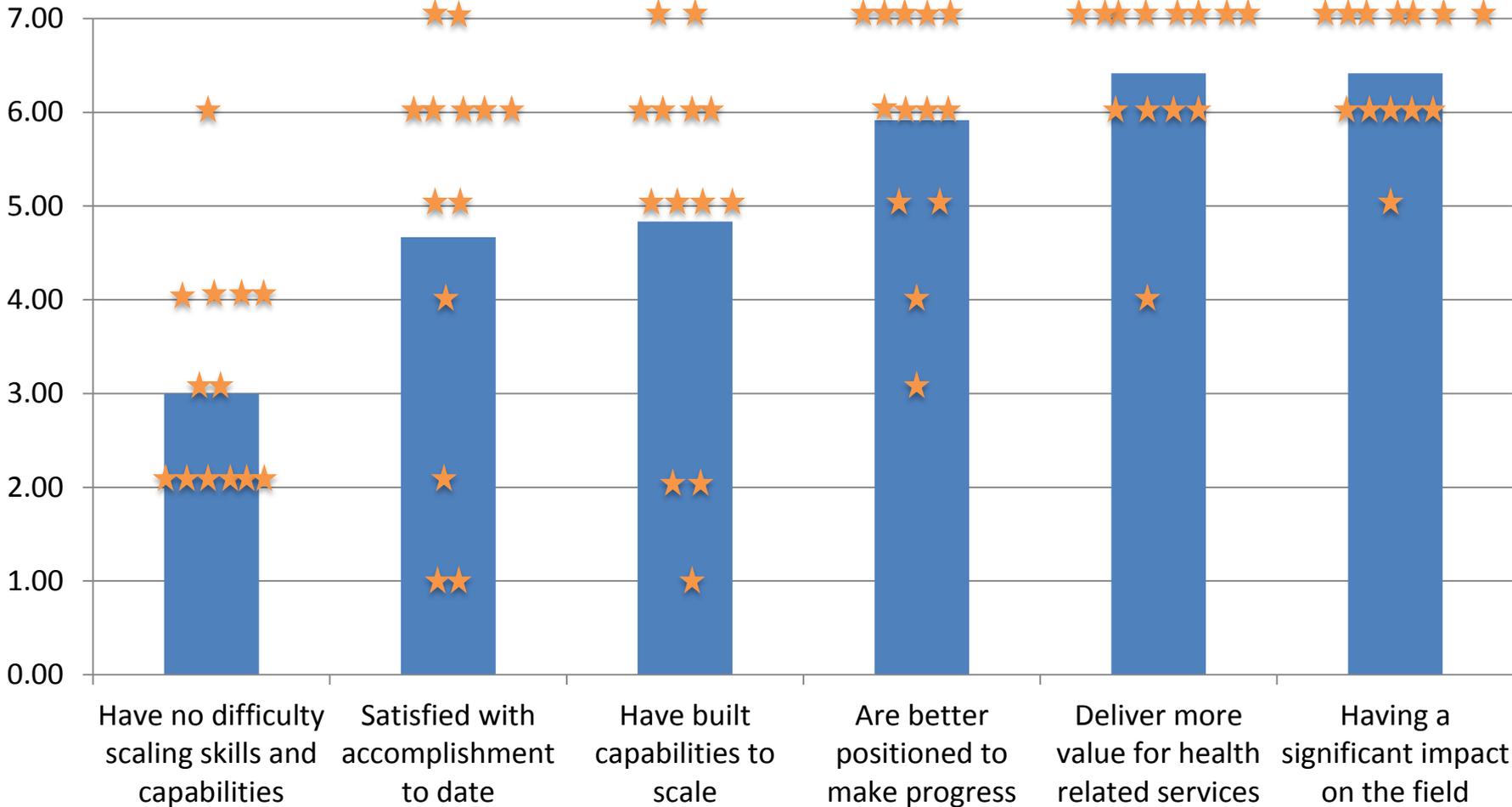


## Types of Innovations

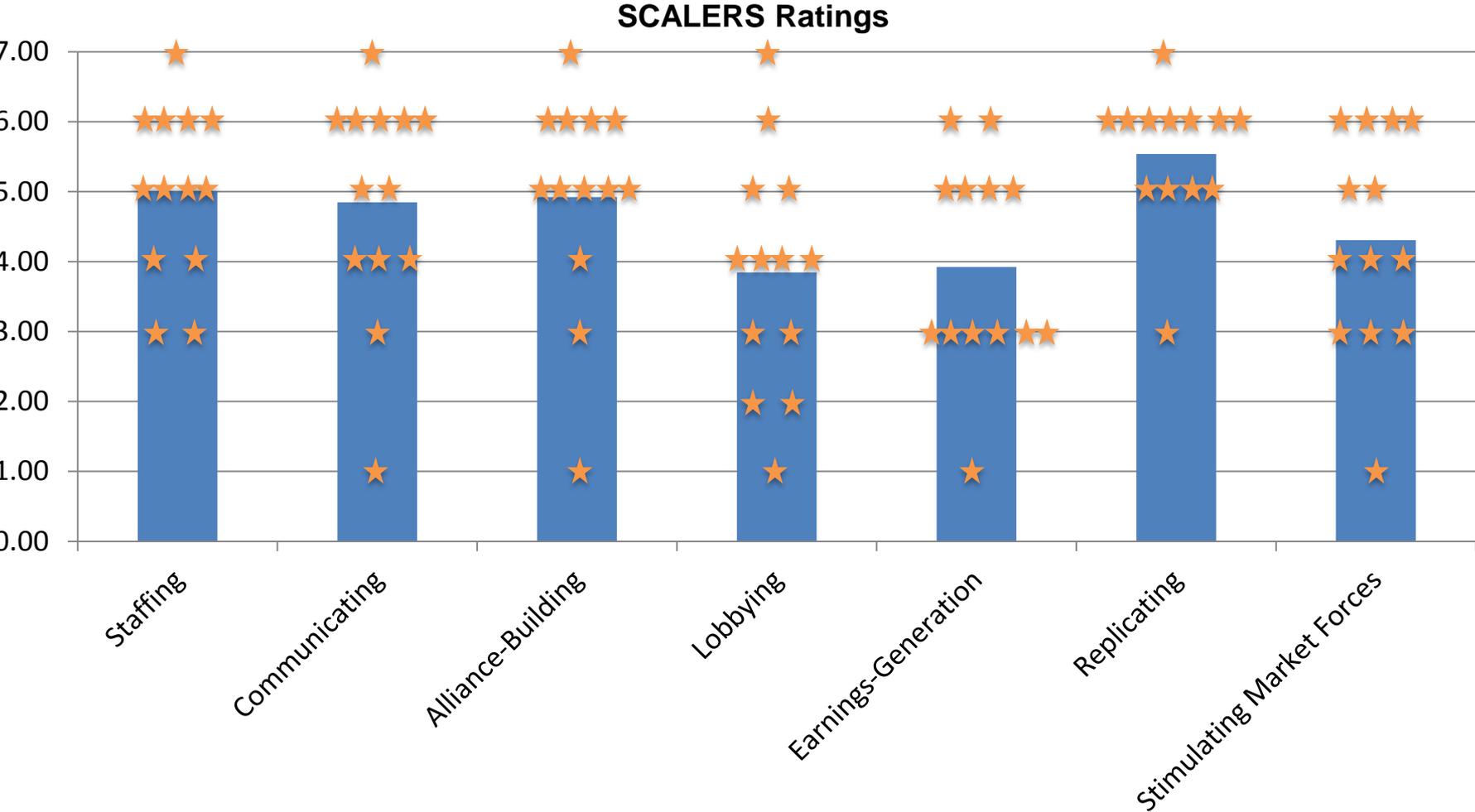


On average, innovators believe highly in their ability to impact the field but are less confident in their ability to scale up their operations

**Innovator Self-Assessment**



Operationally, innovators feel most strongly about their ability to replicate services but are least confident in their abilities to lobby and raise funding



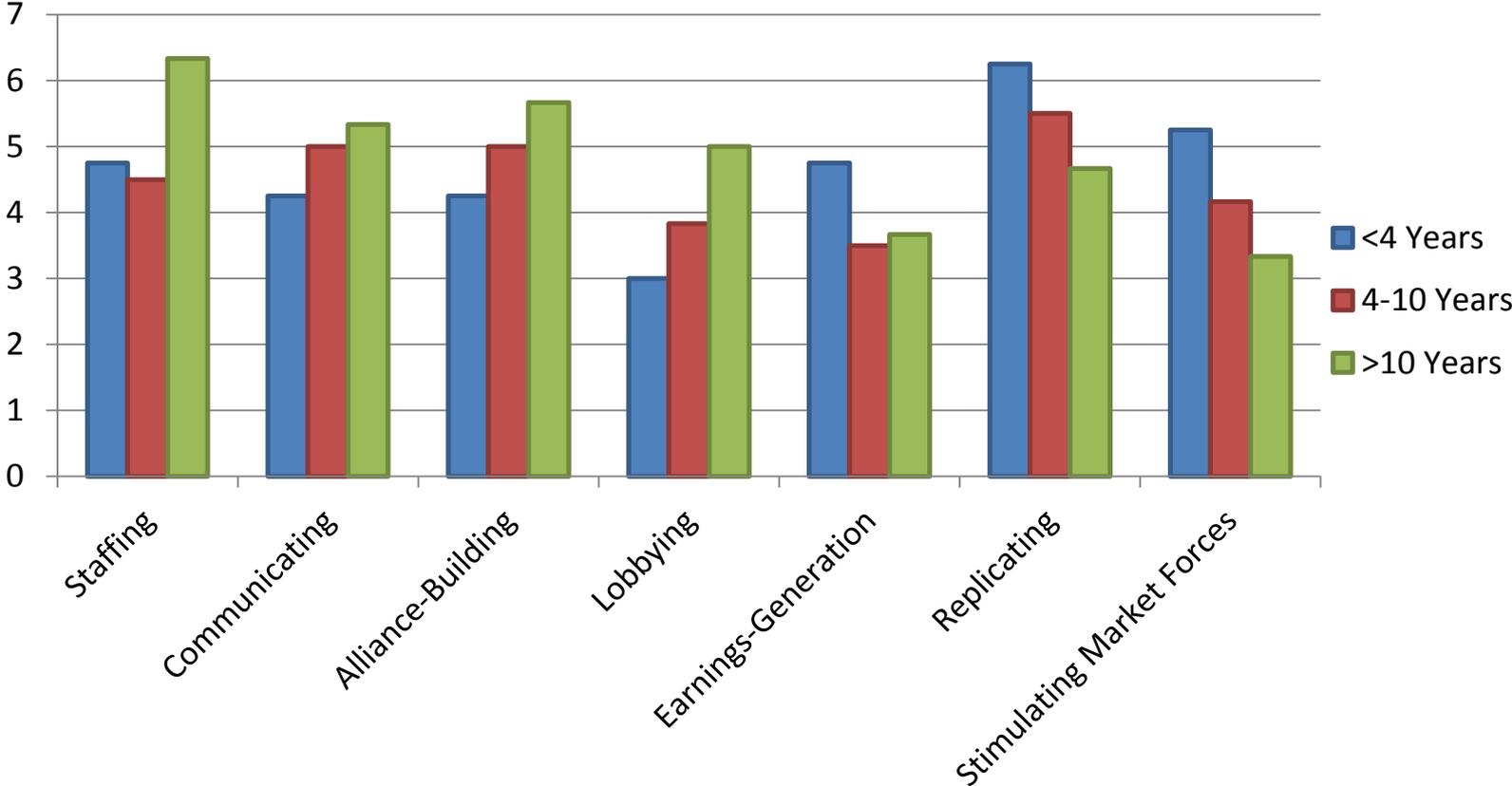
Innovators that have operated for 4-10 years express lower confidence levels across the board than startups or more seasoned organizations

Self- Assessment Ratings by Organization Age



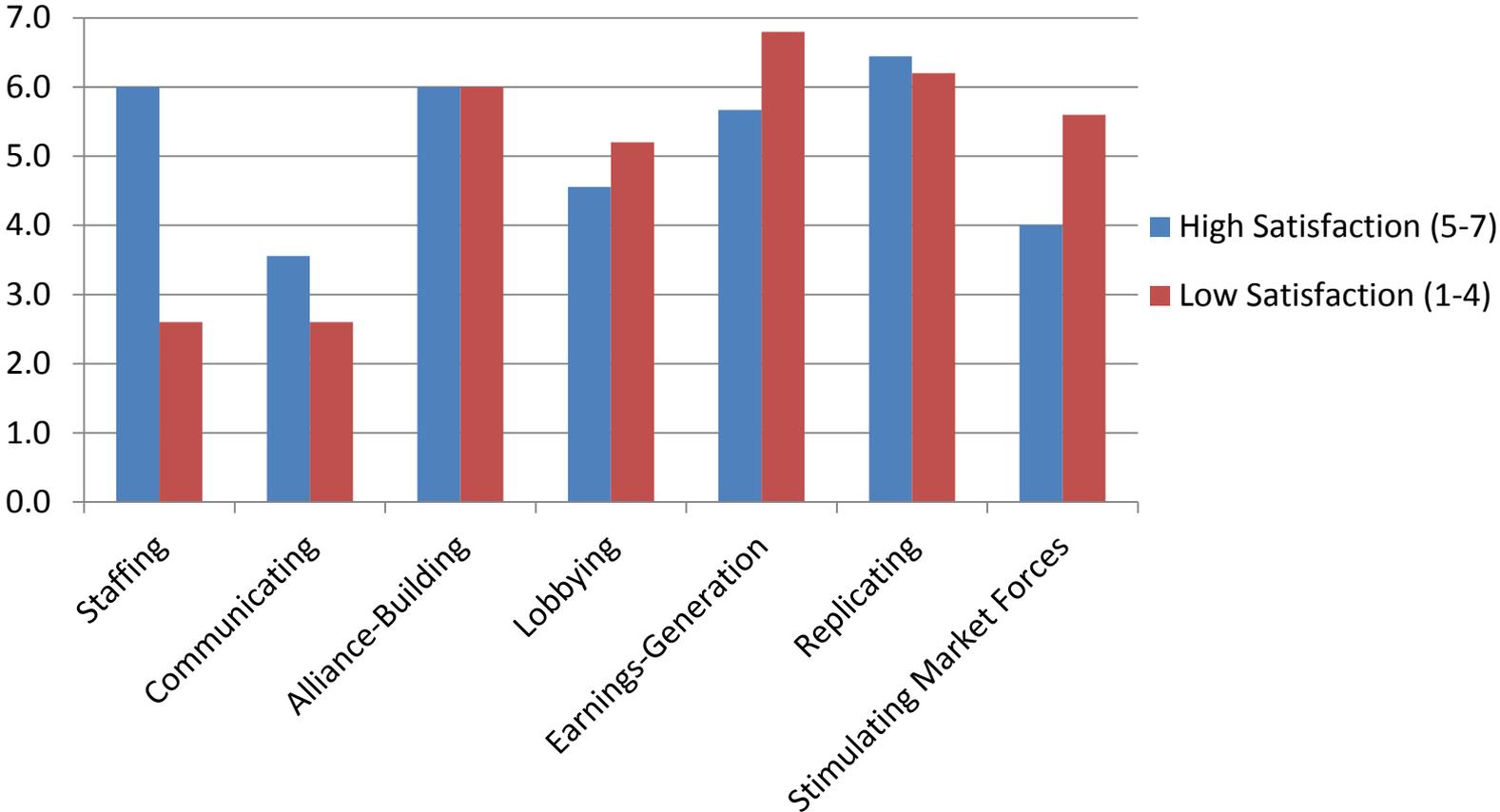
Newer innovators feel more confident on their ability to generate funding and replicate their model; whereas older innovators feel more confident in their staffing and alliance building capabilities

