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What's Next

The Carrot Is Mightier Than the Stick

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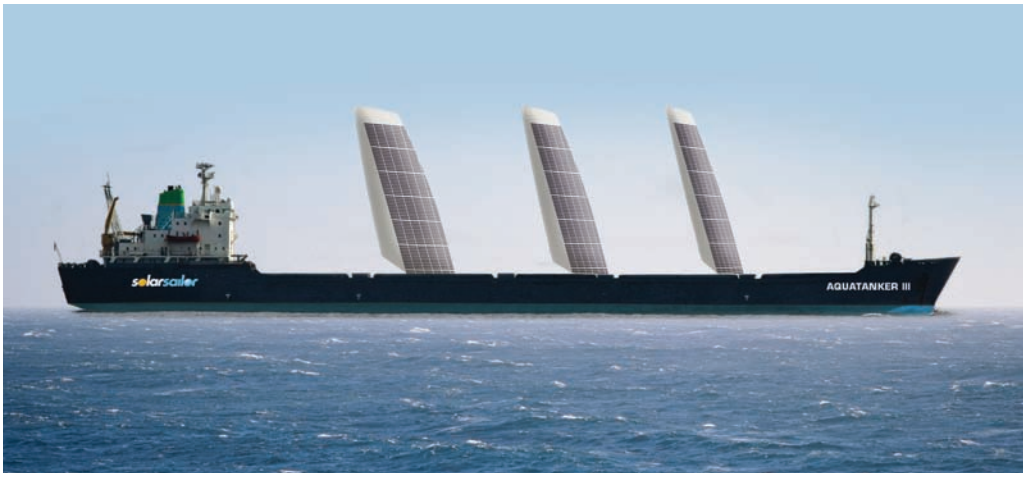

Australian firm Solar Sailor's 400-meter Aquatanker would transport potable water and run on a combination of electric, solar, and wind power.

COMPUTER RENDERING (TOP) COURTESY OF SOLAR SAILOR HOLDINGS/PHOTOGRAPH BY MIJI PARK

ENVIRONMENT

The Sun Boat

▶ For sale to the right government: a 400-meter-long potable water transporter, fueled by electric, solar, and wind power. No worry that the "Aquatanker," designed by Australia's Solar Sailor Holdings Ltd., has yet to be ordered and built. "The size of the concept needs vision from governments," explains Solar Sailor CEO Robert Dane. Plus, the company has already experienced success with its similarly hybrid ferry, currently leased to Captain Cook Cruises, and recently signed a contract with the U.S. Navy to develop unmanned, open-ocean surveillance vehicles.

The Aquatanker would be as fast as an oil tanker—15 knots—but because of its solar sails, which could be as large as 1,000 square meters, it would use half the fuel and emit half the greenhouse gases. It would drop off its cargo of water at a single-point mooring—a large buoy with hose connections to a subsea pipeline to shore, and the mooring's small size would relieve governments of buying land for pipelines or canals.

Dane says that Aquatankers would also create quality jobs, what with the skills and compensation crewmembers would need. But what really floats Dane's boat is that because water is not a time-sensitive cargo, Aquatankers could sometimes go slower than oil tankers, and thereby shrink their carbon footprints even more. "We have the ability to save 85 percent of fuel at 10 knots—that's very exciting," Dane says. ■

ENTREPRENEURS

MBA Students Venture Out

▶ Nearly three years after Hurricane Katrina, one of New Orleans' most impacted and impoverished neighborhoods, the Upper Ninth Ward, has seen its first glimmer of rebirth: Reflections of Beauty hair salon opened in July in a 1,000-square-foot refurbished dental office, thanks to 14 Stanford Graduate School of Business students.

The students were part of IDEAcorps, a five-day program wherein graduate students from prestigious universities offer their wisdom to local entrepreneurs. In exchange, students get the sobering experience of turning theory into practice.

The program was launched in 2007 after Tulane University entrepreneurship professor John Elstrott contacted the Idea Village, a nonprofit that focuses on igniting economic development in New Orleans, hoping to match students in his *Rebuild New Orleans* class with Idea Village clients. The experiment was a success, and the nonprofit next assigned three Tulane MBA students, one University of Pennsylvania graduate, and one Vanderbilt University undergraduate to give $100,000 (raised by the Idea Village) and technical help to 20 entrepreneurs trying to revitalize the city's gutted tourism industry.

This year's IDEAcorps students chose Phillina Carradine (right) as the entrepreneur most likely to succeed in New Orleans' Ninth Ward.

