

wbs

WARWICK BUSINESS SCHOOL

Making it happen

Warwick Business School

Hult Global Case Challenge

05.03.2011



Team WBS



Steve
Tan



George
Berezhnov



Winnie
Mak



Will
Skillman



Parth
Kanetkar

Water.org sets an enhanced vision



Reaching 100 million people in 5 years

To get there we need to...

3 Engage with community

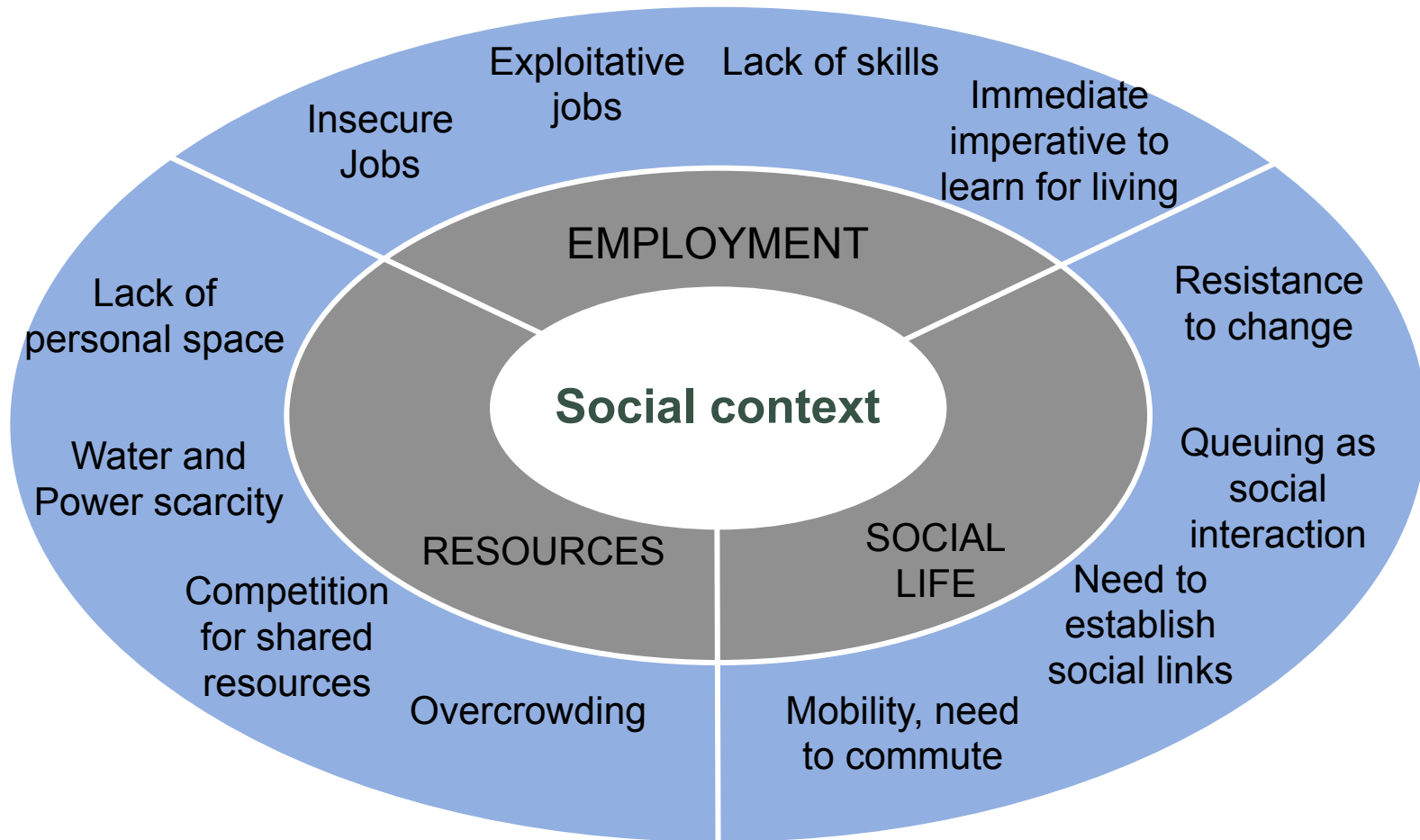
4 Get fast access to the “Real” Bottom of the Pyramid