**SCALERS Ratings by Organization Age**



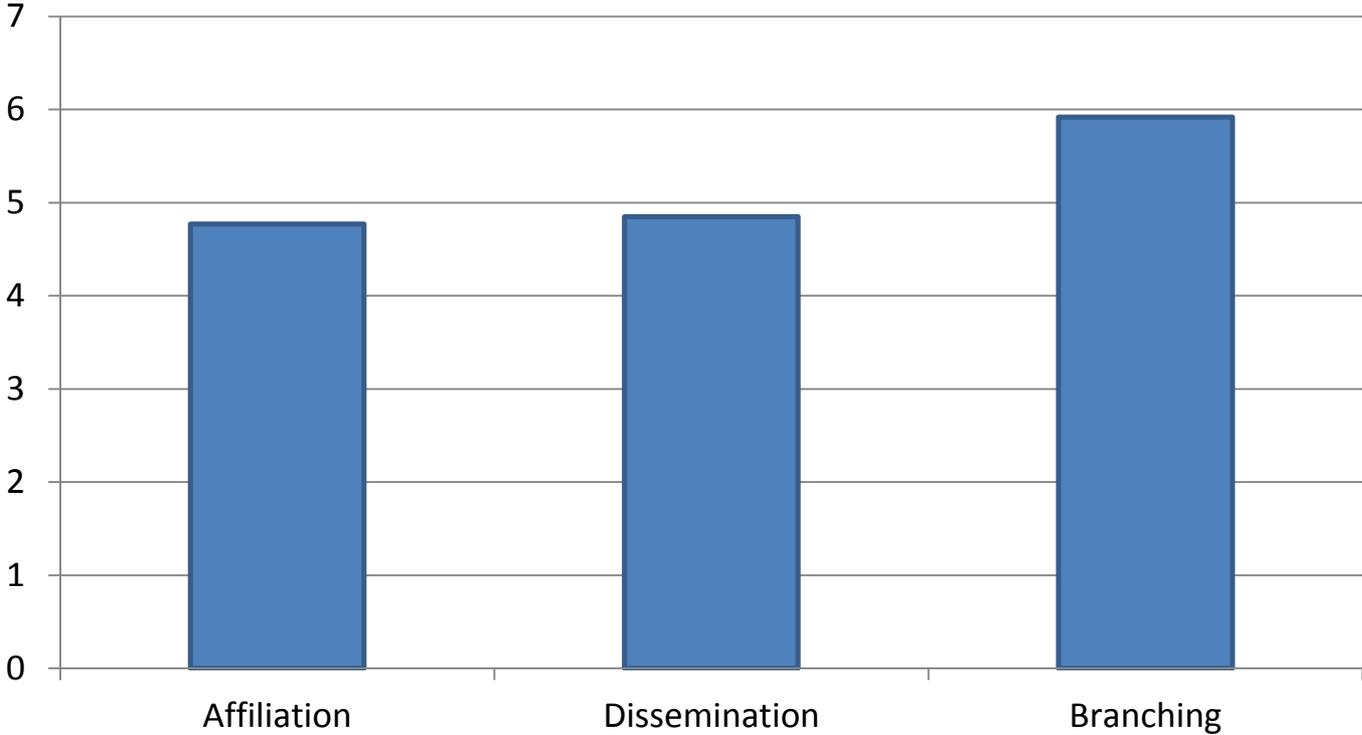
Highly satisfied innovators indicate higher confidence in staffing and ability to replicate. Those with lower levels of satisfaction have strong earnings-generation and ability to stimulate market forces.

**Difference in Capabilities Based on Innovator Satisfaction**



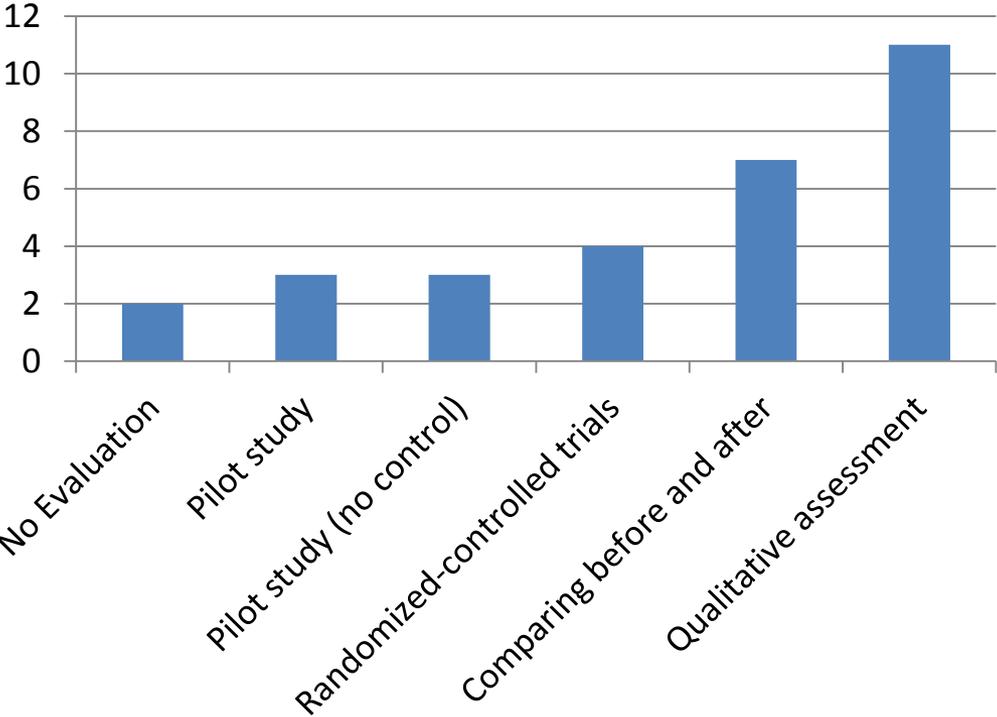
In order to scale impact, most innovators utilize multiple scaling strategies at the same time

Types of Scaling Innovators Use



Innovators have high confidence in the impact of their work, but most only have qualitative data to back up confidence

Top Innovator Evaluation Methods

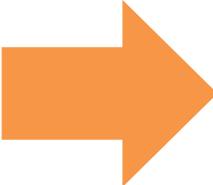
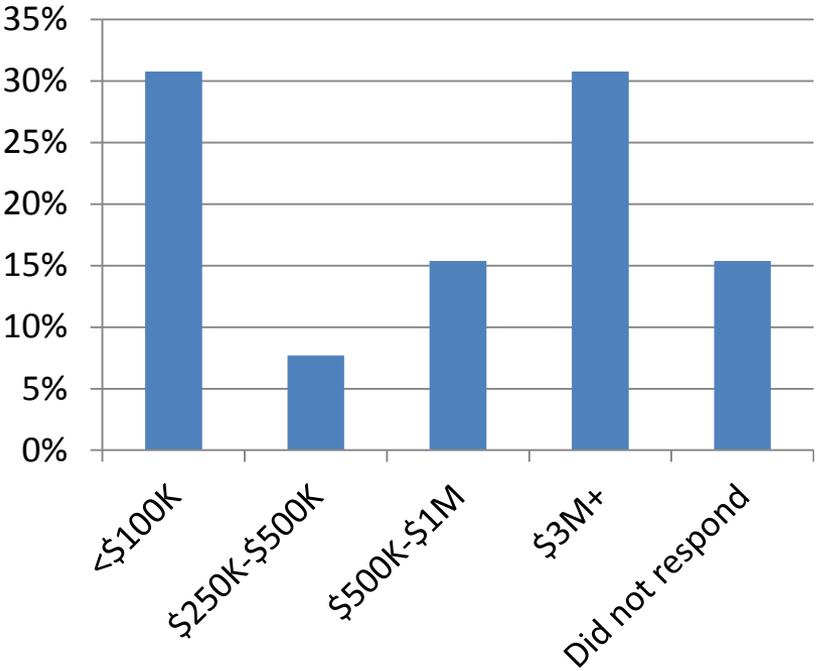


Types of Innovator Certification

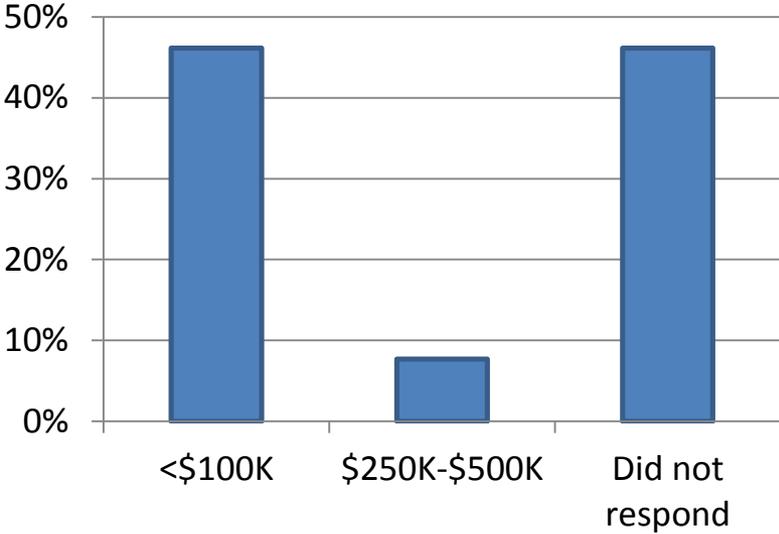


Currently, while the average innovator's revenue ranges from less than \$100K to over \$3M, in general profits are less than \$100K

**Total Gross Revenue**

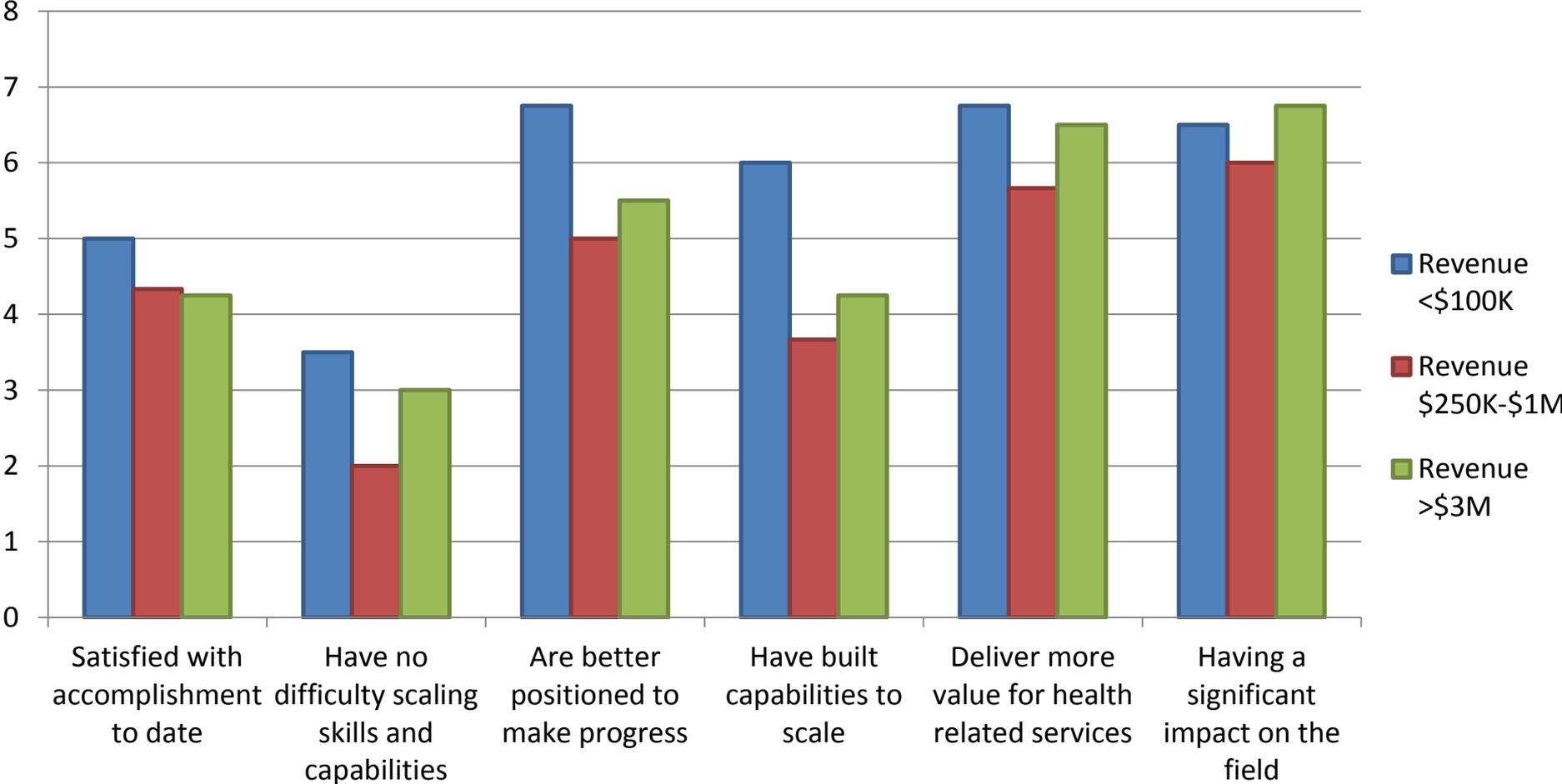


**Total Profit**



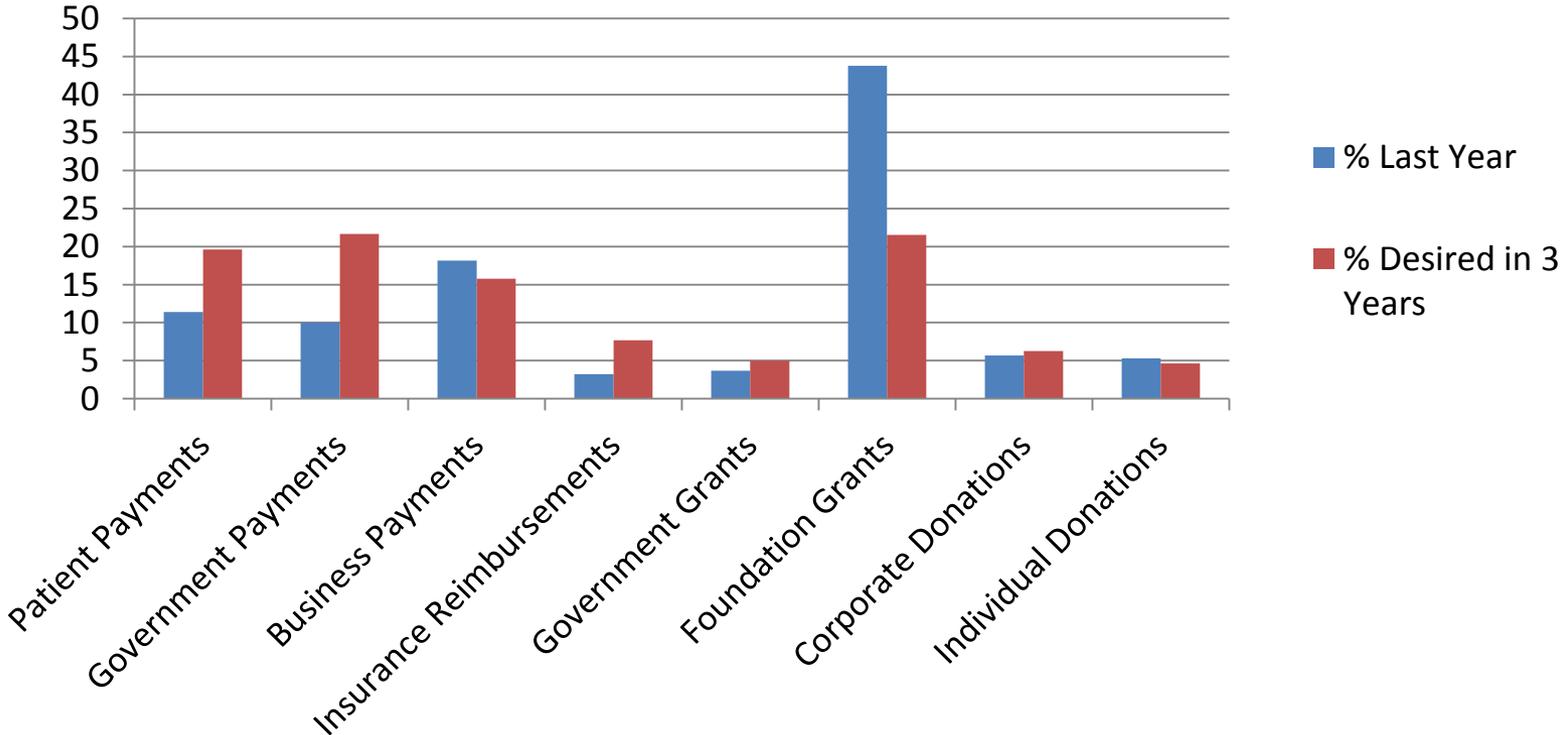
# Innovators with revenue between \$250-\$1M experience overall lower levels of self-confidence across all metrics

