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**STANFORD** SOCIAL INNOVATION *review*

## **What's Next**

### **The New Frontier**

By Jennifer Roberts

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BY JENNIFER ROBERTS

## SOCIAL INVESTING

## The New Frontier

► As managing director of Ashoka, Andrew Kuper witnessed the tragedy of poor people starting businesses with microloans, only to be wiped out by a fire, a family member's death, or even a short illness. But one day in a coffee house, staring down at a blank piece of paper, he devised a way for poor people to sustain and even grow their businesses: He would start a private equity firm, LeapFrog Investments, that would invest in microinsurance companies and thereby help bring insurance to more of the world's poor.

LeapFrog launched in October, but only after Kuper and co-founder Staph Bakali, an entrepreneur specializing in emerging markets, had assembled a senior management team plucked from the nascent microinsurance industry, and an advisory board comprising such global finance heavyweights as Felipe Medina, regional director for Latin America Private Wealth Management at Goldman Sachs, and Futhi Mtoba, chair of Deloitte South Africa. "LeapFrog is a big, bold, and new idea—so we wanted to have a huge amount of substance behind us," Kuper says.

Only about 2 percent of low-income people in the world's poorest 100 countries are currently insured, according to a study conducted by microinsurance expert and LeapFrog partner Jim Roth. LeapFrog will not target the poorest of the poor—those at the bottom of the pyramid making \$2 or less per day—



From left: Former President Bill Clinton honors LeapFrog's Andrew Kuper and Jim Roth at the 2008 Clinton Global Initiative.

but will instead focus its efforts on those with more assets.

The firm plans to invest \$100 million over the next 10 years in microinsurance firms—\$6 million to \$8 million per venture—and will initially work in India, Pakistan, South Africa, Kenya, and Ghana, Kuper says. To entice LeapFrog to invest, ventures must be existing microinsurers poised for high growth and strong returns, large microfinance institutions (MFIs) with tens of thousands of clients who could collaborate in selling insurance alongside their loans and other financial products, or successful insurance companies currently serving the middle class who want to co-invest with LeapFrog in businesses that serve poor people.

Besides its financial support, LeapFrog will offer firms its business expertise. In the case of MFIs and established insurers,

that will mean helping to price policies so that they're truly affordable to someone making \$15 per day—say, \$4 to \$10 per month—while still proving profitable to the insurers. And because "insurance is sold, not bought," as the old saying goes, LeapFrog will also help with marketing. This could involve working through a high-volume distributor such as a church group. "The bishop will stand up and explain the insurance, and there will be tables outside where people can sign up," Kuper says.

LeapFrog will also help firms create policies that are easy to understand and that cover what poor people really need. "There are horror stories," Kuper says. "Broken bones policies with osteoporosis exclusion, women's health insurance with no reproductive services." Good policies, he says, will instead insure such common situations as property loss for slum dwellers living around open flames, the cost of a ruined crop, and the rebuilding of the one-room homes that often double as factories.

Microinsurance will enable entrepreneurs to invest in simple yet lucrative technologies like drip irrigation. Poor people often dismiss such investments as too risky, Kuper says, because one mistake means their children will starve, and 90 percent of new businesses purportedly fail by the fifth year. "Insurance empowers people to embark on new ventures or innovate so that they can grow an existing business," he says. "Otherwise they're wise to be risk averse."

Meanwhile, LeapFrog Labs, the firm's research and development arm, will work to develop commercially viable health insurance for the poor—the most demanded, yet hardest product to offer, given the lack of health care infrastructure in poor countries. The lab will also create insurance products for those at the bottom of the pyramid. "That's tremendously exciting," Kuper says. "You can push the frontier and reach ever poorer people with ever better products."

Kuper also relishes having created a business that melds money and meaning. "So many people end up making a huge sacrifice financially in order to do good for the world. Or they just make money. I think LeapFrog unifies those two aspects of a person that society keeps apart." ■

## HEALTH CARE

## Texting It In

► Many developing countries don't have enough data to accurately track such scourges as child malnutrition, HIV/AIDS, and malaria. To help address this problem, Washington, D.C.-based DataDyne has introduced



Elizabeth Kiptoo (left) interviews Jackie Ndegwa during a field test of the wireless EpiSurveyor in Nakuru, Kenya.

the wireless EpiSurveyor, a free, open-source software package that allows health care workers to create their own data collection forms, download them onto cell phones, and text data back to a central database.