2 Develop replicable, “open source” solutions

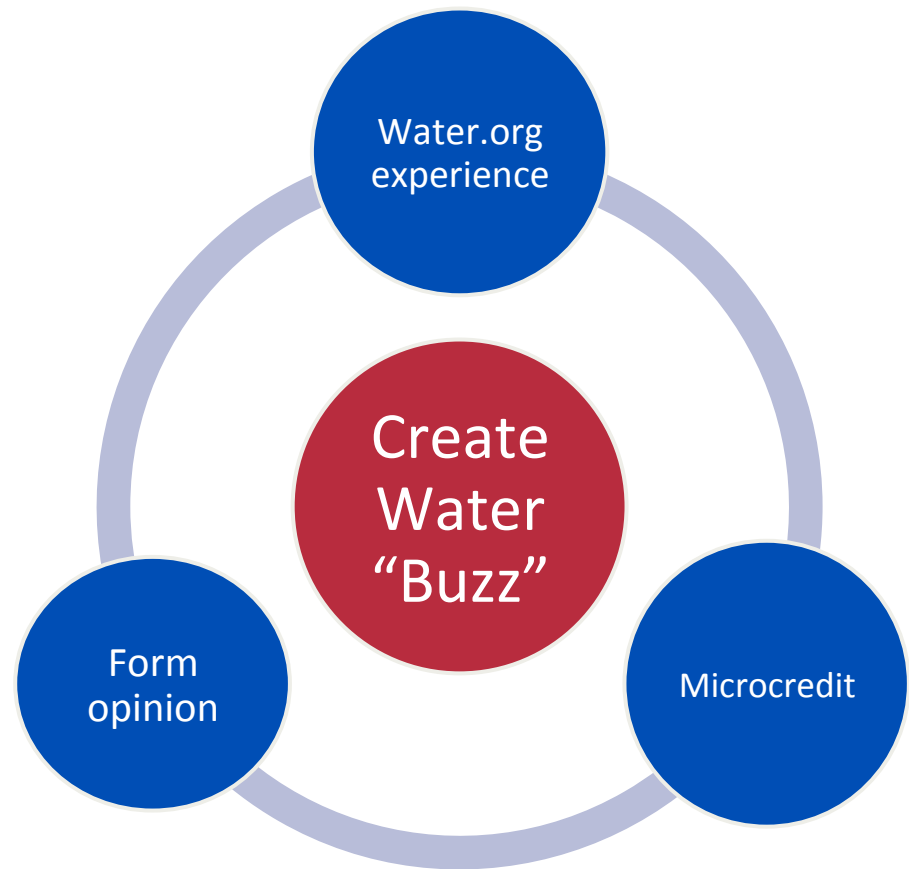
1 Raise awareness to generate demand

...and take into account the social context



...by building on the success story of Water.org

- ⦿ Develop strong ‘success stories’ to reinforce Water.org brand attributes
- ⦿ Advance relationship with community, promote customer advocacy and ‘word of mouth’
- ⦿ Create strong brand advocates
- ⦿ Monetise time