### Self-Assessment by Revenue

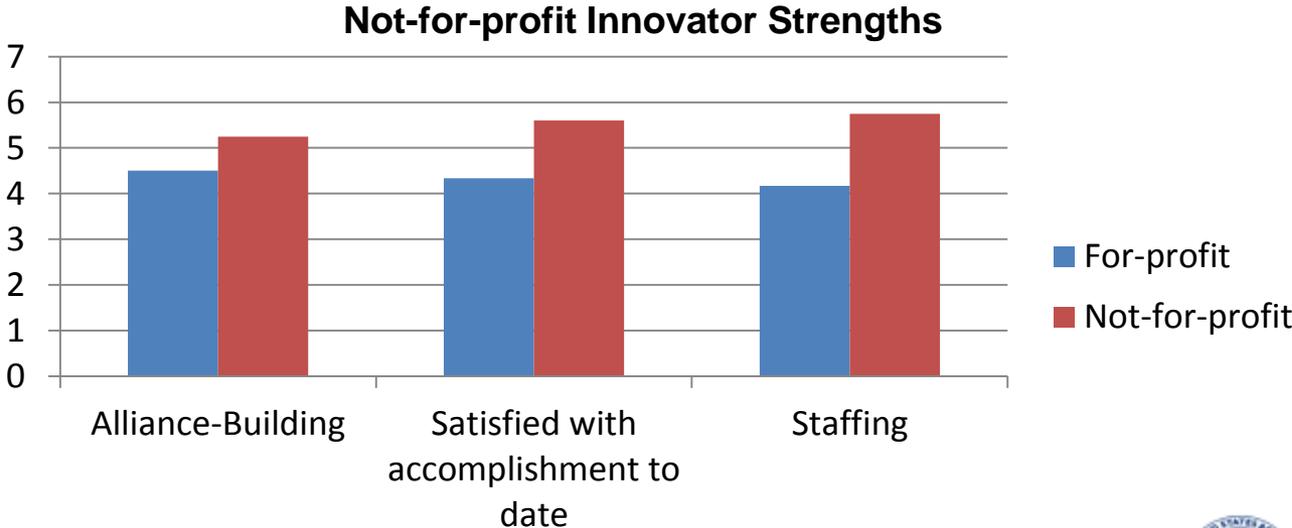
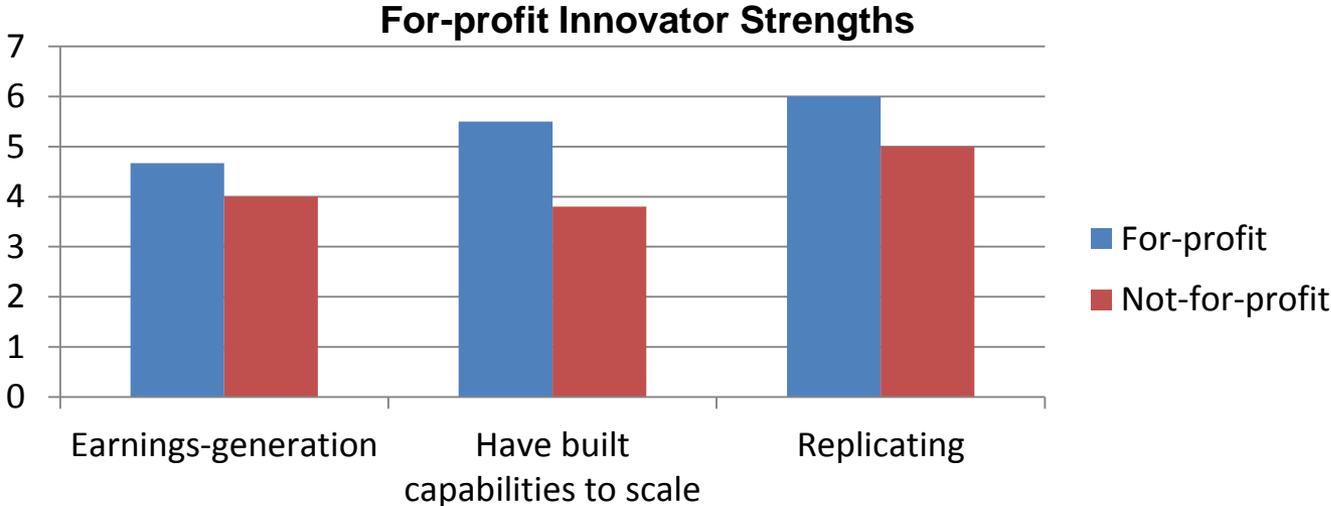


Today, SEAD innovators rely heavily on government grants, but hope to reduce this reliance in the future by increasing revenue from patient and government payers

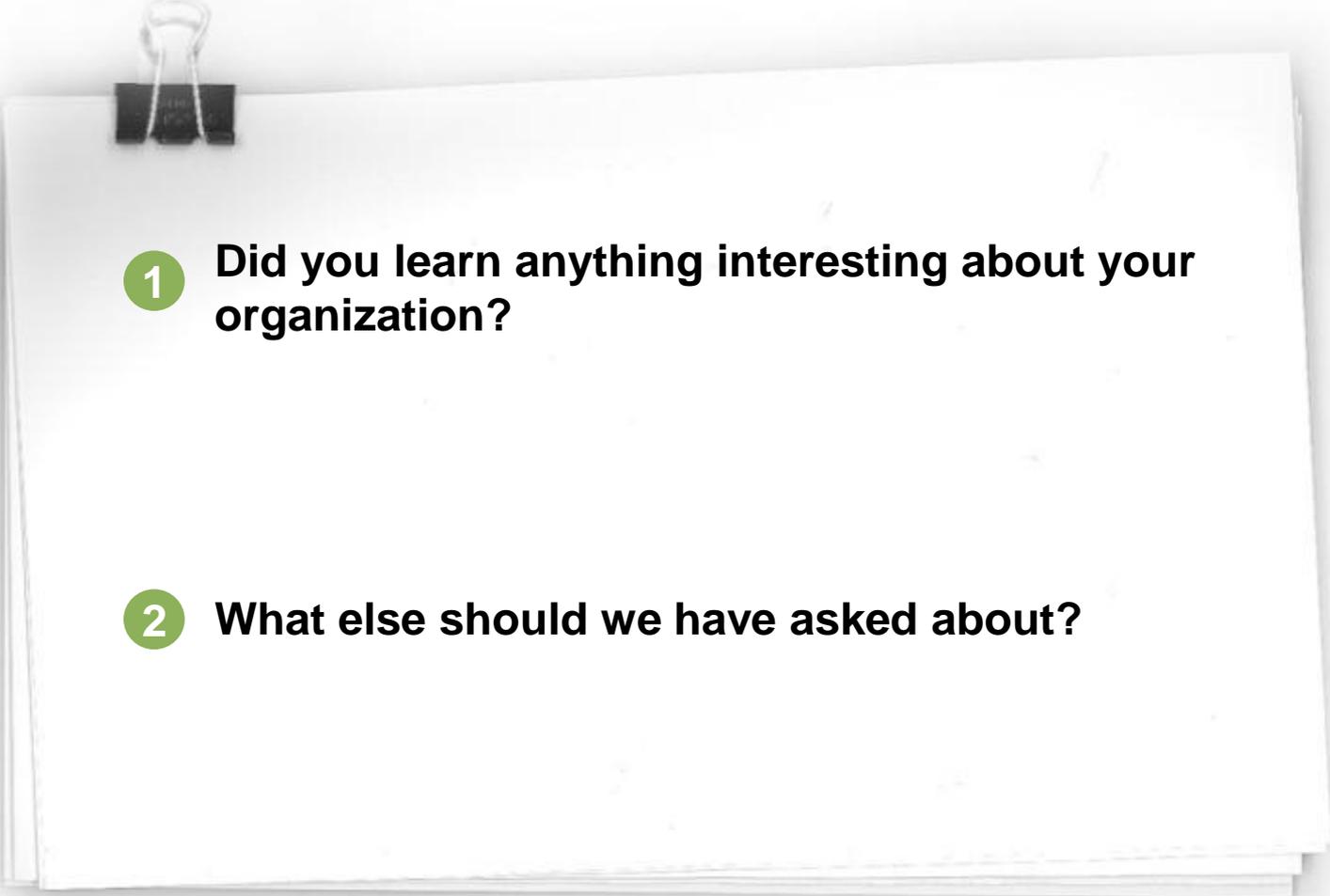
**Innovator Funding Sources: Current vs. 3 Year Projection**



Overall, for-profit innovators are more confident in revenue generating abilities; not-for-profits are more satisfied with accomplishments and internal team



## Questions for Self Reflection

- 
- 1 Did you learn anything interesting about your organization?**
  - 2 What else should we have asked about?**

# Scaling Impact

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## Introduction to Core Concepts

SAED Summit, April 4, 2013

Duke University

# Concepts We Will Be Discussing

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- Scale
- Theory of Change
- Proof of Concept
- Business Model
- Ecosystem
- Scalability
- Scaling Strategy
- Readiness

# Example to Make Concepts Real

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Vision Spring

# Scale

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- Scale = Magnitude
- Our Focus: Magnitude of Impact, not organization size
- Impact = Quality x Quantity = Improved Quality of Life
- Can be assessed relative to the Need/Problem Addressed
  - In the “markets” in which your innovation is applicable

# Theory of Change

- Causal chain from your actions to the intended impacts



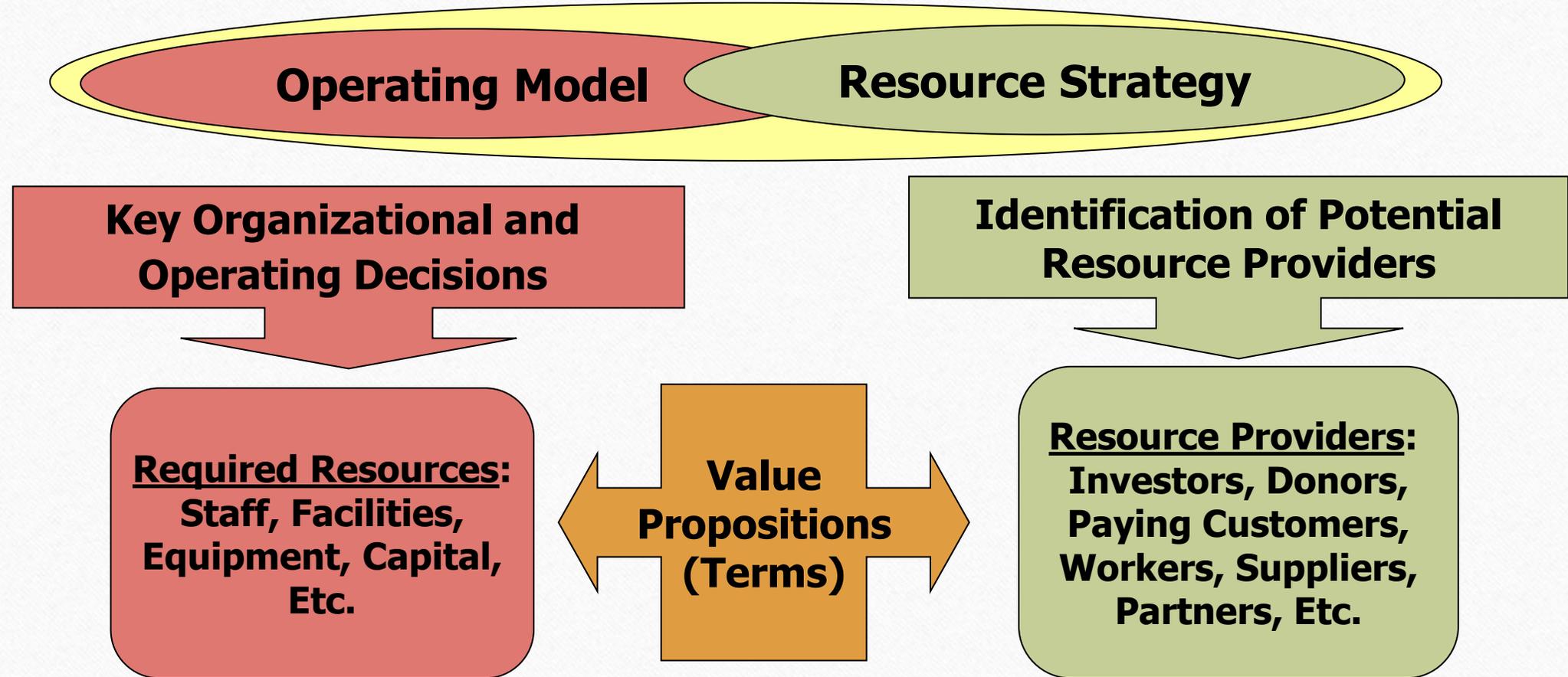
# Proof of Concept

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- **Demonstrating the Validity of your Theory of Change**
  - How well your innovation achieves its intended impacts, and at what cost—possibly compared to alternatives
  - Can illuminate conditions of success and particular populations for which your innovation works best
- **Range of methods used: surveys, pre/post, RCTs**
- **Increasingly required to access funds for scaling efforts**

# Business Model:

All Decisions Affecting Costs, Revenue, and Capital Needs



# Simplified Ecosystem Map

**Relevant Factors and Trends:** in Markets & Economics, Politics & Policy, Social & Demographics, Culture & Values, Technology & Infrastructure

## Resource Providers

- Financial
- Human
- Knowledge
- Networking
- Technology

**Rivals:** For Resources, and/or Impact Creation, Political opponents

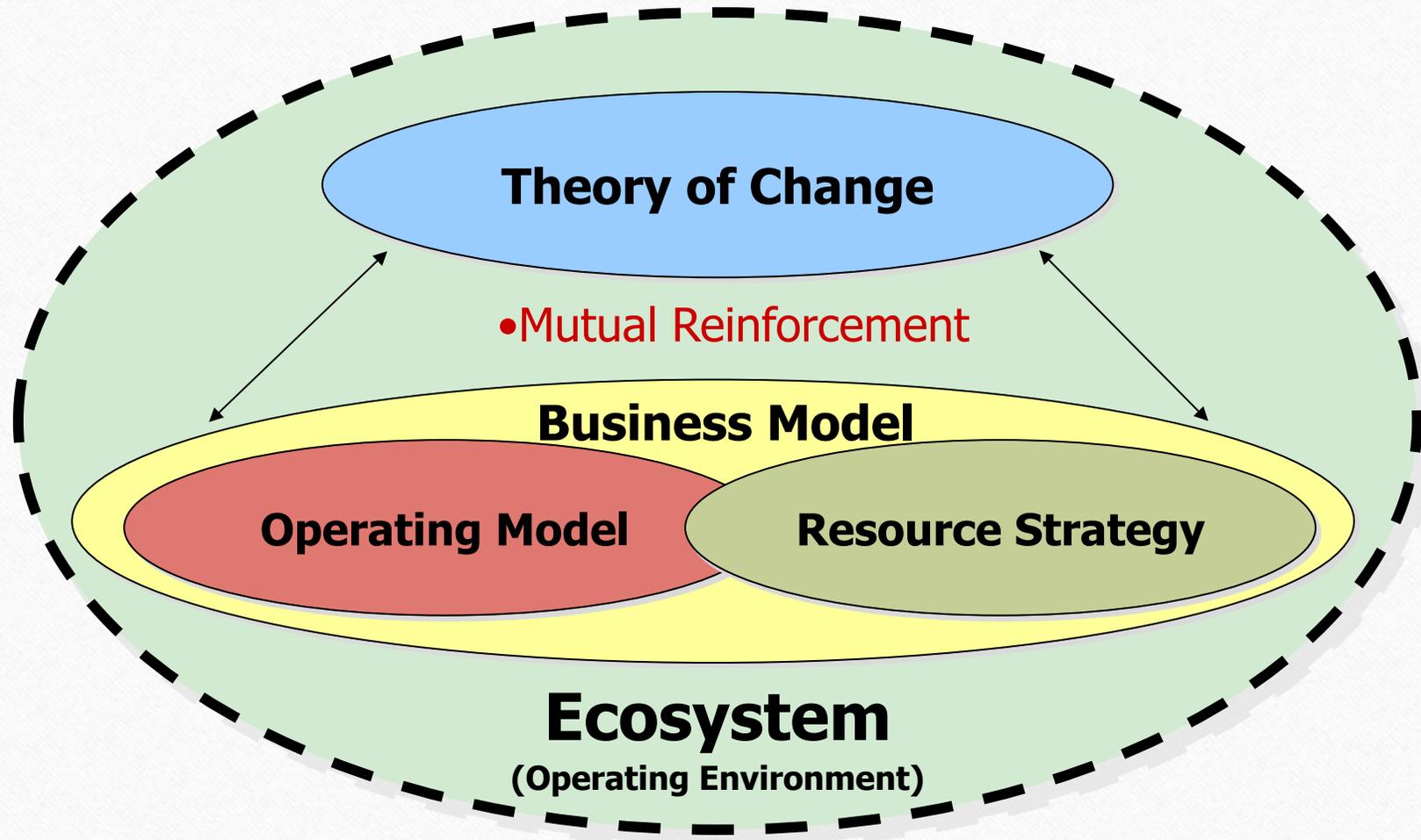
**Your Organization**

**Allies:** Collaborators, Compatriots, Complementary orgs, etc.

**Customers/ Beneficiaries:** Intermediaries, direct and indirect beneficiaries

**Intended Impact**

# Key Elements of a Social Venture



# Scalability

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- **Scalability = Potential to Expand the Impact of Your Innovation**
- **Largely a Function of:**
  - Applicability of Your Innovation Beyond Your Initial Markets
  - Availability of an Expandable Business Model to support the innovation
- Issues: Dependence on unusual ecosystem factors and/or scarce capabilities/resources

# Scaling Strategy (1): What? How?

- What? Determining what it is you have that is effective and scalable

Consider: Core elements to your success, e.g., Minimum Critical Specification, Minimum Viable Product, Minimum Viable Footprint

- How? Determining best method(s) for taking it to other markets

Options to Consider: Growing (one location), Branching (fully owned), Affiliation (franchisees, joint venture partners, distribution partners, networks, etc.), Dissemination (with or without technical assistance), Collaboration (complementary, collective impact), Ecosystem Change (including movements)

# Scaling Strategy (2): Where? When?

---

- **Where?** Determining optimal “markets” for expansion

**Consider:** Need/potential benefit, likely efficacy in this ecosystem, availability of partners, resource requirements and availability, etc.