An earlier version of the software that runs on handheld PDAs is already used by regional health officers in every country of sub-Saharan Africa and is supported by the United Nations Foundation-Vodafone Foundation Technology Partnership, the World Health Organization, and many ministries of health. The new version of EpiSurveyor for cell phones is expected to be even more popular.

Indeed, in a field test last August in Nakuru, Kenya, ministry of health workers reported back that they preferred collecting data on a cell phone rather than a PDA because they would need to carry only one device and wouldn't have to use a stylus (which they can easily lose). And as the costs of cell phones and cell phone service go down, their availability and usage will go up.

DataDyne cofounder Joel Selanikio, a physician and epidemiologist, says that the more easily and inexpensively health care workers can collect data, the more accurately and more frequently they will do this ne-

cessary work. "If we want to target malaria, we have to measure it; then after starting a program, ask, 'Gee, has it had any effect? Are deaths within the community down? Are sick days because of malaria down?' All this comes from surveys."

Workers in Zambia successfully used the PDA version of the software last summer, going house to house to determine the percentage of children vaccinated during the country's campaign against measles. Another application under development is hospital supervision: Once a month, ministry of health workers will determine whether hospital workers are trained in childhood illness, recordkeeping materials are adequate, essential antibiotics are stocked, and vaccines are refrigerated at the right temperature.

In some instances, collecting better data on hospitals will cause a stir. "Where people have been running their health systems without good information and have been making decisions on a whim, they won't be happy to find out exactly how badly they're doing," says Selanikio. "In Zambia, for instance, wor-

kers using EpiSurveyor found that 65 percent of clinics had within the last month run out of all the essential malaria meds. So the people responsible for stocking them were called onto the carpet."

But mostly, he says, everyone from donors to heads of health ministries will be much happier with better data coming in. He says they're already clamoring for new features that DataDyne is currently developing. "If there's an outbreak of bird flu, a text message could go to every World Health Organization employee in the world, they could download a bird flu form, and a person in Geneva could see the entire data set, and you could see it by country, too," says Selanikio.

"The proliferation of cell phones has forced us to dream bigger," says Selanikio. "We can actually do much more than we ever thought we could." ■

GOVERNMENT

## Polling Power

► If you're like Kim Cranston, you're well versed about the big political candidates but have little luck finding information on lesser known contenders and state propositions. Cranston used to collect the political junk that bombarded his mailbox and review it the night

before voting day. But now he can consult TransparentDemocracy.org, a Web site he cofounded with chief technology officer Jeff Manning last October.

The site allows users to see how organizations, opinion leaders, and even friends think people should vote. Cranston knew from both his immersion in politics (he's the late U.S. Senator Alan Cranston's son) and his years running Social Venture Network that people make all kinds of decisions—political, investment, shopping—based on what well-informed friends or experts think. The site also offers detailed, balanced information about political candidates and propositions, a corporate shareholder proxy guide (Stanford Law School professor Lawrence Lessig's suggestion), and a ballot you can mark and print out.

Some 10,000 voters visited TransparentDemocracy.org before the presidential election, which bodes well, say pundits.

"If everyone voted on the basis of recommendations from TransparentDemocracy, then the playing field would shift from trying to mislead voters via money to trying to convince opinion leaders through ideas," says Silicon Valley entrepreneur and philanthropist Steven Kirsch.

Larry Diamond, a senior fellow at the Hoover Institution, adds: "TransparentDemocracy

should eventually lead not only to better, more informed voting, but also to more voting and more transparency in the electoral pro-

*A TransparentDemocracy ballot shows what the California League of Conservative Voters thinks about the candidates.*



cess. The impact could be especially great in proxy votes, as these are the most opaque, with the lowest levels of participation. This could lead to greater corporate social responsibility.” ■

THE ARTS

## Social Entrepreneurs Take the Leads

► Social entrepreneurs have truly taken the spotlight: The Skoll Foundation and the Sundance Documentary Film Program will fund five documentary filmmakers, each of whom will capture the work and life of a leading social entrepreneur. The goal of the three-year, \$3 million project—called “Stories of Change”—is to explore how film can further the work of social entrepreneurs.