The Water “Buzz” model

5-6 women

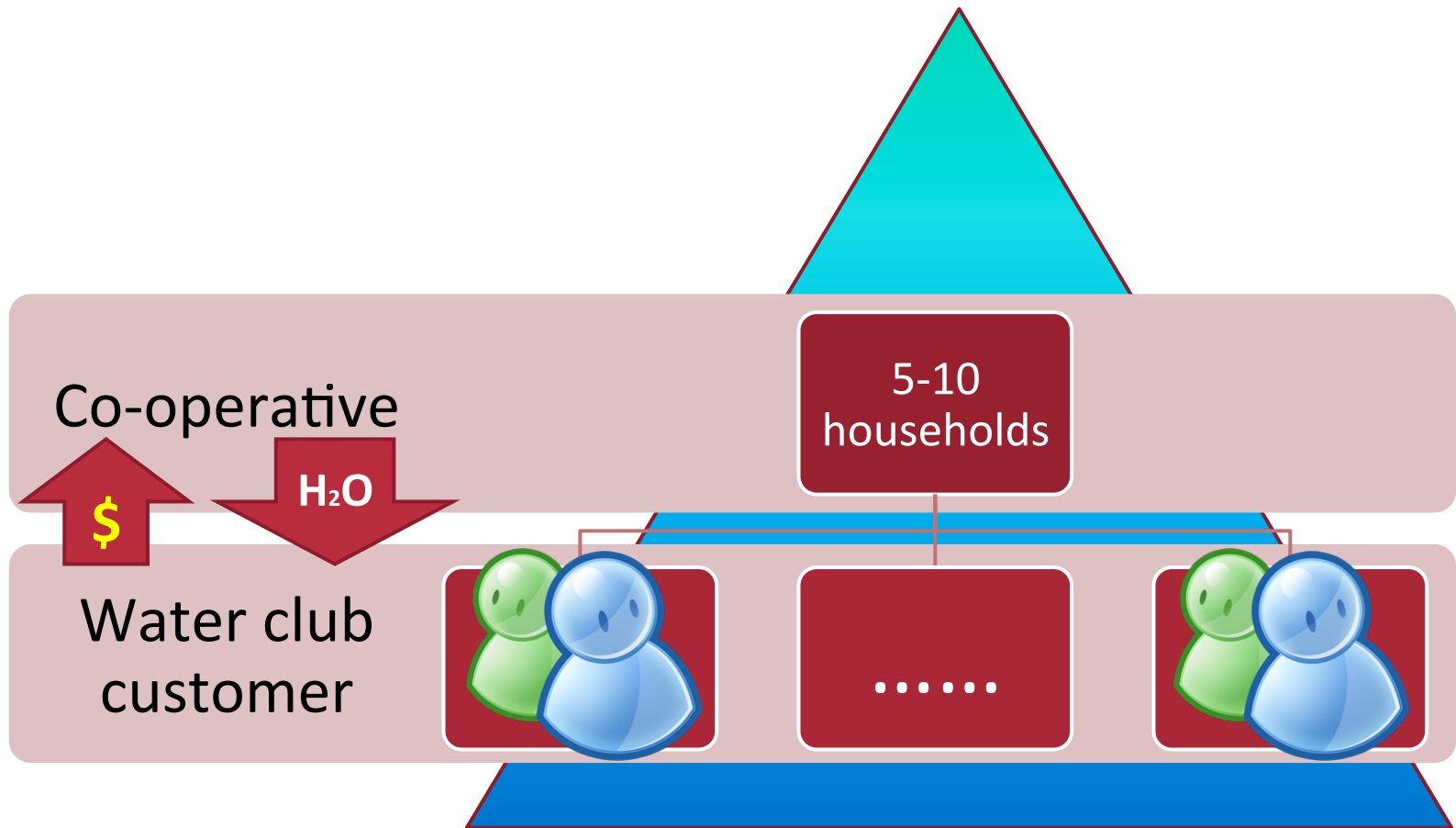
- Financed by Water Credit
- Form co-operative Water club