- **When?** Determining the best timing

**Consider:** Capabilities and resources needed, including management time, window of opportunity, urgency of need, competitive dynamics, funding potential, etc.

# Readiness

---

- Readiness = Team's Will + Ability to Execute Chosen Scaling Strategy Effectively
- SEAD swill be concerned to help you chose a promising Strategy and achieve Readiness for that strategy
- The SCALERS model will help you identify resource and capability requirements of different strategic options

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# SEAD Innovator Workshop: Nonprofit Capital Markets

Professor Catherine Clark  
Director, CASE i3 Initiative on Impact Investing  
April 5, 2013

# Workshop Outline

- I. What is the capital market for nonprofits?  
What works, what doesn't, what solutions are being tried?
- II. What are your experiences and questions?
- III. What can gov't agencies like USAID do better to meet your needs?

# Challenges for Nonprofits

- Resource Strategy is essential part of your business model; you will not succeed without it
  - Getting best type/blend/amount of capital for your stage of development
  - Aligning capital with stakeholder interests
  - Finding ways to make that capital sustainable (recurring, regular)

# I. Social Capital Markets for Nonprofits

## Key Questions

- What types of enterprise require what types of investment?
- What stages do they move through and how do the types of investor/funder differ?
- What are the motivations and challenges for these investors?
- What are the different ways different investors define and manage financial and social performance and report it to *their* constituents?

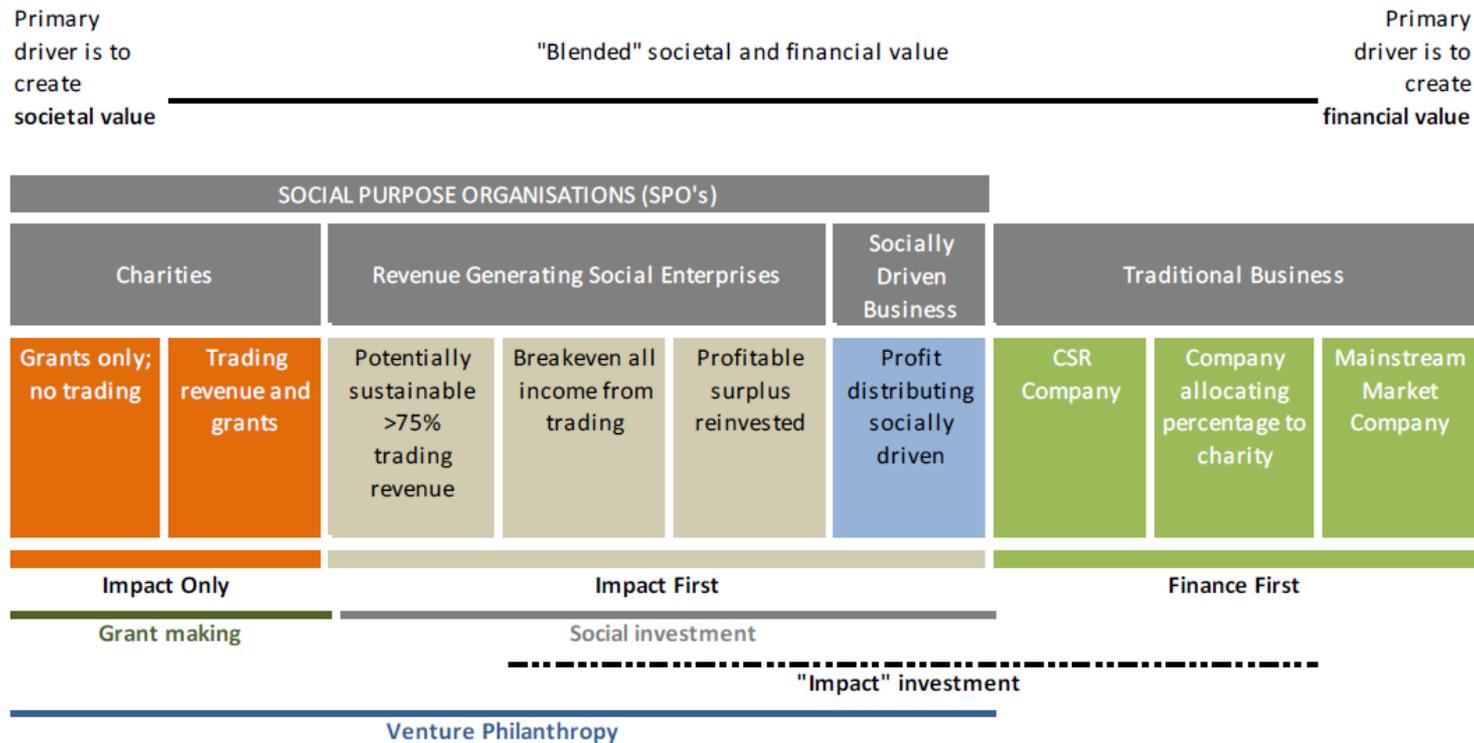
# Spectrum of Capital (1)



Social Equity Investors ← → Private Equity Investors

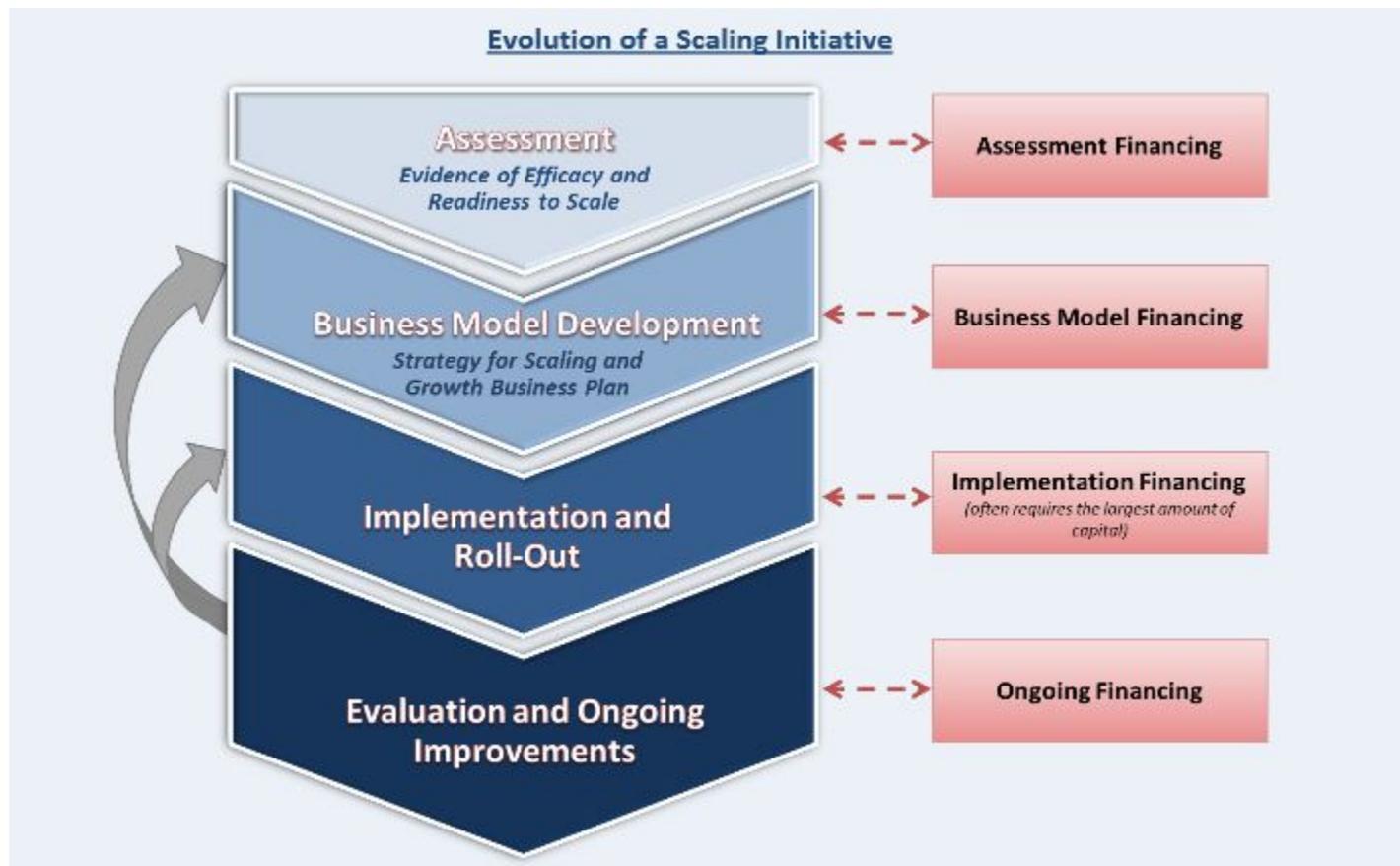
# Spectrum of Capital (2)

**Figure A:** The Investment Spectrum



Source: European Venture Philanthropy Association, *European Venture Philanthropy Association: An Introduction* (European Venture Philanthropy Association, October 2011), p. 5, [http://evpa.eu.com/wp-content/uploads/2010/08/EVPA-Introduction-October-2011\\_\\_2.pdf](http://evpa.eu.com/wp-content/uploads/2010/08/EVPA-Introduction-October-2011__2.pdf), accessed October 2011.

# Ideal model for scaling capital?



**TABLE 1: Four Stages of the Pioneer Firm's Journey**

	 <b>1. Blueprint</b>	 <b>2. Validate</b>	 <b>3. Prepare</b>	 <b>4. Scale</b>
<b>STAGE</b>	<i>Developing the blueprint for the future business</i>	<i>Testing and refining the business model</i>	<i>Enhancing the conditions required for scaling</i>	<i>Rolling out the model to reach large numbers of customers and/or suppliers</i>
<b>KEY ACTIVITIES</b>	<ul style="list-style-type: none"> <li>• Understand customer needs</li> <li>• Develop initial customer proposition</li> <li>• Develop business plan</li> <li>• Develop core technologies and/or product prototypes</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct market trials</li> <li>• Test business model assumptions</li> <li>• Refine business model, technologies and/or product as required</li> </ul>	<ul style="list-style-type: none"> <li>• Stimulate customer awareness and demand</li> <li>• Develop supply chains, upstream and downstream</li> <li>• Build organizational capability to scale: systems, talent, plant, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Move into new geographies and segments</li> <li>• Invest in assets and talent</li> <li>• Enhance systems and processes</li> <li>• Exploit scale efficiencies</li> <li>• Respond to competitors</li> </ul>
<b>KEY NEEDS</b>	<ul style="list-style-type: none"> <li>• Innovation capability</li> <li>• Strategy development and business planning</li> <li>• Talent networks</li> <li>• Seed funding</li> </ul>	<ul style="list-style-type: none"> <li>• Operationalizing the model</li> <li>• Focus on cost, value and pricing</li> <li>• Learning orientation and flexibility</li> <li>• Innovation capability</li> <li>• Funds to facilitate market trials and refinement</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing strategy and execution</li> <li>• Supply chain design and implementation</li> <li>• Systems and processes</li> <li>• Talent and networks</li> <li>• Funds for marketing, supply chain, fixed assets, inventory</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive strategy</li> <li>• Realizing scale efficiencies</li> <li>• Risk management</li> <li>• Formalization of impact standards and expectations</li> <li>• Stakeholder management</li> <li>• Funds to support expansion</li> </ul>
<b>END MILESTONES</b>	<ul style="list-style-type: none"> <li>• Compelling initial business plan</li> <li>• Demonstrated core technologies and/or product prototype</li> </ul>	<ul style="list-style-type: none"> <li>• Refined business model, technologies, product</li> <li>• Validation of viability and scalability</li> <li>• Indication of customer demand</li> </ul>	<ul style="list-style-type: none"> <li>• Strong customer awareness and demand</li> <li>• Effective supply chains</li> <li>• Organizational systems, talent, assets in place to support scaling</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainably reaching all BoP customers and/or suppliers</li> </ul>

# Real Life model for scaling capital

- According to Marino and Shore:
  - “When the business succeeds, the capital markets respond.”
  - “A visibly successful nonprofit certainly sees a market response, but it comes in the form of an increased demand for its service, often at a saturation point. There is not however a “capital market” response... **[it is] rarely equal to the scale of what they are seeking to accomplish [and is often a] one-time occurrence.**”
  - Source: “High Engagement Philanthropy: A Bridge to a More Effective Social Sector”

# Solution Trends

- First Wave of Capital Innovations:
  - Capacity-Building Grants
  - Capital Campaigns/Syndications
    - e.g., Nonprofit Finance Fund's Segue Program  
or Edna McConnell Clark Fdn efforts
  - Venture Philanthropy
    - e.g., New Profit, Venture Philanthropy Partners,  
Omidyar Network

# Solution Trends, cont' d

- Second Wave of Capital Innovations
  - Collective Impact Experiments
    - e.g., Strive, Promise Neighborhoods
  - Funding Collaboratives
    - Scaling What Works based on evidence level (SIF, i3)
    - Social Impact Exchange
  - Impact Investing
  - Social Impact Bonds

# Impact Investing: When is Debt Appropriate?

- It's all about cash
- Need enough free cash to pay yourself and the investor
- Need solid enough model to know you can do this over time of the loan, or way to reduce risk
- Then, need to find a match with right kind of debt provider (size, stage, sector, geography, risk, mission-alignment)

# Earned Income

- Revenue generated by the commercial exchange of a product or service between a buyer and a seller
- Distinct from revenue generated from grants, donations, pledges, etc., which do not involve a commercial exchange.