The winning projects, announced in January, are in various stages of development; but all filmmakers have already identified which social entrepreneurs they will profile and will use their grants (as much as \$150,000) either to develop and then film their stories or simply to finish projects already in production.

The filmmakers can also draw on the wisdom of Sundance veterans, including Cara Mertes, Sundance Documentary Film Program’s director and the program’s creator, to help them construct their story, edit their film, sign a distributor, and identify additional sources of funding. The filmmakers and their entrepreneurs will also exchange worlds: Entrepreneurs will attend the Sundance Film Festival in Park City, Utah, and filmmakers will attend the Skoll World Forum in Oxford, England.

The contest’s 331 submissions were judged by the likes of



Van Jones, author of *The Green Collar Economy*, stars in an upcoming documentary funded by Skoll and Sundance.

CNN’s chief international correspondent Christiane Amanpour, documentary filmmaker Eugene Jarecki (*Why We Fight*, *The Trials of Henry Kissinger*), and Skoll Foundation senior advancement officer Sandy Herz. The judges’ criteria included the filmmakers’ talent for storytelling, how well their filmmaking style fits the subject, and the solidity of the relationship between filmmaker and entrepreneur, as determined by interviews with each.

The winning film projects are:

- *Back to School*, produced by Julia Parker Benello; features Sakena Yacoobi, whose Afghan Institute for Learning has educated Afghan women for the past 12 years.
- *Green Shall Overcome*, directed by Tracy Heather Strain and Megan Gelstein; about Van Jones, a civil rights lawyer, author of the much celebrated *The Green Collar Economy*, and founder and president of the non-profit Green for All.
- *Poor Consuelo*, directed by Peter Friedman and pro-

duced by Paul Miller; features Miguel Sabido, whose use of popular soap operas eases the effects of poverty around the world.

- *The Team*, directed by Patrick Reed and produced by Peter Raymont; about John Marks and Susan Collin Marks, who help Kenyans produce a soap opera series with taboo storylines that seek to bridge their country’s deep ethnic divisions.
- *YouthBuild Documentary* (working title), directed by Annie Sundberg; featuring YouthBuild founder Dorothy Stoneman, whose organization gets young people involved in rebuilding their urban communities while gaining job skills and continuing their education.

Mertes expects the films to be released in theaters, distributed as a “Stories of Change” series, or aired on television.

Not only are the films that good, Mertes says, but documentary film has also become the hot new genre. “People are looking for ways to understand their world, which has become increasingly complex—and documentaries are extremely effective in helping you do that.”

Documentary filmmakers have already focused on social entrepreneurs, Mertes adds. “Filmmakers are attracted to good stories—and you find those with social entrepreneurs.” ■

CSR

## The Pepsi Spirit—of Giving Back

► “The best things in life are free” certainly holds true for love. But as Pepsi Bottling Group (PBG) recently discovered, corporate social responsibility (CSR) doesn’t have to cost a cent, either. Last November, PBG enrolled more than 27,000 of its U.S. employees in the Wireless AMBER Alert Program, so that they can receive urgent public bulletins about abducted children—usually the abductor’s license plate—via their company-issued cell phones. PBG is the first company to sign up its employees en masse.

Choosing this form of CSR appealed to the corporation because of today’s tough economic climate. But its corporate culture also encourages giving back to the communities in which the company works, says John Berisford, PBG’s senior vice president of human resources. “We run a very decentralized business that operates in local communities like Carson City, Nev., and Flint, Mich.—and we care a lot about these communities. We’re always looking for ways to give back.”