In the next series of IDEAcorps programs, 18 University of Pennsylvania engineering students donated 40 refurbished computers to 35 New Orleans entrepreneurs and taught them computer skills; 15 Stanford business students offered 25 entrepreneurs situated in prime commercial corridors strategic planning and portions of $50,000; and entrepreneurs involved in a retail project in blighted Central City and a new green industrial center received fully developed business plans from nine Harvard Business School students and 19 MIT Sloan School of Management students, respectively.

In the latest program, Stanford business students evaluated a hair salon proposed by 33-year-old aspiring entrepreneur Phillina Carradine as well as three other businesses—a men's formal wear store, a bill pay/cell phone store, and a health-care workforce development firm—to determine which would be awarded space in the former dental office. Their criteria, created by social entrepreneur Rick Aubry, a Stanford business school faculty member and president of Rubicon Programs, included personal characteristics (passion, role model, experience), business proposition (fit with building, clarity of business model, market potential, capital requirements), and community benefit (how

much employment and traffic the business would generate).

Carradine soon became the clear favorite, reports Stanford student Chari Ratwatte. "We liked that she would rent out booths to other stylists—eight other people would be employed and generating their own business. Also, a salon is a safe place for people to go, and has a positive energy." Carradine also deeply impressed the students with her business sense: Although she fled New Orleans before Hurricane Katrina with her three children, she worked nightly as a hairstylist in three states and saved $10,000, hoping to open a salon.

The Stanford students also created financial models for the four finalists and awarded them grants from a $100,000 "Pay It Forward" fund; half of the money (matched by the Idea Village) was raised by trip leaders Jack Lynch and Erik Bengtsson with just one e-mail to a donor who had given generously during Stanford's first trip.

Such connections, and the students' expertise, are a big part of why IDEAcorps has the students judge the candidates and pick the winners, says Miji Park, the Idea Village's director of innovative spaces. "They bring in a scope of knowledge we don't have." Park also hopes the students will one day submit their résumés, as did Stanford's Daryn Dodson, now IDEAcorps's director. "If we give the students ownership—then they'll buy into it and want to move here," Park says.

And that would help the nonprofit's chance for success as well, she adds. "There's a growing movement in the university community to have experiential learning, and if we can attract those university students, we can keep it sustainable." ■

HUNGER

The Giving Museum

▶ New Yorkers expecting tony shops on the ground floor of Riverhouse, a new high-rise condominium with views of the Statue of Liberty, will instead find the Action Center to End World Hunger, a first-of-its-kind museum designed to teach children why world hunger exists and what they can do about it. The center, opening October 16, was created by global relief organization Mercy Corps after Battery Park City offered to rent the space for $1 per year for 60 years through its public amenity program and pledged $1.25 million in additional support.

Other city organizations supporting the center—whose construction costs total some $5.4 million—include the Lower Manhattan Development Corporation ($1 million grant), the New York City Council ($250,000), and Mayor Michael Bloomberg's office ($500,000). The center has also received funding from private sources.

At the center's information kiosks and displays, students, parents, and teachers can learn about climate change in Niger, Indonesia's urban slums, the conflict in Afghanistan, and land rights in Guatemala, among other pressing issues. They can also choose to "take action" for one minute, one hour, one day, one month, or one lifetime; they then receive a menu of actions that includes signing a fair-trade petition, volunteering at a local hunger organization, or mentoring an aspiring entrepreneur.

Come next summer, children in Portland, Ore., can pitch in, too: Mercy Corps will open a companion center (the Mercy Corps Action Center) in its new global headquarters. And no, parents won't have to drag their kids to the centers, assures Mercy Corps CEO Neal Keny-Guyer.

"Young people today want to make a difference in the world and don't take no for an answer," Keny-Guyer says. "But they don't have the tools to translate that eagerness into action. We want to change that by offering them compelling information and clear actions that will empower them." ■

The Action Center to End World Hunger will teach children about global poverty through "Take Action" stations (below) and other activities.

PHILANTHROPY

Good TV

▶ Has the American TV audience finally had it with reality shows' bad eggs, and will it instead tune in to people doing good?

ABC banked on that pendulum swing last March with Oprah Winfrey's *Oprah's Big Give*, wherein 10 fledgling philanthropists vied to change the lives of complete strangers by giving out cash in the most effective and outlandish ways (the premiere attracted some 15.6 million viewers). And Discovery Communications' Planet Green, an environment-themed digital and satellite cable channel that debuted last June, currently features such fare as *Greensburg*, a show that tracks the green restoration of a Kansas town destroyed by a tornado.