# Myths of Earned Income

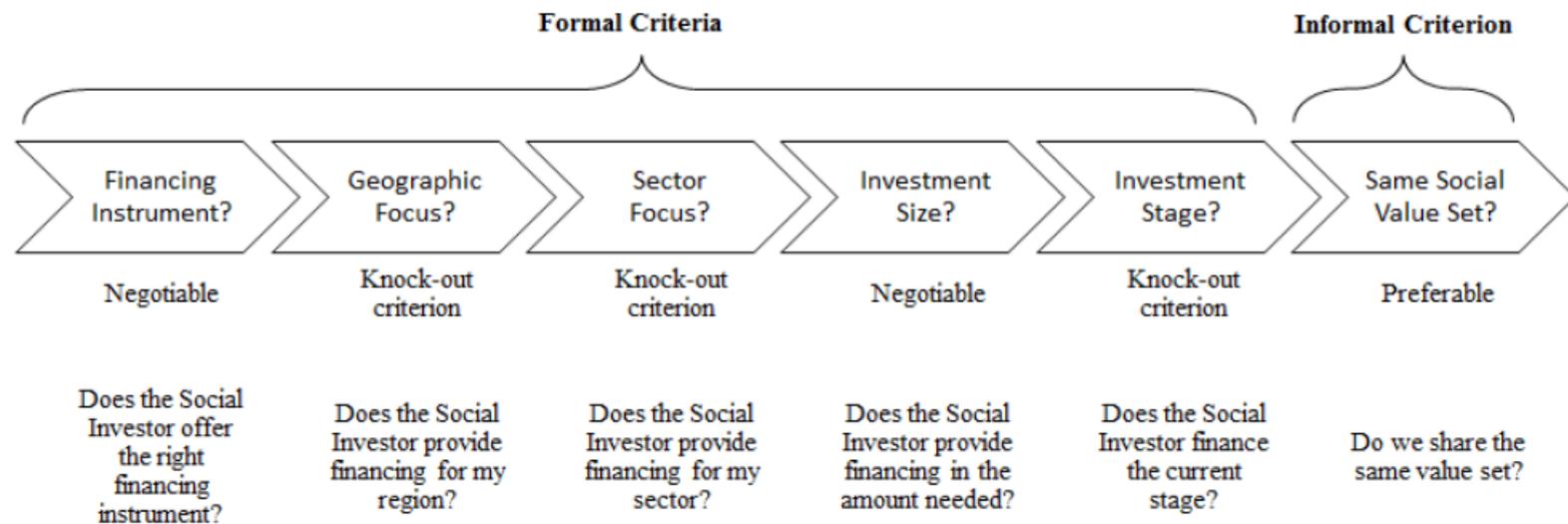
- Myths:
  - Always more sustainable than donations or grants
  - Always a good thing for diversifying funds
  - By relying on earned income, your org exposes itself to valuable market discipline

# Keys for Success

- Clear value proposition
  - Competency-based
  - Asset-based
  - Relationship-based
  - Mission-based
  - Clear oppty unrelated to current assets
- Demonstrated demand and appetite for your product and price
- Stakeholder alignment
- Clear understanding of your costs and margins

# Investment Fit – front end

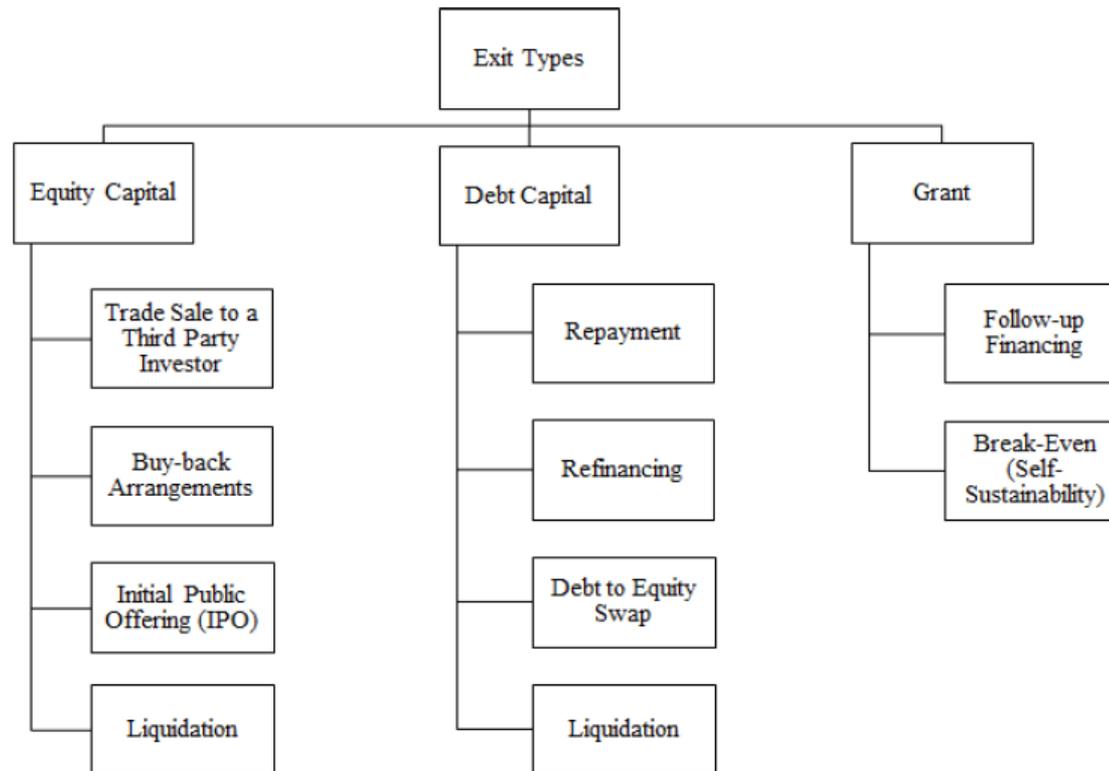
**Figure 3** Investment fit



Source: Schwab Foundation Social Investment Manual

# Investment Fit – back end

**Figure 5** Exit considerations



Source: Achleitner & Spiess-Knafl (in press)

# Funder as Customer; Impact as product

“Since 1970, only 144 U.S. nonprofits have reached \$50 million in annual revenue. Most of the members of this elite group got big by doing two things. They raised the bulk of their money **from a single type of funder such as corporations or government and they created professional organizations tailored to the needs of their primary funding sources.**”

--From *How Nonprofits Get Really Big*, William Foster and Gail Fine, *Stanford Social Innovation Review*, Spring 2007

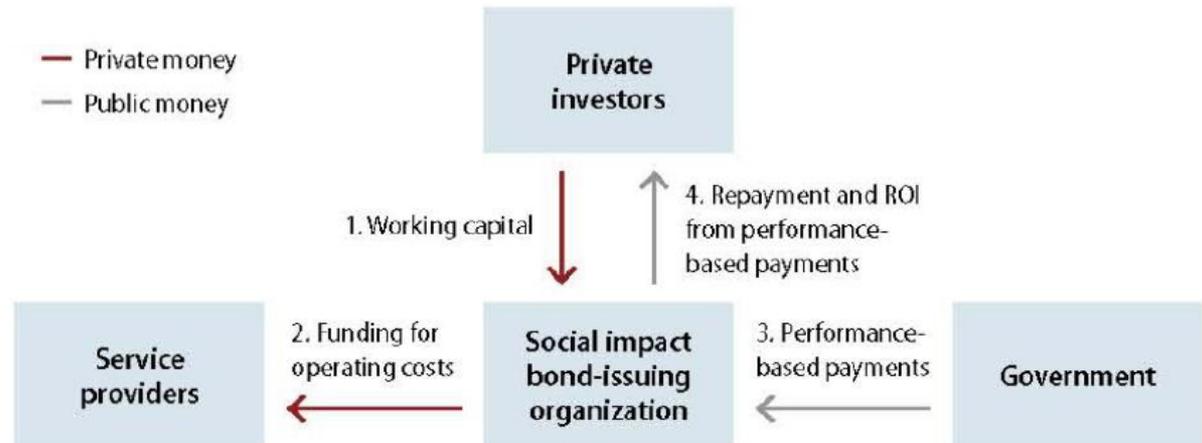
Also see books by Jason Saul of Mission Measurement

# Social Impact Bonds

## Exhibit 4 Social Impact Bonds

### The four key players in the social impact bond model

First, the bond-issuing organization raises funds from private investors and distributes those funds to service providers to finance operating costs. Next, the government makes payments to the bond-issuing organization if the performance targets are met. Finally, the bond-issuing organization uses these payments to reimburse the private investors and provide the investors with a return on their initial investment.



Source: Jeffrey B. Liebman, *Social Impact Bonds*, Center for American Progress, February 2011, p. 11.

## II. Your experiences

- From overall survey:
  - Group is confident in ability scale but not to raise funding
  - Those 4-10 yrs old least confident
  - Many want to move from gov grants to gov and patient revenue
  - Fps more confident in revenue-generating abilities

# Discussion: what are your capital-raising experiences?

- What kind of money have you raised?
- Are you happy with your capital mix?
- Is it aligned with your future plans?
- Biggest challenges?
- What do you most want to change/ learn about going forward?

# III. Role of Governments in Health Enterprises

- Government grants vs. contracts
- National governments vs. multilateral agencies: tensions?
- DFIs like USAID: what can they do better?

Duke | SOCIAL  
ENTREPRENEURSHIP  
ACCELERATOR AT DUKE



INVESTORS' CIRCLE

**SEAD Innovator  
Introductory Workshop**

April 5, 2013  
Durham, NC



# Agenda

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## Introductions

## Capital Raising Experiences

## Impact Investing Overview

## Introduction to Investors' Circle

- Overview
- SEAD Engagement





INVESTORS'CIRCLE

## Introduction to Impact Investing



# Impact Investments

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Investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return

*Source: Global Impact Investing Network*



# THE SPECTRUM OF MARKETS

	<b>FINANCIAL CAPITAL MARKETS</b> 	<b>IMPACT INVESTING MARKETS</b> 	<b>PHILANTHROPY (GIVING MARKETS)</b> 
RETURN	Financial Return	Financial + Social Return	Social Return
MEASUREMENT	Financial Performance Measurement	Financial + Social Measurement	Social Performance Measurement
INVESTMENT TYPE	<ul style="list-style-type: none"> <li>Debt</li> <li>Equity</li> </ul>	<ul style="list-style-type: none"> <li>Debt</li> <li>Equity</li> <li>Grants</li> </ul>	<ul style="list-style-type: none"> <li>Grants</li> <li>Debt</li> </ul>
PLATFORMS	<ul style="list-style-type: none"> <li>Retail (mutual funds, online brokers)</li> <li>Institutional (Exchanges, Alternative Trading Systems)</li> </ul>	<ul style="list-style-type: none"> <li>Retail (online micro finance)</li> <li>Institutional (Impact Funds, emerging platforms)</li> </ul>	<ul style="list-style-type: none"> <li>Retail (offline channels, online giving, DonorAdvised Funds)</li> <li>Institutional (Foundations)</li> </ul>
AVERAGE TRANSACTION COST	About 5%	About 20%*	About 30%
MARKET SIZE	<b>FINANCIAL CAPITAL MARKETS</b>  <b>\$50 Trillion</b>	<b>SOCIALLY RESPONSIBLE INVESTING</b> Social Screening and Shareholder Advocacy  <b>\$7 Trillion</b>	<b>\$300 Billion</b>

} **MARKETS FOR GOOD**

markets FOR GOOD PRESENTED BY liquidnet

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Source: <http://www.slideshare.net/fullscreen/liquidnetforgood/markets-for-good-presented-by-liquidnet-for-good/8>



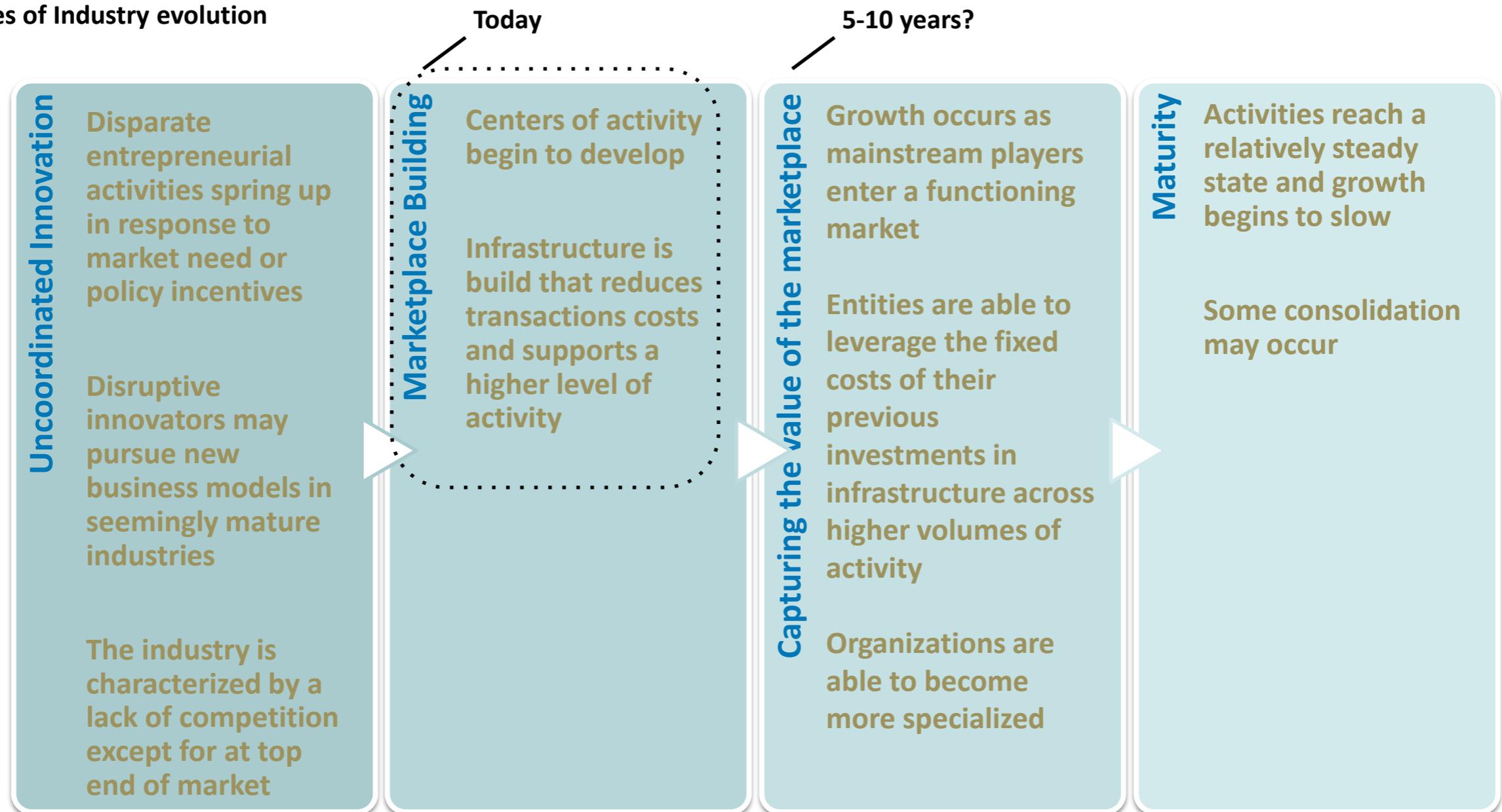
# Impact Investing Ecosystem



Source: Duke CASE i3

# Impact Investing Industry Evolution

## Phases of Industry evolution



Source: Monitor Institute, *Investing for social and environmental impact*, p.12



INVESTORS'CIRCLE

## Introduction to Investors' Circle



# Investors' Circle

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The oldest, largest, and most successful **network of early stage impact investors.**

We connect our members to **high-growth, high-impact enterprises** and **facilitate investment.**



# Investors' Circle

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## Our members

- Angel investors
- Venture capital fund managers
- Family offices & foundations

## Invest in

- Early stage for-profit companies
- Innovative solutions to social and/or environmental challenges
- High growth and impact potential



# IC Membership



## 150+ Members

- 66% Angel investors
- 18% Venture fund managers
- 16% Foundations & family offices

## Active IC Local Networks

- Philadelphia, PA
- Durham, NC

**25% Women**



# Impact Interests

- Community & economic development
- Impact software & media
- Education
- Energy & energy efficiency
- Environment & sustainability
- Global Health & wellness
- Sustainable consumer products
- Women-led & minority-led companies



# IC Investments



Since 1992: \$170 million into 265+ impact enterprises



*Impact Investing Happens Here*



# IC Process

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## ACCEPT APPLICATIONS

### Criteria

- Raising up to \$3M
- 1+ year in operation
- Market traction
- Projected revenues of \$5M/yr within 5 years
- Strong IP, mgmt team, and exit potential



# Deal flow: Members, Applications, and



# IC Process

## ACCEPT APPLICATIONS

### Criteria

- Raising up to \$3M
- 1+ year in operation
- Market traction
- Projected revenues of \$5M/yr within 5 years
- Strong IP, mgmt team, and exit potential

## BRING TO MEMBERS

### Vetting

- Internal/MBA Fellows
- IC Member SelComs

### Vehicles

- Deal database
- Monthly *Ideals*
- Virtual Venture Fairs
- In-person events



# Venture Fairs

## Virtual...



## Live venture fairs & forums



# IC Process

## ACCEPT APPLICATIONS

### Criteria

- Raising up to \$3M
- 1+ year in operation
- Market traction
- Projected revenues of \$5M/yr within 5 years
- Strong IP, mgmt team, and exit potential

## BRING TO MEMBERS

### Vetting

- Internal/MBA Fellows
- IC Member SelComs

### Vehicles

- Deal database
- Monthly *Ideals*
- Virtual Venture Fairs
- In-person events

## GET DEALS DONE

### Tools

- IC Online
- Group Due Diligence
- GIIRS Metrics
- Patient Capital Collaborative



# Impact Metrics



- IC is 1<sup>st</sup> GIIRS partner, building valuable data
- Consistent method for assessing social, environmental, and economic impact
- All IC Selection Committee companies complete GIIRS rating

COMPANY RATINGS SUMMARY			
Section Weight	Impact Area	Stars	Total Pts (200 Pts Avail.)
<b>OVERALL</b>		★★★★★	115.8
5%	<b>Governance</b> Related to a company's mission, stakeholder engagement, governance structure, controls, and overall transparency	★★★★★	13.6
20%	<b>Workers</b> Focuses on how the company treats its workers through compensation, benefits, training, ownership, and work environment.	★★★	23.7
23%	<b>Community</b> Covers the company's impact on external community stakeholders	★★★★	40.3
23%	<b>Environment</b> Focuses on indirect and direct environmental impact of the company and its operations	★★★★	38.2
30%	<b>Socially &amp; Environmentally Focused Business Models (SEM)</b> Highlight a company's core impact business model, amplifying their positive impact beyond simply	N/A	41.7 (Points distributed in their relevant impact areas.)



