Jibu Rwanda
Infusing Lessons Learned for Intelligent Scaling

January 18, 2017

Center for Social Innovation and Enterprise
Social Sector Franchise
Living Case Studies Social Sector Franchise Accelerator Webinar Series
The Living Case Study Social Sector Franchise Accelerator is an action learning and research project, taking place over eight months with entrepreneurs who are new or emerging social sector franchisers. These social sector franchise case subjects receive intensive organizational support including mentoring with a commercial franchise expert, participating in online learning events and on-going support from the Social Sector Franchise Initiative at the University of New Hampshire.
Moderator: Bill Maddocks, CSIE

Guest Presenters:

- Galen Welsch – Jibu founder
- Mark Mutaahi – Jibu Uganda Country Director - has been with Jibu for about seven months and comes from a background in leading a multi-national carbon finance social enterprise with a focus on clean energy distribution.
- Nathan Dowling – Jibu Rwanda Country Director, also has a background in the clean energy field and work with Food for the Hungry in Rwanda.
- Peter Holt – Jibu mentor from the IFA Social Sector Task Force and CEO of the Joint Chiropractic.
Global Challenges

■ Lack of Opportunity
  - >60% unemployment in many places, especially among youth
  - Financing, business prototypes, and real world experiences needed to own and grow small and medium-sized businesses are out of reach for entrepreneurs

■ Unsafe Drinking Water
  - Only the upper class can afford to buy safe drinking water daily
  - Majority of urban and peri-urban populations boil unsafe municipal water
Jibu’s Solution

- Equip co-invested entrepreneurs with turn key businesses that make safe drinking water radically affordable
  - *Financing via a franchise model* to give small entrepreneurs the big business advantage:
    - Training: owners and staff
    - Production line and system
    - High-visibility retail front
    - Branding and patented bottles
    - Consumable inventory: economies of scale
    - Standard operating procedures
    - Financing
Financial model

- **Franchisee**
  - Sale price of water = $0.04 - $0.06 cents per liter
  - Initial co-investment: $2,000
  - Revenue: up to $140,000 per year
  - Net profit: 15-30%
  - Break even: 2wks - 5mos

- **Jibu Corporate**
  - Capex per franchise: $22,000
  - Break even per franchise: 8mos – 3 years (depending on market and performance)
  - >30% IRR
  - Cash flow to organically fuel growth by 2022
Why L3C?

- A true hybrid social enterprise, Jibu is a for-profit business with the integrated goals of making money and making charitable impact. Profits fuel the scaling of our charitable purpose. Our dual goals are enforced via our L3C structure and Operating Agreement, which mandates establishment of “a business in which profit, although of subordinate importance to our primary charitable purpose, is a key enabler of our ultimate mission to provide self-propagating solutions for those who most need it.”

- An L3C (“Limited Liability Low-profit Company”) is a for-profit company similar to an LLC, but which by law must align its charitable impact with profit-making. The phrase ‘low-profit’ is a misnomer; there is no limit to the profit an L3C can make as long as the profit is properly aligned with charitable purpose.

- Many investors have one pocket from which they invest and another pocket from which they donate. Jibu allows investors to do both from one pocket because we always keep profit-making aligned with our charitable purpose.
Traction

■ Franchise performance and growth:
  - 13 new businesses/month since Jan 1, ‘16
    ■ Ramping up to 20 new businesses per month
  - 27 new jobs created/month since Jan 1, ‘16
    ■ Employing over 250 people
  - Top 5 performing franchises generating >$130,000 in revenue (annualized)
    ■ Net profits of 19%-29%

■ Recruited and on-boarded world class executive team

■ Closed $3M Series A in January, 2015

B Impact Report

Certified since: August 2014

Summary: Company Score Median Score*
Environment 5 7
Workers N/A 18
Customers 78 N/A
Community 61 17
Governance 17 6

Overall B Score 155 55

Rwanda Sales, month by month 01-15 – 04 -16
Uganda Sales, month by month 01-15 – 04-16
2022 Money & Impact Forecast

The following graphs represent aggregate totals:

**New businesses created**

**New jobs created**

**Daily consumers of Jibu**

**Water sold and CO2 saved**

**Jibu Corp. Financial Projections**
Series B

- $7,000,000 blended capital
  - 3,000,000 equity
  - 4,000,000 grants and low-interest debt

- Self-propagating impact:
  - 1000+ new businesses,
  - 8000+ jobs,
  - 500,000,000+ liters of safe drinking water

- >30% IRR

- Future growth will be driven organically via positive cash flow
Welcome to the Center for Social Innovation and Enterprise's Social Sector Franchise Initiative Living Case Study Accelerator web pages. The Living Case Study Social Sector Franchise Accelerator is an action learning and research project, which will take place over eight months with three entrepreneurs who are new or emerging social sector franchisers. These social sector franchise case subjects will receive intensive organizational support including mentoring with a commercial franchise expert, participating in online learning events and on-going support from the Social Sector Franchise Initiative at the University of New Hampshire. The three social sector franchises will be studied through case research conducted by UNH students and faculty that will document the Living Case Study Accelerator process. We invite you to follow along as we chronicle the progress of the franchisers through periodic reports and webinars. Watch this page and sign up for updates below.
Investing for Multi-bottom Line Impact in Social Sector Franchising

Wednesday, February 15, 10 AM – 11 AM EST US

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