One of the most ambitious efforts to bring philanthropy to the mass media will launch next year. The newly formed San Francisco-based Generocity Media, still in its funding stage, will offer programming focused on giving through satellite and cable stations as well as a Web portal. It will use a variety of formats—reality TV, news magazine, talk show, and drama—and will

COMPUTER RENDERINGS COURTESY OF MERCY CORPS

target specific audiences. The millennial generation, for instance, might be enticed by programming in broadband or mobile. Higher-income viewers loyal to PBS might tune in to Generocity shows about family giving on satellite or cable.

But will audiences find giving entertaining? "Yeah, people are into it," says Ben Schick, Generocity Media's CEO. "I feel very strongly that we're moving into an age of giving, away from an age of consumption. If consumption made people happy, Americans would be the happiest people on Earth, and they're not."

At the least, capturing philanthropic acts on film would be a moving experience for viewers, thinks David Levy, Generocity's chairman. "A lot of these stories—say Jim Gordon, who has helped disaster relief workers overcome post-traumatic stress disorder in Gaza, Kosovo, and New Orleans—aren't emotionally impactful when you read them. But when you see them ... in that moment of inspiration you can get people to take action." ■

ACTIVISM

The Carrot Is Mightier Than the Stick

▶ Twenty-seven-year-old Brent Schulkin has a theory: The best way to stop global warming isn't with radical activism, but by politely asking businesses to make environmentally responsible changes, and then rewarding the most cooperative business by inviting friends and friends of friends to buy exclusively from it.

Schulkin, a former corporate team builder, tested his theory last March: He asked 23 minimart owners in San Francisco's Mission District what

Brent Schulkin (in the powder blue suit) greets "Carrotmobbers" waiting to use the power of their wallets at San Francisco's K & D Market.

percentage of their profits they'd be willing to put toward greening up their businesses. In exchange, he would invite the quickly multiplying network he calls the "Carrotmob" to shop at their store for two hours.

Song Lee, owner of K & D Market, made the top bid of 22 percent. And much to his delight, some 400 people—lured by mass e-mails, Facebook and MySpace alerts, and neighborhood flyers—bought $9,276.50 worth of products, everything from Lucky Charms to compact fluorescent lightbulbs to whiskey. The store would ordinarily have grossed about $3,000, the manager says.

Schulkin videotaped the event, even editing in a raunchy spoof of a Lil Wayne hip-hop video that he shot before the shopping began; he hoped mobbers would pass it along via e-mail or Facebook pages and attract more converts. The video's best moment may be when a 20-something sporting a flame-orange mohawk earnestly tells his interviewer, "What really impressed me about this idea is how scalable it is."

Lee held up his part of the bargain, too; and then some. Following the advice of experts from the San Francisco Energy Watch program, he put 22 percent of the entire day's revenue toward a wholly green lighting system.

So what's next for Carrotmob, now 2,000 strong? Since Schulkin has just acquired an anonymous partner to fund the nonprofit organization, it's on to whatever the mobbers want, he says. And he's sure they'll make an even bigger impact. As he writes on Carrotmob's Web site, "companies will do what we want, not because of negative pressure, or morality, or a boycott, or a petition ... there are enough sticks out there. We need a big juicy carrot. They will do what we say because they won't be able to resist the profits." ■

POVERTY

LivingGoods Calling

▶ Chuck Slaughter, founder of clothing company TravelSmith, has a secret he doesn't often share: He's an Avon lady. But he only enlisted to better research the cosmetics giant, he explains, having had a "eureka" moment. If children in developing countries are dying because their parents can't find or afford the requisite drugs, then why not deliver low-priced drugs to their doorsteps using an Avon-style direct sales technique?

In 2004 Slaughter had been hired to turn around the struggling Child and Family Wellness Shops—microfinanced franchises in Kenya that distribute affordable medical products and services to remote communities—and he only succeeded, he says, once he had "gotten the clerks off their tails" and into schools and churches to sell their wares. "And later I thought maybe we don't need the store at all. Maybe it's not McDonald's we want to imitate, but Avon." (See "Micro-Franchise Against Malaria," *Stanford Social Innovation Review*, fall 2007.)

Slaughter now helms LivingGoods, a nonprofit he founded last year that sends its version of Avon ladies—white-uniformed "health promoters"—knocking on neighbors' doors in 200 Ugandan communities. (That number will rise to 680 over the next few months.) From fat shoulder bags they sell low-priced medications for the four diseases responsible for more than two-thirds of childhood illness and death—malaria, diarrheal diseases, respiratory infections, and tuberculosis. But like Avon ladies who also pitch Shaklee and Herbalife products to their captive audiences, health promoters offer a variety of goods: prophylaxes such as bed nets and water treatment pills, eyeglasses, first aid staples, personal care products, birth control, and, yes, cosmetics.