# PCC Fund invests in IC companies



- Fund that invests in IC deal flow
- Professional management by 2 general partners
- \$50K investment minimum, lower than most funds
- Each fund invests in 4-6 IC companies
- Over 30 IC member LPs
- Varying levels of participation opportunities



# IC Investor return expectations

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## IC members expect a return:

- 77% of members expect an IRR of 10+%
- Priority of return vs impact varies per investor and per deal



# Impact Investments

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## Victoria

- Private equity allocation dedicated to impact
- Passion for and invests in US domestic and international emerging markets
- Exit strategy is key, but no defined return expectation
- Illiquidity expected for a significant period of time

## Kate

- 2-4 angel investments each year, 1-2 of which are impact oriented
- Interested in emerging markets, healthcare, and sustainable consumer products
- Exit strategy is #1 criteria; mgmt team must have identified acquisition targets
- Return expectations are 3-10X in 4-6 years





INVESTORS' CIRCLE

**IC and SEAD**



# IC Role in SEAD: Connection to capital

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## Improving health enterprises' readiness for capital

- Getting Ready for Equity™ workshops and webinars
- Pitch coaching

## Cultivate a **community of investors** interested in Global Health

- IC Global Health Advisory Board
- Online discussion, knowledge sharing, deal sharing and review

## Create a **new Global Health track** for the IC network

- Global Health virtual venture fairs and track at live venture fairs
- Pipeline partnerships to increase global health deal flow



# Getting Ready for Equity™ overview

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## Presenting to Investors: The elements of a compelling case

- The importance of compelling content and effective communication
- Key elements and goals of investment pitches and presentations

## Financial Projections and Valuation: What are investors looking for?

- How to present financial projections to investors
- Investors' valuation techniques

## Investment Terms: Understanding equity investment structuring

- The due diligence process
- The role of the term sheet, typical terms and term sheet issues



# Thank you

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## Contact:

**Rachele Haber-Thomson**, Impact Investment Fellow,  
[rhaberthomson@investorscircle.net](mailto:rhaberthomson@investorscircle.net)





INVESTORS'CIRCLE

## Appendix



# Debt vs. Equity

## Debt

- Capital provided in return for agreement to pay back loan with interest
- Repayment usually starts after funding (some may offer interest only payments)
- Emphasis on collateral and cash flow to reduce risk
- Return not based on company performance
- Lower risk for lender, higher for company
- Lower cost for company if business is successful
- No ownership dilution
- Supports short-medium term expansion or capital for a specific reasons
- Monitoring relationship
- Fairly standard documentation

## Equity

- Capital provided in return for a share of ownership in the company
- Deferred repayment, usually paid at liquidity event (3-5 years)
- Emphasis on future opportunity and return on investments by assuming risk
- Repayment dependent on company performance
- Higher risk for investor, lower for company
- Higher cost for company if business is successful
- Ownership dilution
- Supports long term expansion, provides future support for growth
- Involved partner relationship
- Complex issues and documentation



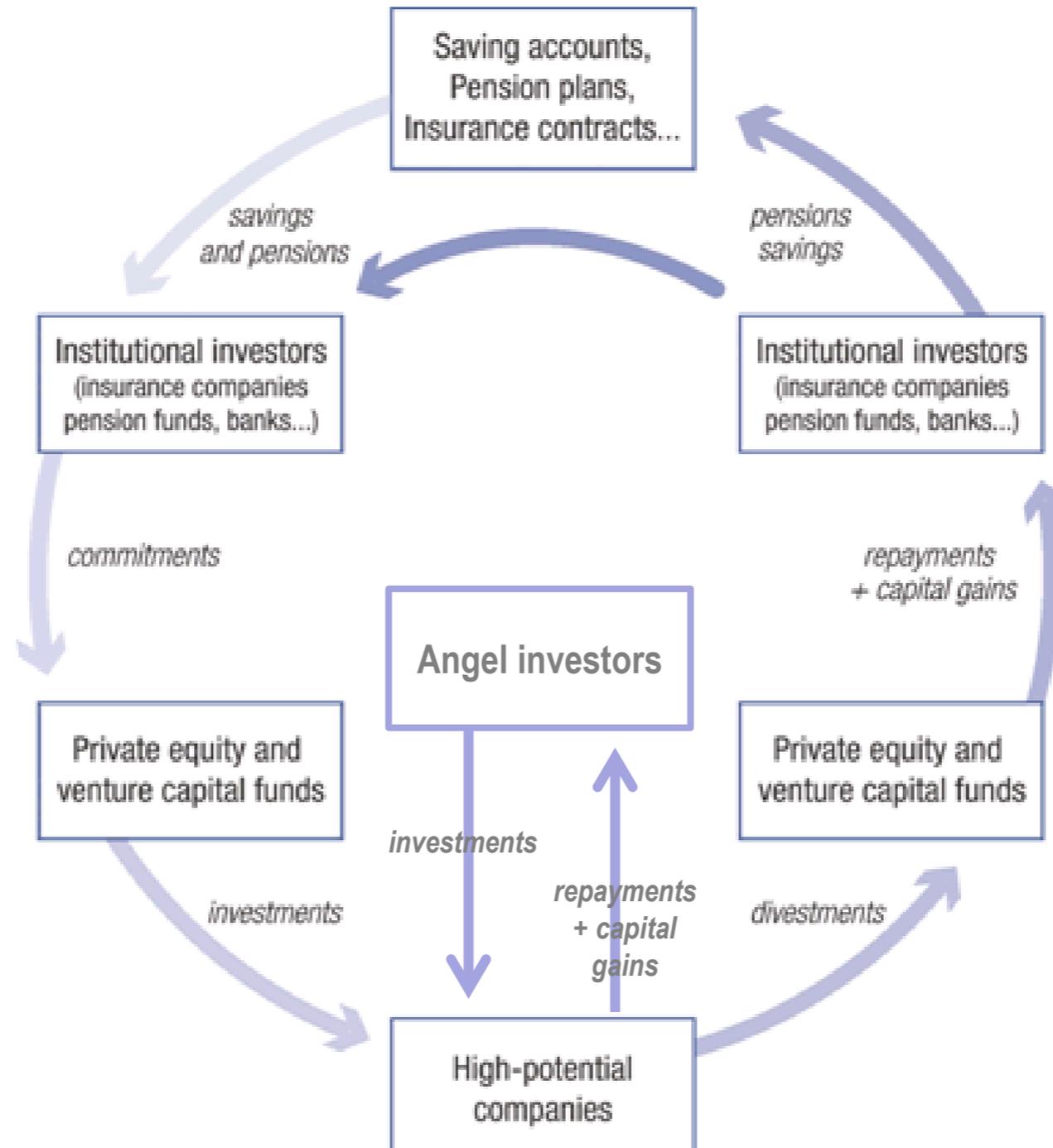
# Equity investment sources for companies

	<b>Investor Type</b>	<b>Investment Amount</b>	<b>Company Stage</b>	<b>Company Revenue</b>	
Perceived Risk ↑ Higher ↓ Lower	Angels / Investor Networks	\$20k - \$1 mm	Start-up / Seed	\$0	Investment Return ↓ Lower ↑ Higher
	Early Venture Capital Funds	\$250k - \$3 mm	Seed - Early Stage	\$0 - \$1 mm	
	Expansion Venture Capital Funds	\$1 - \$10 mm	Growth Stage	\$1 - \$20 mm	
	Mezzanine Funds	\$3 - \$20 mm	Profitable Growth	\$5 - \$50 mm	
	Private Equity / Buy Out (LBO) Funds	\$10 mm+	Growth or Buyout	\$20 mm+	



# The equity flow

*From individuals to companies... and back*



## **BACKGROUND QUESTIONNAIRE AND NEEDS ASSESSMENT FOR SEAD COHORT**

Dear innovator,

We are delighted that you have accepted our invitation to join the inaugural cohort for the Social Entrepreneurship Accelerator at Duke (SEAD), and look forward to working closely with you and your team over the next three years. In order for us to better understand your organization and your challenges in scaling the impact your organization could have, we would like to request that you complete the following survey. Throughout the survey, please aim to be as objective and honest as possible; the more honest your responses are – the more relevant and useful the unique scaling strategy will be. The survey has three objectives:

- 1. Background and Overview:** Help the SEAD team learn more about your organization (for this section, where applicable we have included information from the original application submission to IPIHD – please review and revise this information, and add any additional information requested).
- 2. Business Model Scaling:** Using the framework developed by the Center for the Advancement of Social Entrepreneurship (CASE), please self-assess the scaling challenges and needs of your organization, to help the SEAD team work with you to design a tailored scaling strategy and capacity training plan.
- 3. Investment and Funding:** Provide information to the SEAD team around the investment and funding requirements of your organization (as you currently see them) in order to help the SEAD team identify the right approaches to supporting you. We understand that funding requirements may change as we work together to refine your plans for scaling your impact.

**We request that you complete this survey by Monday, 18 March**, so that the team can process the responses and ensure that the workshops and sessions at the SEAD Summit on Thursday and Friday, 4-5 April, are as relevant and useful as possible.

If you have any questions, please contact Richard Bartlett ([richard.bartlett@duke.edu](mailto:richard.bartlett@duke.edu)) or Eleni Vlachos ([eleni.vlachos@duke.edu](mailto:eleni.vlachos@duke.edu)).

On behalf of the entire SEAD team, we look forward to the next few years of collaboration.

SEAD Team

## **SECTION ONE: BACKGROUND AND OVERVIEW**

This section is aimed at understanding more about the background of your organization, what your organization does and where you see your organization going in the future – it is predominantly meant to create an overview of your organization.

1. Organization Name: \_\_\_\_\_
2. Organization Website: \_\_\_\_\_
3. Organization Social Media (Twitter, Facebook, etc): \_\_\_\_\_
4. Organization Headquarters (City, Country): \_\_\_\_\_
5. Countries of Operation: \_\_\_\_\_
6. Organization Launch Year: \_\_\_\_\_
7. Name of Primary Contact: \_\_\_\_\_
8. Title of Primary Contact: \_\_\_\_\_
9. Email of Primary Contact: \_\_\_\_\_
10. Phone number of Primary Contact: \_\_\_\_\_
11. Name of Secondary Contact: \_\_\_\_\_
12. Title of Secondary Contact: \_\_\_\_\_
13. Email of Secondary Contact: \_\_\_\_\_
14. Phone number of Secondary Contact: \_\_\_\_\_

What health problem, issue, or need does your organization address (200 words or less)?

Which of the following areas in health and/or healthcare does your organization impact? Please check all that apply. [list each of these with check boxes, and add an “Other: \_\_\_\_\_” category to be specified by the respondent. {Multi-select:

- Primary care
- Secondary/tertiary care
- Pediatrics
- Urgent care
- Emergency care

- Preventative care
- Maternal/child health
- Family planning
- Non-Communicable Diseases
  - Heart disease
  - Diabetes
  - Respiratory conditions
  - Cancer
- Communicable diseases
  - HIV/AIDS
  - TB
  - Malaria
- Mental health
- Substance abuse
- Dentistry
- Screenings/Immunizations
- Community/Population Health
- Healthcare Financing/insurance
- mHealth
- Technologies to Improve Health
- Social Services

What does your organization do (200 words or less)?

What makes your organization innovative, unique or different from others in addressing the health problem, issue, or need that you address? (200 words or less)

What products or services does your organization offer?

To whom do you most directly provide (or sell) your products or services? Please check all that apply. {Multiple select: Patients, governments, insurance providers, care providers, others: please specify}

How would you describe your target population

**Target population**

- General population
- Women
- Pregnant women
- Men
- Families
- Infants and toddlers, ages 0 to 3





5. Training, developing, or recruiting people to serve as care providers in areas of need.

Not at All Very Much  
 1 2 3 4 5 6 7

6. Providing products or services to health systems or care providers, such as medical supplies, telecommunication, information technology, or transportation services.

Not at All Very Much  
 1 2 3 4 5 6 7

7. Collaborating with other organizations with complementary interests.

Not at All Very Much  
 1 2 3 4 5 6 7

8. Advocating for a change in public policy (i.e., a law, regulation, or budgetary allocation).

Not at All Very Much  
 1 2 3 4 5 6 7

9. Providing financial capital or funding to other health organizations.

Not at All Very Much  
 1 2 3 4 5 6 7

10. Using technology to help match people or organizations with similar needs or to create more efficiency in communications and logistics.

Not at All Very Much  
 1 2 3 4 5 6 7

11. Working to create healthier environments for people (e.g., cleaner water, sanitation, food safety).

Not at All Very Much  
 1 2 3 4 5 6 7

**Evidence of Effectiveness, Scale and Impact**

1. Have you recently conducted evaluation studies or done analyses that can be used to assess the kind of impact you are having? Evaluators can use a range of methodologies in doing their work. If you have done an evaluation or had one done, and you know the methodology used, please check off which (if any) of the following research methods have been used in any of your recent evaluation studies or reports (check all that apply):

Randomized-controlled trials with random assignment to intervention and control conditions

Comparison of results obtained from a pilot-study group receiving an intervention to the results obtained from a non-randomized control group (such as a matched group)

\_\_\_ Comparison of results obtained from a pilot-study group receiving an intervention to average results obtained by other interventions tried with similar populations (but with no control group)

\_\_\_ Comparing measures obtained before and after an intervention has been introduced, but without using a control group

\_\_\_ Qualitative assessment, including interviews, success stories, testimonials, and descriptive field reports

\_\_\_ Not sure how to describe the methodology, or it does not fit neatly into any of the above categories.

\_\_\_ No evaluation studies to date.

Please use the space below to provide additional information about your evaluation studies and reports – if you are willing to share any past studies or reports, please send them to us or bring copies with you to the Summit.

2. In general, how persuasive is the evidence from these studies in making the case to important stakeholders that your products or services are effective?

Not Very Convincing Very Persuasive  
 1 2 3 4 5 6 7

1. In general, how satisfied are you with the evidence from these studies for your own internal purposes (e.g., for strategy or continuous improvement)

Not Very Satisfied Very Satisfied  
 1 2 3 4 5 6 7

4. Do you use any 3<sup>rd</sup> party product or company ratings or certifications to communicate impact commitment to stakeholders (pls check all that apply):

- I am B Certified
- I am GIIRS rated
- Supplier certification (e.g., Fair Trade)
- Environmental certification (e.g., LEED)
- Other:

We would like to know more about your efforts to grow or scale up in the last three years. Please indicate how strongly you agree with each of the following statements.

1. We have not really tried to grow or scale up, since we did not feel we were ready.  
 Strongly Disagree Strongly Agree  
 1 2 3 4 5 6 7

2. We have been trying to increase our impact by adding sites (e.g., clinics, hospitals, etc.) or facilities where all the paid employees work for us and we are all under a single legal organization.  
 Strongly Disagree Strongly Agree





What quantitative measures, if any, do you record and monitor to examine your impact on economic or development outcomes and results? Please list the metrics you use and, if possible, indicate the level that was achieved for each metric during the last year.

Are there other performance measures that are appropriate for your organization?

**[SUMMIT ONLY]: Self-Assessment of Starting Position**

Please indicate how strongly you agree or disagree with each of the following statements, using other organizations working to resolve similar health issues as points of comparison. Please answer to the best of your ability. If you feel the question is not relevant for your organization, then you may answer N/A.

Compared to other organizations working to resolve similar health issues as our organization...

**A. Human Capital**

1. ...we have people in place that possess the skills necessary to deliver our services or products.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

2. ...we have individuals in management positions with the skills necessary to lead our organization.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

3. ...we have individuals on our Board with the skills necessary to guide our organization.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

**B. Social Capital**

1. ...we are not pursuing a very controversial cause.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

2. ...we find people really love what we are doing.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

3. ...we rarely conflict with others in pursuing our initiatives.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		

4. ...we find many other organizations interested in supporting our cause.

Strongly Disagree									Strongly Agree
N/A	1	2	3	4	5	6	7		





Please indicate how strongly you agree or disagree with each of the following statements, using other organizations working to resolve similar health issues as points of comparison. Please answer to the best of your ability. If you feel the question is not relevant for your organization, then you may answer N/A.