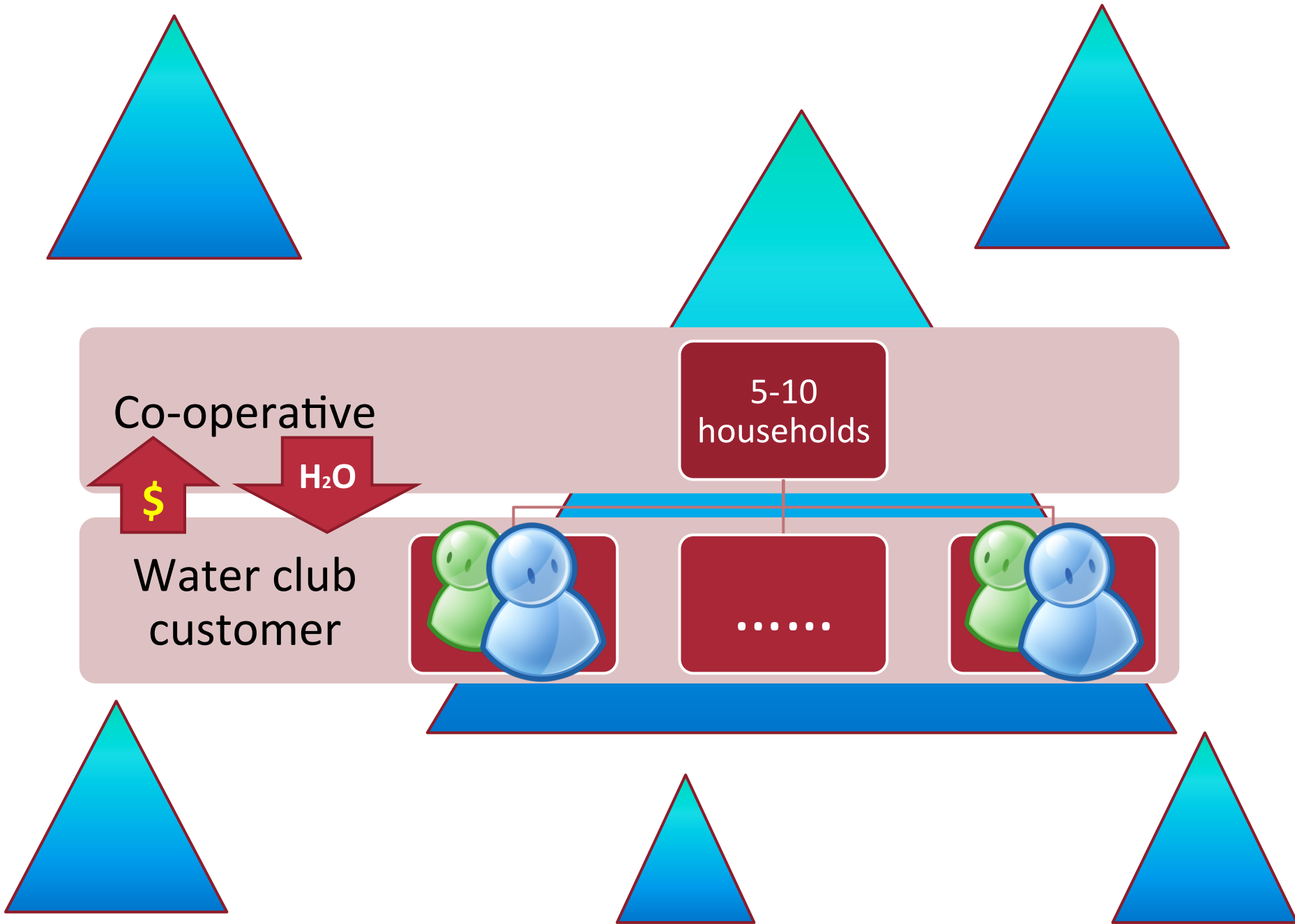
Co-operative
Water club

- Set up water kiosk
- Provide toilet and hygiene education to Water club members

Water club
customers

- Monetize time
- Pay for the water and service





Is it financially viable?

- ◎ Total Cost of operations: \$2580 per annum
 - Includes setup for water connection
 - Includes toilet costs
- ◎ Total Income: \$4380 per annum
 - Includes membership fees – 100 pax
 - Daily water – 20 litres/pax @ \$0.11 per litre

PROFIT = \$1800 per annum for co-op

We should be aware of the risks and capabilities required...