Slaughter enlists only women for the same reason Avon did at its start in 1880s California: Rural women need a job they can fit around children, a husband, and perhaps a farm, and they tend to have strong connections in communities with poor access to quality products. Also like Avon,

PHOTOGRAPH BY ELI GARDNER

LivingGoods provides a workbook wherein agents can map all their social connections, and from that create an outreach plan. Slaughter says he'll also experiment with direct sales' practice of rewarding agents who move the most product. "At Mary Kay you get a pink Cadillac; we might give you a pink bike."

LivingGoods has tailored Avon's franchise model to suit Ugandans' needs. It carefully selects its agents from a pool of women entrepreneurs already signed up with BRAC, a global microfinance institution and LivingGoods' joint venture partner. It then gives the agents a free starter kit (uniform, locking storage chest, and banner for the home or market) and a below-market loan from BRAC to buy inventory from LivingGoods, which sells the women products well below market rate, having bought in bulk from a direct importer. (The women keep the gross margin on every sale.)

LivingGoods can keep prices low on essential medicines by raising its profit margin on other products. Oral rehydration salts, for instance, are 30 percent below market rate at 15 cents a pack. "In these markets you can be two pennies cheaper and people will come to you," Slaughter says. Health promoters might soon offer malarial treatment gratis if Slaughter closes a deal to have Uganda's Ministry of Health provide it for free.

Health promoters also establish trust and identify their clients' health issues before they bring out the goods. They visit every household on their maps to take health surveys, and will have conducted several monthly health forums on pertinent topics—"just a small group of women meeting by a tree," Slaughter says. When they do start selling door to door, they must hit at least 150 households—as far away as can be reached on foot or bicycle. And if they can't meet a family's health needs, they refer their customers to secondary care in the public system. "Malnourished children, for example, need to get into the public system quickly, but one of our goals is to reduce the burden on that system by preventing these problems," Slaughter says.

Slaughter also hopes to arm the health promoters with more products for the very poor: high-efficiency cookstoves, solar lanterns, pedal irrigation pumps, and water filters. He'll soon expand with BRAC into Afghanistan and Rwanda, and if discussions go well, partner with an American direct sales business that could put a dent in the $15 million he wants to raise. The potential business partner "won't make as much money as it does selling cosmetics to the upper class, but it wants to do this for all the right reasons." ■

Sarah Lwanga, a LivingGoods "health promoter," makes her rounds in Nateete, Uganda delivering medication for diseases deadly to poor children.

PHOTOGRAPH BY NANCY FARESE

GOVERNMENT

The Green to Go Green

▶ Leave it to Berkeley to bring solar to the people. Within the next few weeks, the über liberal Northern California city will allow property owners to pay for pricey solar electric systems—typically $15,000—simply by signing up for a 20-year surcharge on their property tax bill. The tax stays with the property even if the owner sells it (the solar panels would stay with the house).

The groundbreaking plan, known as "Berkeley FIRST" (Financing Initiative for Renewable and Solar Technology), works like this: A property owner hires a city-approved solar installer; the city then pays the contractor for the system and its installation, minus any state and federal rebates, and adds an assessment to the property owner's tax bill to pay for the system. The extra tax includes administrative fees and interest, which are lower than what property owners can get on their own. The city would use its access to low-interest bonds and loans, just as it does when residents want to move utility wires and poles underground.

Property owners end up paying an extra $100 to $115 a month in taxes, and will get much of that back with savings on their electric bill. (And like other Berkeley solar customers, they can also sell back excess energy to power company PG&E.) In the first six months of the program, an estimated 25 to 50 homeowners will participate; any other interested homeowners, followed by commercial and apartment building owners, can then jump in.

Cisco DeVries, former chief of staff to Berkeley Mayor Tom Bates (and the special assistant to the U.S. secretary of energy in the Clinton administration) thought of the plan while brainstorming ways the city could meet its goals to reduce greenhouse gas emissions 80 percent by 2050 (as per the city's recently passed Measure G). DeVries was struck by both the idea's simplicity—"carbon is hard, but with solar, there's a lot of low-hanging fruit"—and its replicability.

Indeed, after the program was announced a year ago, Bates's office received a dozen calls or e-mails a day from cities all over the country asking about its progress, DeVries reports. Oakland Mayor Jerry Brown wanted the two city offices to collaborate on state legislation that would enable all cities to use the plan; PG&E offered tax attorney assistance; and the U.S. Environmental Protection Agency granted the city $115,000 to cover the administrative costs of launching the program.

"What's interesting is, this wasn't just a case of liberal Berkeley doing something nutty," DeVries says. "It's just common sense." ■

What's Next **written by**
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