Compared to other organizations working to resolve similar health problems as your organization...

**A. Staffing (Human Resources Capabilities)**

1. ...we are effective at recruiting and retaining people who have the necessary skills to serve in management positions.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

2. ...we are effective at recruiting and retaining people for important clinical or technical positions.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

2. ...we are effective at recruiting and retaining people for important non-clinical positions.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

3. ...we are effective at recruiting and retaining capable volunteers to help us meet our labor needs.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

4. ...we are effective at recruiting and retaining appropriate and helpful people to our Board.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

5. ...we have an efficient, smooth-functioning organizational structure and job descriptions, where roles and responsibilities are clearly understood.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

6. ...we take strategic planning seriously and are effective at implementing plans.

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

7. ...our senior leaders are able to execute well on their internal duties despite external time pressures for fundraising and public relations

Strongly Disagree								Strongly Agree
N/A	1	2	3	4	5	6	7	

**B. Communicating**











4. What are your funding or investment needs in the next 3 years – specifically, how much outside financial capital do you need in order to scale?  
 None; Less than \$100,000; \$100,000 to \$250,000; \$251,000 to \$500,000; \$501,000 to \$1 million; \$1 million to \$3 million; More than \$3 million.

5. How will you most likely use the outside financial capital to scale??

	<u>Very Unlikely</u>				<u>Very Likely</u>		
Hire personnel and talent	1	2	3	4	5	6	7
Support marketing and communications	1	2	3	4	5	6	7
Build more physical facilities	1	2	3	4	5	6	7
Provide a wider range of products and services	1	2	3	4	5	6	7
Conduct research and evaluations	1	2	3	4	5	6	7
Other (please specify) _____							

6. In the next 3 years, which sources of funding will you be seeking? Please select as many as apply.

- Donations
- Grants
- Sponsorships
- Government contracts
- Debt (i.e., loans)
- Program-related investments (from Foundations)
- Loan guarantees/lines of credit
- Equity capital – from individuals
- Equity capital – from institutions
- Self-funded
- Friends and family grants or investments
- Other (please specify)

7. What are the biggest challenges you see in receiving funding or investment in the next 3 years?

If you are a for-profit entity, please answer the following questions

8. Have you had prior engagement with investors?

- no
- yes, with individual investors
- yes, with institutional or venture capital investors
- yes, with lenders
- yes, other (please list)

9. How confident do you feel about the following aspects of raising investment capital?

Not at all confident ----- > completely confident (scale 1-7)

- a. Communicating with investors (giving an elevator pitch all the way up to pitching to a large group of investors)
- b. Financial projections and valuation analysis
- c. Investment terms and exit strategies
- d. Other (please list topic and confidence level)

## SEAD SCALING PLAN- DIAGNOSTIC

This document contains information for innovators on what to expect for the full three-year program and also includes several templates and tools that will help develop each innovator's individual scaling work plan.

**SEAD Overview:** The Social Entrepreneurship Accelerator at Duke (SEAD) – a part of the USAID Higher Education Solutions Network (HESN) – brings together interdisciplinary partners through a coordinated effort across Duke University and leverages institutional relationships and networks to create an integrated global health social entrepreneurship hub for diverse stakeholders across the globe. Funded by USAID, SEAD is a joint initiative aiming to provide social entrepreneurs in global health with the knowledge, systems, and networks needed to succeed. Through this program, SEAD will capture lessons learned and policy implications to ensure that our work impacts both entrepreneurs on the ground and the broader development community.

### SEAD Objectives:

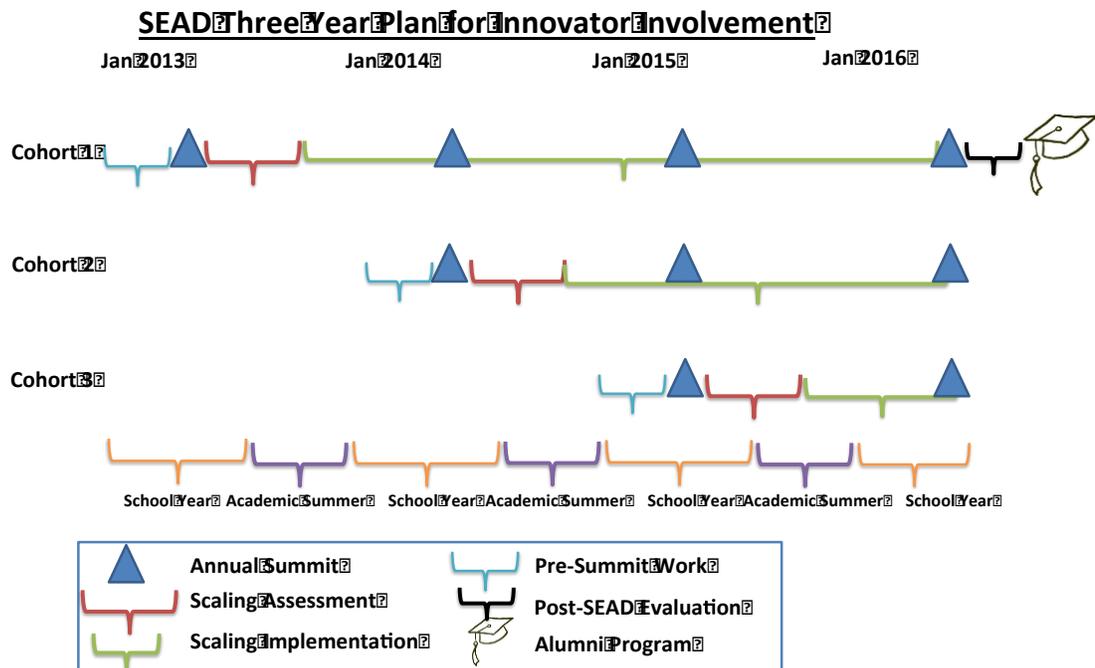
1. **Build the Global Health Innovation Pipeline:** SEAD will identify a qualified pool of innovative technologies, systems, business models, and approaches for healthcare and preventive services.
2. **Develop Resources and Capabilities:** SEAD will help social entrepreneurs to scale their social impact by developing and strengthening skills to design effective business models, develop and implement scaling strategies, and attract sufficient resources.
3. **Leverage Impact Investing:** SEAD will serve as a bridge between our innovators and the impact investment community to facilitate increased access to investors, innovative deal structures, instruments, and funding partnerships.
4. **Enhance Knowledge and Policy:** SEAD will broaden and enhance understanding of the conditions that foster or inhibit effective, sustainable, scalable innovations in health care and preventive services; and, based on this knowledge, it will recommend regulatory and policy strategies as well as private sector mechanisms to foster more promising innovation and more effective scaling of impact.
5. **Engage Students and Faculty:** SEAD will increase the engagement of students and faculty in meaningful opportunities for experimentation, innovation, learning, civic engagement, and knowledge development in the field of global health.

### HIGH LEVEL SEAD PROCESS

Each November, the SEAD team will open applications for innovators to join the SEAD program. Innovators will be notified of their acceptance in January and will begin their three-year participation at this time. For each cohort of innovators, SEAD will follow the process outlined below to focus on adapting and implementing the organizational scaling strategy:

1. Select innovators for 3 year SEAD participation
2. Undertake some Pre-Summit preparation work
3. Attend Annual Summit in April
4. Develop personalized scaling strategy and implementation plan
5. Implement and iterate scaling plan
6. Continue to attend Annual Summit
7. Participate in a Post-SEAD evaluation at the end of three years
8. Continue to participate in the SEAD alumni network

Note: Given the initial SEAD program is for five years, the SEAD team will admit new cohorts for years 1-3 to allow for full participation in a three-year plan. Decisions on years 4-5 will need to be taken nearer the time given length of program.



## EXPECTED INNOVATOR INVOLVEMENT IN SEAD Y1

In order to achieve the SEAD program objectives, we have developed a work plan designed to provide a framework to evaluate and implement your organizational scaling strategy over the next three years. Our initial 3-6 months of work together will be focused on introducing you to SEAD and evaluating your scaling strategy and the subsequent 2.5 years together will be focused on implementing that strategy through a detailed work plan. At a high level, each innovator should expect the following activities within the SEAD program:

1. Provide general introduction to SEAD program and prepare for the Annual Summit.
2. Conduct initial needs assessment. Assess vision, goals and scaling strategy. Identify potential challenges with scaling strategy.
3. Develop high-level work plan focused on preparing the organization to scale or implementing the scaling strategy.
4. Gain access to a regular set of interactions including webinars, peer-learning groups and mentoring/coaching (see high level plan below)
5. Review and, where necessary, refine scaling strategy every 6-12 months (including at SEAD Summit).
6. Assess detailed project outcomes at end of three years as well as a higher level annual review of progress.

The diagram below shows the plan for the first year; following the first year – there will continue to be regular interactions through webinars, peer-learning groups as well as deeper interactions such as mentoring/coaching and student projects. Each year, the innovators will be invited to attend the Annual SEAD Summit.



## PRE-SUMMIT WORK

New SEAD innovators will be selected in January of each year for participation in the three-year program. To prepare for the Annual Summit, innovators will participate in the following pre-summit activities over a three-month period:

- Welcome webinar and overview of SEAD program
- Introduction to scaling framework webinars taught by Duke faculty
- Communications webinar (and practice opportunities) focused on giving a three minute pitch
- Completion of needs-assessment survey online

## ANNUAL SUMMIT

All SEAD innovators will gather for an annual multi-day summit in April each year. This summit will provide innovators with an opportunity to meet each other, spend time with Duke faculty, connect with USAID team members and participate in programs aimed at helping support the growth of their organization. During each Summit, significant time will be spent split-up by cohorts (i.e., activities designed for each individual cohort) such that the event becomes tailored for where each cohort is in terms of the overall SEAD program. For innovators in their first Summit, the focus will be orientation to the SEAD program and launching the scaling strategy work; for innovators at their second or final Summit, the focus will be on capacity building and refining scaling strategies.

## SCALING STRATEGY AND WORK PLAN

The SEAD program provides a structured environment for innovators to develop, hone and implement their scaling strategy. Over the course of the 3-4 month scaling assessment period, SEAD staff will work with innovators using the following activities:

- Organizational self-assessment survey
- Coaching calls with SEAD faculty and staff to further define scaling strategy
- Site visits to each innovator

Through each of these tasks, SEAD staff and the innovator aim to address the questions listed in Exercises 1-5 (later in document), which will provide the framework for developing a scaling work plan going forward.

### IMPLEMENTATION OF SCALING WORK PLAN

Following the initial needs assessment, each innovator will be given a scaling work plan that details their work with the SEAD program over the next 2.5 years. This work plan will focus on addressing key organizational scaling challenges. Please note each work plan will be specifically tailored to each innovator’s needs, so it will not look identical to the below diagram.

**High Level Sample Scaling Work Plan**

	Y1				Y2				Y3					
	Jul	Aug	Sep	Oct	Nov	Dec	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Check-Ins	★		★				★	★	★	★	★	★	★	★
Webinars	✓		✓		✓		✓	✓	✓	✓	✓	✓	✓	✓
Peer-Learning Groups	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Duke Faculty Coaching Calls		✓		✓		✓	✓	✓		✓	✓	✓		✓
Mentoring Calls			✓				✓		✓			✓		
Customized Projects	[Empty Box]													
Investors’ Circle Program			✓					✓				✓		
Knowledge Products						✓				✓				✓

Individual work plan activities are described in greater detail below:

- **Webinars:** SEAD will hold monthly webinars for the full SEAD cohort to discuss common challenges facing the majority of innovators and to share new scaling frameworks.
- **Peer-Learning Groups:** Innovators will be placed in peer learning groups facilitated by SEAD staff. Innovators can select to be in up to two groups at a time, with groups changing periodically over the course of the three-year program.
- **Duke Faculty Coaching Calls:** Regular coaching calls between Duke faculty and each innovator to further discuss the scaling strategy and challenges/concerns. Additional staff coaching will be provided as needed (i.e. Marketing, Finance, Clinical).
- **Mentoring Calls:** Corporate supporters and other topic experts will be made available for mentoring calls on an as needed basis.
- **Customized Projects:** Duke will provide student teams to perform work during the academic year and in special cases over the summer.
- **Investors’ Circle Program:** For-profit innovators will have periodic calls with Investors’ Circle staff focused on raising equity. When possible, Investors’ Circle staff will provide pitch coaching and opportunities to present to investors through webinar pitch sessions.
- **Knowledge Products:** Innovators interested in publishing key findings will work with SEAD staff to create white papers, blog posts or articles to disseminate learnings.

## INNOVATOR EXERCISES

The following five exercises are provide a framework for each innovator’s scaling work plan. During the three-month needs assessment period, SEAD staff and each innovator will address each of the questions, which will ultimately focus the SEAD program work.

**Note: Do NOT complete these questions by yourself. Rather these questions will be answered over a series of phone calls/conversations with each innovator.**

### EXERCISE 1: IDENTIFYING YOUR SCALING STRATEGY

The questions in Exercise 1 are designed to capture basic organizational information and to reflect your current scaling strategy.

**What global health issue does your organization aim to address?**

**How does your organization address this global health issue?**

**What makes your organization unique and distinctive in addressing this global health issue?**

**What is your organization’s vision?**

**How would you describe your strategy for scaling your organization’s impact?**

**Describe your business model - who are your key stakeholders and how do you engage each of them to generate support or revenue and deliver value.**

**Does your organization generate revenue from products or services? If so, please describe.**

What sources of funding does your organization use to grow?

How has your organization evaluated its impact?

What are your organization’s overall goals for the next (a) 6 months, (b) 1 year and (c) 3 years?

Time horizon	Goals for your organization
6 months	
1 year	
3 years	

What performance indicators does your organization capture?

Type of Indicator	Indicators used by your organization
<b>Activities</b> (outputs—volume of services provided/products delivered, reach, etc., and quality it/where possible)	
<b>Results</b> (outcomes--changes in health status, reduced risk, patient satisfaction etc.).	
<b>Financial</b> (cost/unit of service, revenue mix, etc.)	

How does your organization set targets for the performance indicators above?

For how long and at what frequency have you tracked these indicators?

What targets do you have for your key performance indicators?

Indicator (from table above)	6 months	1 year	3 years

## EXERCISE 2: MONITORING YOUR ECOSYSTEM

Based on your scaling strategy articulated in exercise 1, reflect on the ecosystem map exercise where you detailed your current ecosystem and your desired future state ecosystem. Blank copies of the maps are included in Appendix 1 for reference.

**What are the key challenges with your current ecosystem that need addressing?**

**What key changes will you need to achieve in your ecosystem to reach your desired future state? (Please number these – 1, 2, 3, etc.)**

**How do you plan to achieve these changes? (Please number these as above – 1, 2, 3, etc.)**

**What parts of your ecosystem could be used to help you further accelerate your scaling strategy?**

**If your scaling strategy involves going into a new geographic area, what differences do you anticipate in the new ecosystem? How will you address these differences?**

### EXERCISE 3: ASSESSING YOUR ORGANIZATIONAL CAPABILITIES

The following questions will build on the SCALERS self-assessment exercise to identify areas of strength and areas for improvement.

What are your organization’s key strengths?

What are your organization’s key weaknesses?

Looking at your scaling strategy, which organizational capabilities are most important for your growth?