PBG invites employees to set the company’s giving agenda, Berisford says. Employees can bounce their giving ideas off chairman and CEO Eric Foss through his monthly column in PBG’s employee newsletter, *Thirst*, or approach their managers with good CSR ideas. Eric

Gage, a PBG technical support team leader, did the latter after hearing a radio announcement that anyone who texts can receive wireless AMBER Alerts simply by registering at [www.wirelessamberalerts.org](http://www.wirelessamberalerts.org). “The company had just distributed company cell phones to all employees, so I thought, what a great way to get Amber Alerts out there,” Gage says. “My manager jumped on board right away, and from there it went really quickly.”

Gage reports that PBG employees, each set up to receive AMBER Alerts from five ZIP codes, have already begun receiving the text messages—and that makes him proud, given the greater likelihood that children will be recovered if located within three hours of their abduction. Indeed, according to the National Center for Missing & Exploited Children, AMBER Alerts, also broadcast on local television and radio stations as well as highway signs, have helped recover more than 400 abducted children in the United States since the program’s inception in 1997. ■

EDUCATION

## Turn on the TV, Class

► Randy Wang has boldly gone where many have yet to tread: He’s using decidedly unsexy technology to help India’s poor children get a decent education.

The nonprofit he cofounded, Digital StudyHall (DSH), films the best Indian teachers (usually from middle-class schools) as they conduct classes, burns the lessons onto DVDs, and then mails the DVDs to poor urban and rural schools. If the schools don’t have DVD players, DSH provides them, along with 19-inch TVs and lead-acid bat-

teries to back up intermittent electricity. Recipient teachers, often nominally educated and trained, then simply play the lessons, regularly hitting the stop button to amplify and personalize the material.

Wang came up with his “light tech” approach after attending the 2003 TED conference and hearing John Wood, founder of Room to Read, describe how he sometimes used yaks to deliver books to remote school libraries. Wang also knew that high-tech approaches to improving education—such as wiring schools for Internet connectivity—have often failed. Poor schools don’t have the funds or expertise to sustain complex systems, and students won’t magically edify themselves if teachers plunk them in front of the Internet, Wang says. Wasn’t there something between a yak and the Internet, he wondered?

DSH’s formula has several benefits. Through DSH, poor students can experience great teachers’ instruction—a rarity in India, Wang says. Teachers in poor schools can improve by emulating the model teaching they see, or polish already good performances in the hopes of being filmed. When teachers don’t show up—which is often the case in poor, state-run schools—older students can take the helm and present the DSH lesson. The student substitutes might even choose teaching as their profession and fill perennially short-staffed schools.

Filming “hubs” have opened in schools located in Lucknow, Kolkata, Pune, and Dhaka, India, so that classes can be filmed in regional languages. Schools are cooperating, in large part, because their teachers feel honored to be chosen for filming. But there’s also the universal thrill of seeing oneself



*Rakhi Panjwani, a teacher at the Prerna School in Lucknow, India, elaborates on a recorded English lesson.*

on film; the relatively high extra pay (\$10 to \$12 an hour); and the chance to help the poor, a moral imperative in India. “Gandhi is very much revered by everyone,” Wang explains.

Thirty schools serving about 3,000 students have signed up for DSH, and the effects have been dramatic. According to a recent six-month evaluation of four member schools (conducted by DSH and Glynda Hull, a professor at the University of California, Berkeley, Graduate School of Education), DSH schoolchildren scored 381 percent higher in math than their counterparts in a non-DSH control school, students participated more in class, and local teachers demonstrated significant improvement in their grasp of subject matter and in their teaching skills.

Wang, along with his co-

founder, Urvashi Sahni (a principal at the private Study Hall School in Lucknow), hope to accomplish even more. This summer they opened an afternoon school in the village of Kannar, entirely run by 16- and 17-year-old students. “The school is free and no one has to come, but after just a few months we have 80 kids showing up,” Wang reports.

In the near future, DSH wants to serve more poor urban schools and add an intensive six-month program to help children who have dropped out of school reenter the educational system. Eventually, DSH would like to make every course—not just the present English, math, and science—available to every Indian student, as per the United Nations’ Millennium Development Goal of universal primary education.

It’s worth a shot, Wang says. “We don’t know if this will work, let’s be honest. But we can convince ourselves that even if it doesn’t work out, it’s a worthwhile pursuit.” ■