

## IMPACT REPORT AS OF JUNE 30, 2014

We are pleased to release our second impact report, following up on our [2013 Baseline Impact Report](#).

### Unitus Seed Fund's Impact Vision

Unitus Seed Fund makes seed stage investments in companies with built in BoP impact across 6 sectors: Livelihoods, Education, Healthcare, Agriculture, Technology for Development, and Necessities. As a seed fund we create three types of impact, all of which are measured at company, sector, and fund level:

- **Social** - Portfolio companies have the potential to reach at least 100,000 BoP families in 5 years, and/or directly employ up to 1,000 BoP individuals in the same timeframe .
- **Financial** - We help investees get on the path to financial sustainability through increased revenues and further capital raised.
- **Ecosystem** - Every company benefits from, influences, and improves the functioning of the overall ecosystem.

### Definition of "Base of the Economic Pyramid" (BoP)

BoP comprises the 1.05 billion people in India (5 out of 6 Indians) who live on an annual household income of less than INR 200,000 (\$USD 3,200) as of 2005. According to a 2007 McKinsey analysis, by 2015, the size of the BoP is projected to be 997 million, nearly 80% of the population. In urban India, where cost of living is higher, we consider BoP to have an annual household income of less than INR 300,000 (\$USD 4,800). In rural India, we consider BoP to have an annual household income of less than INR 160,000 (\$USD 2,600).<sup>1</sup>

### Framework and Methodology

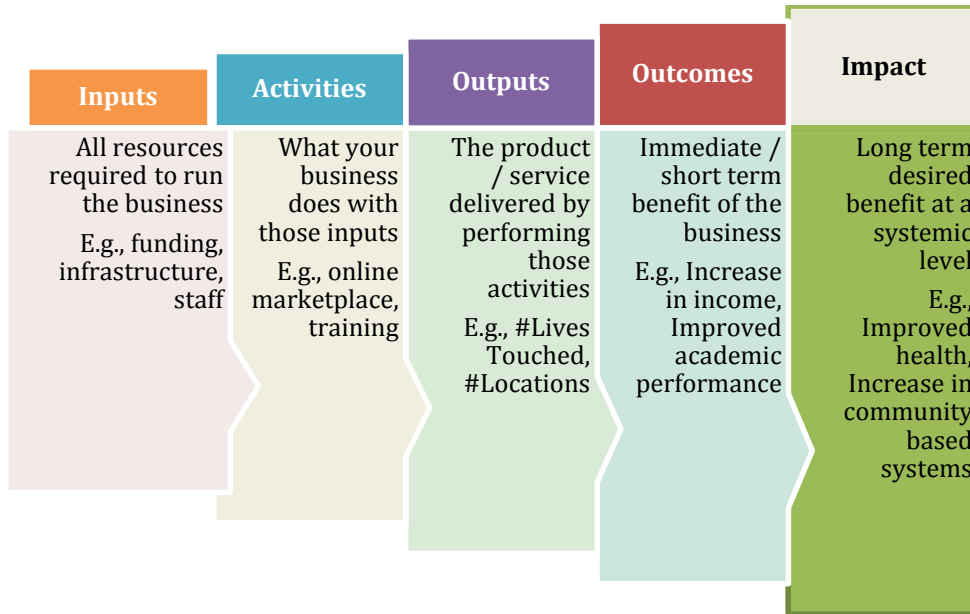
Unitus Seed Fund's impact measurement framework is designed to help businesses build systems to continuously measure, improve, and scale business operations and impact. A key aspect of the framework is identifying metrics that help portfolio companies gain clarity in the execution and outcomes of their business model and identify challenges in operational processes. Impact reports are used for marketing, fundraising and reporting purposes, influencing staff roles and trainings, and driving performance

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<sup>1</sup> More details on our BoP analysis and alternative definitions can be found at <http://usf.vc/bop>



metrics and tracking systems. A commonly used evaluation framework is a **logic model**, a process which breaks the broader vision statement into a plan of actionable items and intended results at different frequencies. A basic logic model is shown in the graphic below:



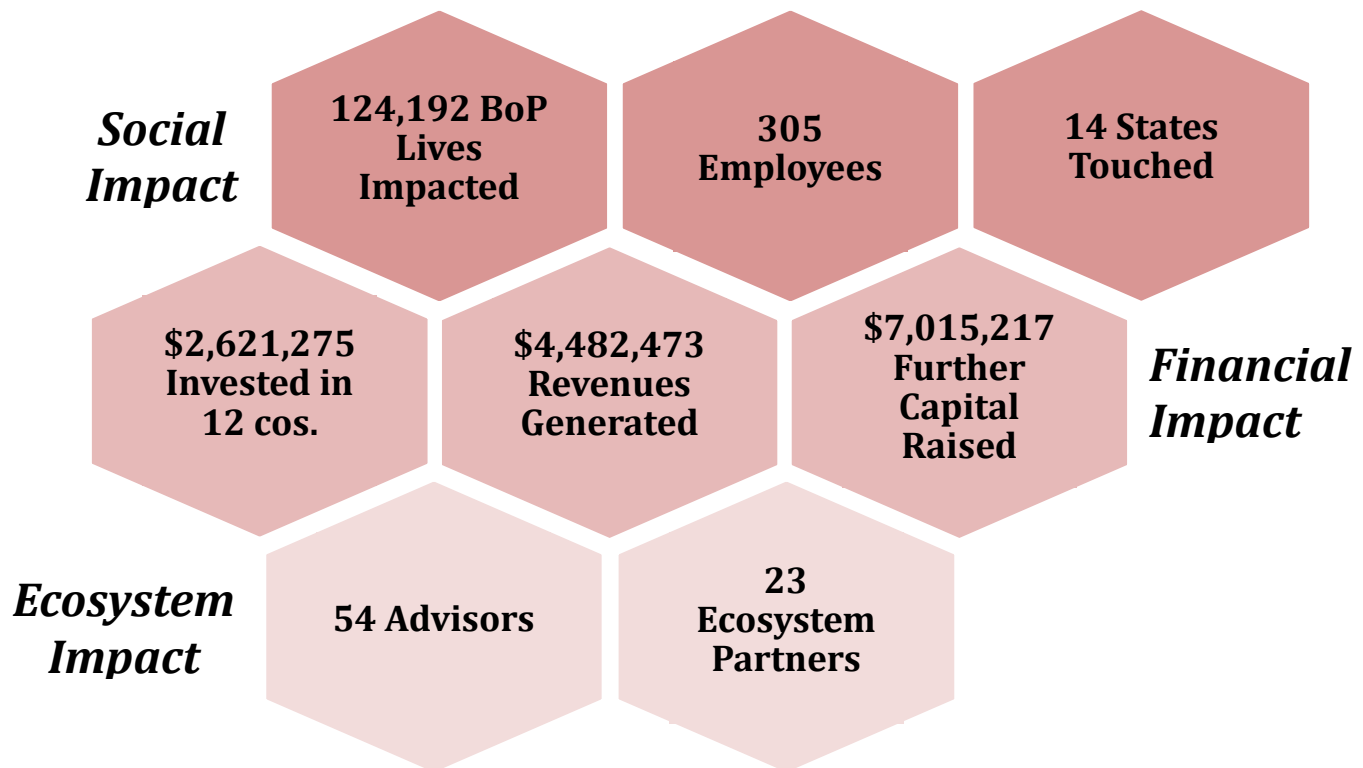
At Unitus Seed Fund, we have designed broad logic models for different types of businesses across sectors. Our impact assessment staff has collaborative discussions with the entrepreneurs to define impact metrics which are rolled up from Company specific to Sector level to Portfolio level impact.

Given that companies are early stage when we invest and that they continue to grow, the framework is designed to be lean and adaptive. **Lean:** At all stages, metrics are kept at a minimum - 3 to 6 outputs, 2-3 outcomes, and 1-2 long term impact indicators. **Adaptive:** Very early stage companies start with defining only outputs and potential outcomes; Seed stage companies define outputs and outcomes and build a direction for impact; and Growth stage companies define outputs, outcomes and streamline their impact into 1-2 indicators.

**Note:** Check our article [Looking Under The Covers – Unitus Seed Fund’s Impact Metrics And Rationale](#) for rationale and references to our use of the IRIS taxonomy.



## Unitus Seed Fund Aggregate Impact as of end of H1 2014<sup>2</sup>



- The data is collected and aggregated from 12 of our portfolio companies.
- In 6 months, our portfolio has generated 3 times the impact of 2013.
- 36% of the employees in portfolio companies belong to the BoP population, with the remainder being professional staff.
- States Touched – Delhi, Rajasthan, Gujarat, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Orissa, Mizoram, West Bengal, Bihar, Kerala, Madhya Pradesh & Punjab.
- Portfolio companies raised additional capital 2.66 times Unitus Seed Fund’s investment along with or since our investment.
- Portfolio Ecosystem impact include engagement from the portfolio as well as 39 [Venture Advisors](#) (business advisors) & 7 [Catapult Partners](#) (professional service firms) on-boarded by Unitus Seed Fund and offering support to the impact ecosystem.

<sup>2</sup> All metrics are reported since investment or go back 18 months as of 30 June, 2014.



- Ecosystem partnerships made by the companies to enhance and scale impact include state and local governments and para-government agencies, and large corporates.

## Sector-wise impact

### Common metrics across all sectors:

	Social Impact			Financial Impact			Ecosystem Impact	
	Lives Touched	Employee s; #BoP	States Touched	Revenues	Further Capital	Further Capital as Multiple of USF's Investment	Advisors	Ecosystem Partners
Livelihoods	65,275	178; 99	11	\$3,912,183	\$1,755,560	2.81	3	7
Education	6,156	67; 1	2	\$345,983	\$3,293,448	2.76	1	4
Healthcare	3,348	25; 9	7	\$39,207	\$83,333	0.30	2	2
Agriculture	250	13	1	\$ -	\$212,333	1.16	2	1
Tech for Dev	49,163	22; 2	11	\$ -	\$1,653,845	10.87	7	2
Necessities	-	-		\$ -	\$ -	0.00	0	0

### Sector-specific impact metrics:

- **Livelihoods Specific Impact:** Livelihoods companies built 169 business partnerships<sup>3</sup> with artisan groups and co-operatives to enable an average of 40% increase in clients' income.
- **Education Specific Impact:** 239 Educators were trained and 40 business partnerships with schools and colleges were made by the education companies.
- **Healthcare Specific Impact:** The healthcare companies made 32 business partnerships with diabetic centres, local NGOs, finance and corporate companies. 2,500 early detections of potential health issues including blindness, diabetes and oral cancer were made and patients referred to bigger clinics and hospitals.
- **Tech for Development Specific Impact:** Tech for Development companies merchandized 8,000 products enabling their customers to earn \$66,650 through 14,650 transactions online.

<sup>3</sup> Business partnerships are individual partnerships made by companies, while Ecosystem partnerships are with larger scale institutions including corporates, public-private entities, and federal, state and para governments.