Reflecting back on the SCALERS exercise, please complete the following chart:

Organizational Capability Assessment		
	Self-Assessment of Capability (1- weak, 7-strong)	Importance of Capability in Your Scaling Strategy (1- not important 7-critical)
Staffing (Human Resource)		
Communicating		
Alliance- Building		
Lobbying (Advocating)		
Earnings-Generation		
Replicating		
Stimulating Market Forces		

#### SCALERS Definitions

As a reminder, the SCALERS definitions are listed below in greater detail:

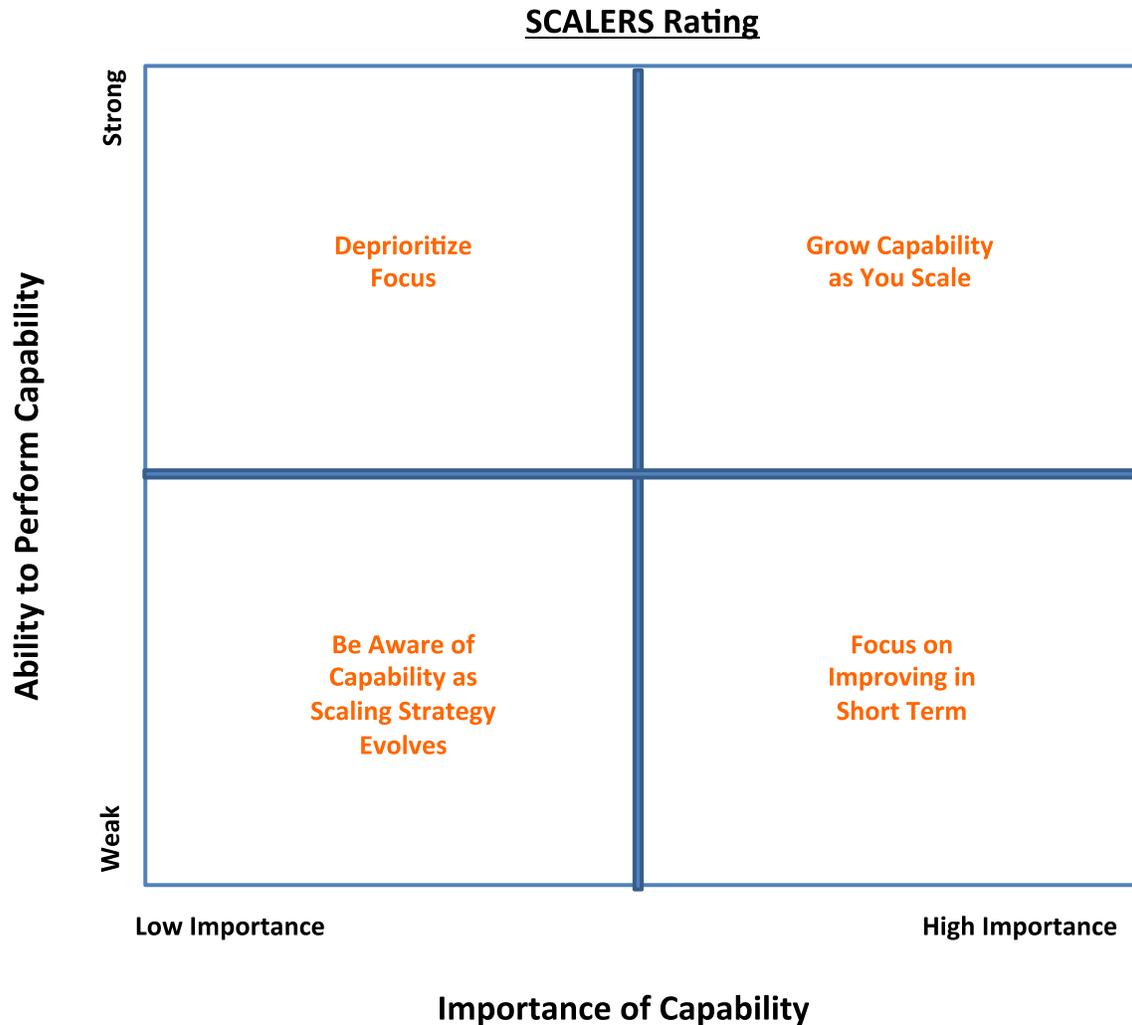
- **Staffing (Human Resource):** The effectiveness of the organization at filling its labor needs, including its managerial posts and board memberships, with paid staff or volunteers who have the requisite skills for the needed positions and who are organized and managed in ways that will encourage the achievement of desired social changes.
- **Communicating:** The effectiveness with which the organization is able to persuade key stakeholders that its change strategy is worth adopting and/or supporting.

- **Alliance-Building:** The effectiveness with which the organization has forged partnerships, coalitions, joint ventures, and other linkages to bring about desired social changes.
- **Lobbying (Advocating):** The effectiveness with which the organization is able to advocate for government actions that may work in its favor.
- **Earnings-Generation:** The effectiveness with which the organization generates a stream of revenue that exceeds its expenses.
- **Replicating:** The effectiveness with which the organization can reproduce the programs and initiatives that it has originated while documenting persuasively that they have accomplished their objectives.
- **Stimulating Market Forces:** The effectiveness with which the organization creates incentives for people or institutions to engage in market transactions that can help to produce desired social changes.

## EXERCISE 4: MAPPING YOUR ORGANIZATIONAL CAPABILITIES TO YOUR SCALING STRATEGY

This exercise provides a framework to help you evaluate your organizational capabilities as they relate to your scaling strategy.

Using your answers from the Organizational Capability Assessment table in Exercise 3, plot each organizational capability on the chart below.



### Description of Chart:

The above chart breaks organizational capabilities into four categories:

- **Deprioritize focus:** These are capabilities that your organization performs particularly well, but are not critical to the success of your organization. Innovators should not focus any additional time on improving these capabilities.

- **Be aware of capability as scaling strategy evolves:** These are capabilities that your organization is relatively weak in, but are not critical to your success. Don't spend time improving these capabilities now, but keep an eye on your landscape and scaling strategy as a change in one of these may mean this capability becomes critical down the road.
- **Grow capability as you scale:** These are capabilities that your organization performs particularly well and that are important to the success of your organization. Continue to invest in this capability.
- **Focus on improving in short term:** These are capabilities that your organization is relatively weak in, but are highly critical to the success of your organization. Immediately spend time focused on improving these capabilities.

## **EXERCISE 5: FURTHER EXAMINING CAPABILITIES TO IMPROVE IN SHORT TERM**

This exercise further examines any organizational capabilities that fell into the “Focus on Improving in Short Term” category from Exercise 4.

**Which organizational capabilities fell into the “Focus on improving in short term” category?**

**Please complete the following charts ONLY on the organizational capabilities listed above.**

<b>Staffing (Human Resource)</b>		
	<b>Self-Assessment of Capability (1- weak, 7-strong)</b>	<b>Importance of Capability in Your Scaling Strategy (1- not important 7-critical)</b>
<b>S1. Hire Non-Clinical Staff</b>		
<b>S2. Manage Non-Clinical Staff</b>		
<b>S3. Retain Non-Clinical Staff</b>		
<b>S4. Manage Employees</b>		
<b>S5. Utilize Board</b>		
<b>S6. Utilize Volunteers</b>		
<b>S7. Work as a Team</b>		
<b>S8. Hire Clinical Staff</b>		
<b>S9. Manage Clinical Staff</b>		
<b>S10. Retain Clinical Staff</b>		

<b>Communicating</b>		
	<b>Self-Assessment of Capability (1- weak, 7-strong)</b>	<b>Importance of Capability in Your Scaling Strategy (1- not important 7-critical)</b>
<b>C1. Communication to Existing Customers</b>		
<b>C2. Communication to Potential Customers</b>		
<b>C3. Communication to Funders</b>		
<b>C4. Communication to Staff</b>		
<b>C5. PR/News</b>		
<b>C6. Communication to Government</b>		
<b>C7. Behavior Change Communication</b>		

<b>Alliance-Building</b>		
	<b>Self-Assessment of Capability (1- weak, 7-strong)</b>	<b>Importance of Capability in Your Scaling Strategy (1- not important 7-critical)</b>
<b>A1.</b> Build Win-Win Partnerships		
<b>A2.</b> Take Advantage of Synergies Across Organizations		
<b>A3.</b> Continuous Interest in Building Partnerships		

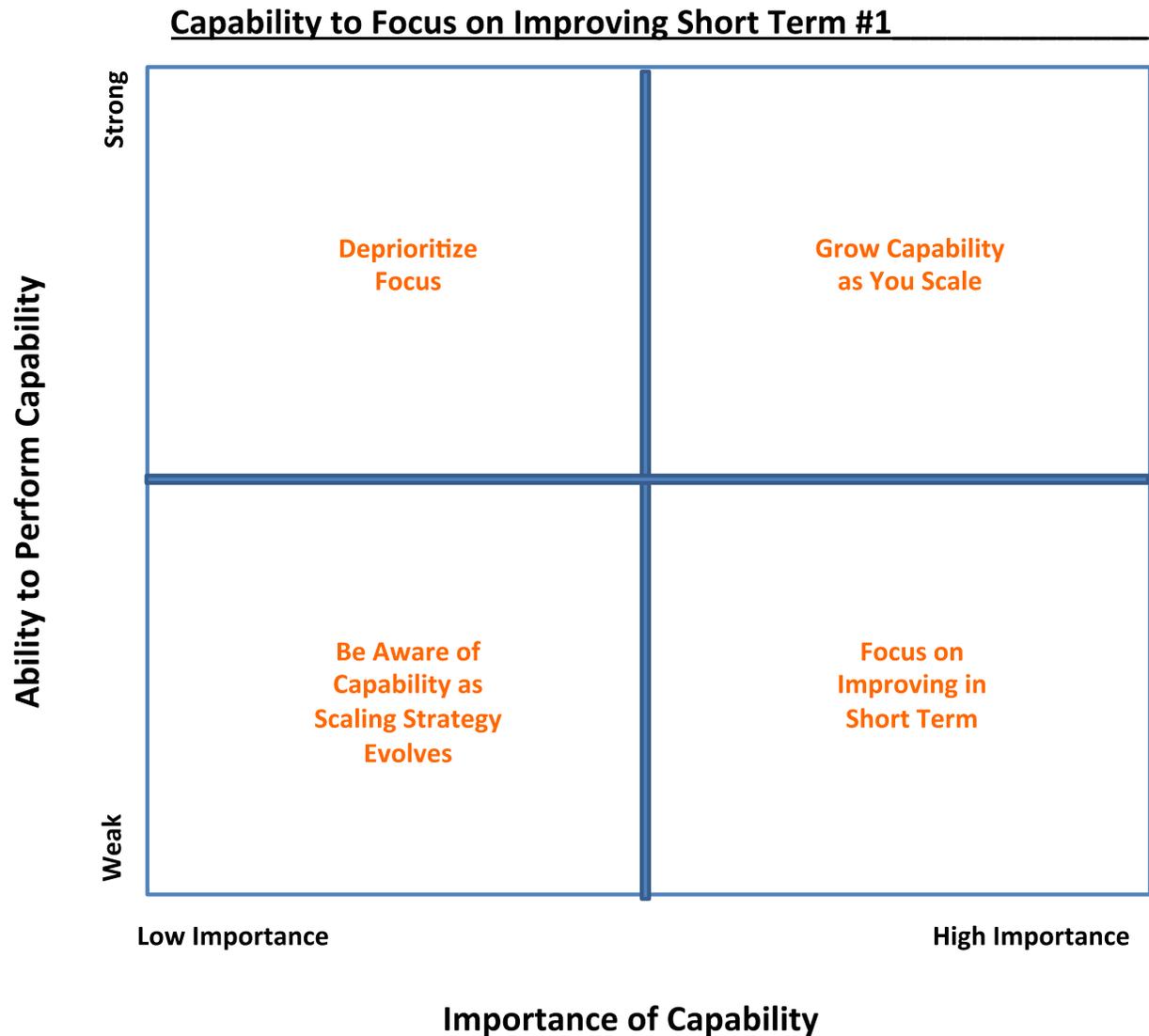
<b>Lobbying (Advocating)</b>		
	<b>Self-Assessment of Capability (1- weak, 7-strong)</b>	<b>Importance of Capability in Your Scaling Strategy (1- not important 7-critical)</b>
<b>L1.</b> Obtain Government Funding		
<b>L2.</b> Get Government to Create/Change Laws		
<b>L3.</b> Raise Importance of Cause on Public Agenda		
<b>L4.</b> Get Political Figures to Consider Cause		

<b>Earnings-Generation</b>		
	<b>Self-Assessment of Capability (1- weak, 7-strong)</b>	<b>Importance of Capability in Your Scaling Strategy (1- not important 7-critical)</b>
<b>E1.</b> Generate Strong Revenue		
<b>E2.</b> Limit Costs		
<b>E3.</b> Manage Cash Flow		
<b>E4.</b> Collect Accounts Receivable		
<b>E5.</b> Obtain Working Capital/ Credit		

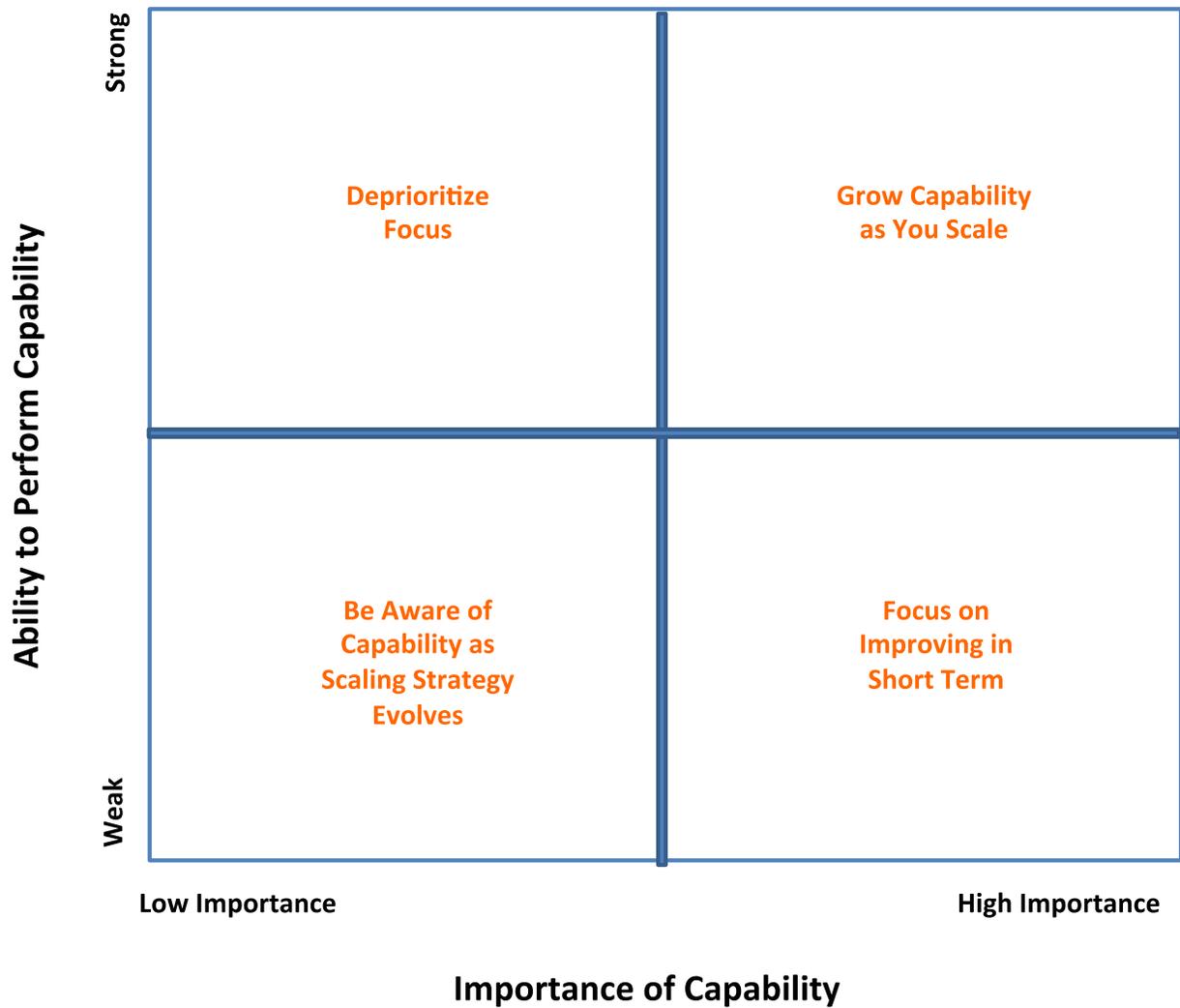
Replicating		
	Self-Assessment of Capability (1- weak, 7-strong)	Importance of Capability in Your Scaling Strategy (1- not important 7-critical)
<b>R1.</b> Have a Business Model that Can Work Effectively in Multiple Locations		
<b>R2.</b> Limit Costs Associated with New Sites		
<b>R3.</b> Have Strong Program Outcome Evidence		
<b>R4.</b> Have Agents Aligned with Economic Interest		
<b>R5.</b> Have Clear, Documented Processes		
<b>R6.</b> Have Accessible Pathways for Distribution		

Stimulating Market Forces		
	Self-Assessment of Capability (1- weak, 7-strong)	Importance of Capability in Your Scaling Strategy (1- not important 7-critical)
<b>M1.</b> Ability to Demonstrate Revenue Increase to Partners		
<b>M2.</b> Ability to Demonstrate Cost Savings to Clients		
<b>M3.</b> Ability to Attract Investors		

Using a separate graph for each of your SCALERS in the “Focus on Improving in Short Term” category, complete the following graphs plotting each category component (i.e. S1, S2).



## Capability to Focus on Improving Short Term #2



### APPENDIX 1: ECOSYSTEM MAPS