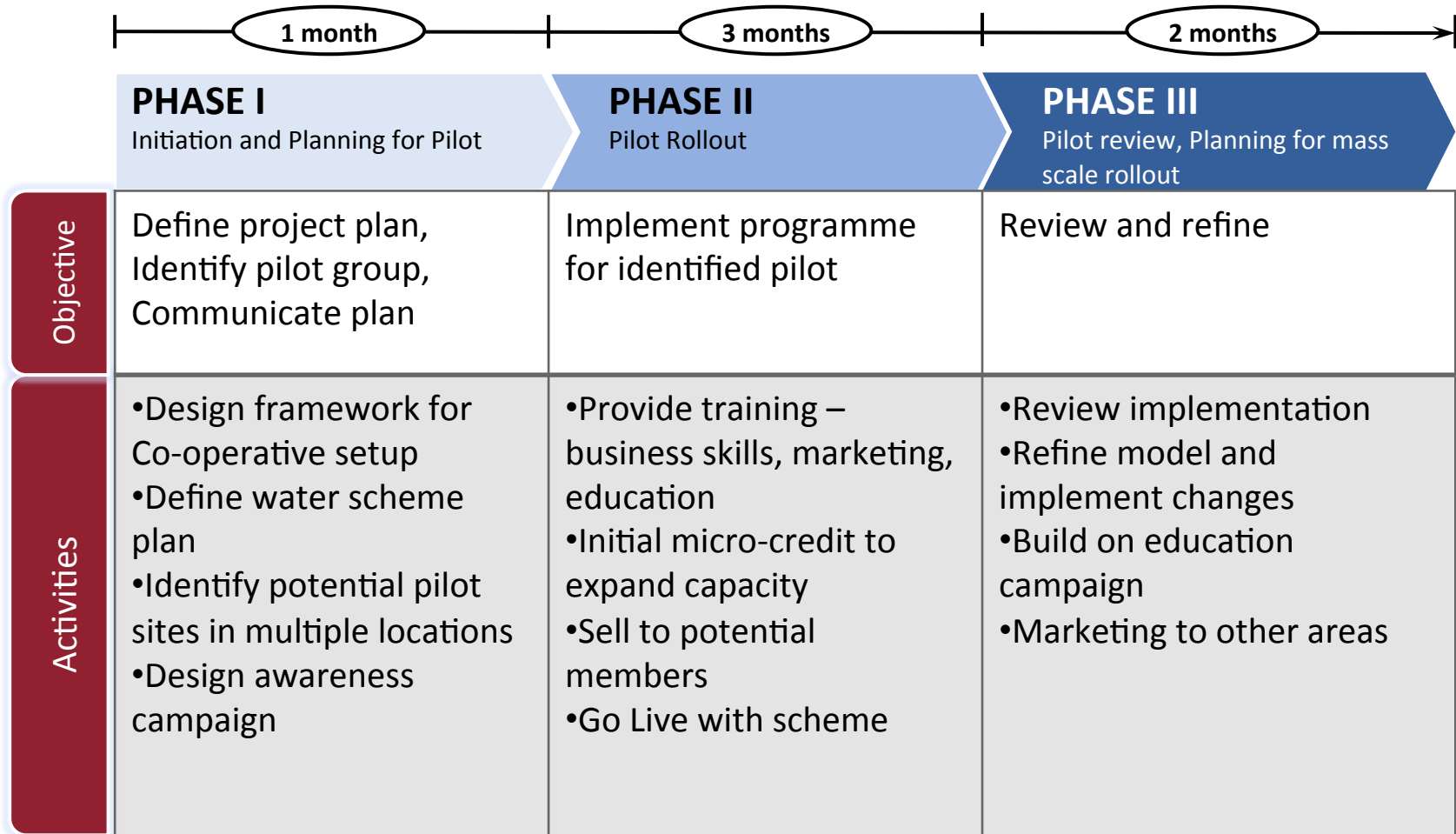
Risks

- Capacity constraints
- Co-ops not comply with Water.org standards
- Changing behaviour through education
- Competitors

Capabilities

- Forming local MFI partnerships
- Delivering access to water locally
- Managing co-op operations

Next Six Months...



Q & A



Financial costs and benefits of a Co-ops

Income from water point

- ⦿ 1 Co-op can serve 100 person per day;
- ⦿ 1 person consumed 20l of water (drink and cook)/ day (www.who.int , www.unicef.org)
- ⦿ Assuming the selling price of 20L of water is US\$0.11 (<http://washfinance.wordpress.com>);
- ⦿ Assuming the cost of buying water is 50% of selling price;
- ⦿ Average cost for a water connection: USD\$110 (water.org) , 5 connection points required to serve 100 people/ day
Profit for providing water is US\$1,705/ annum.

Toilet

- ⦿ Cost of setting up a toilet (US\$125), 2 toilet set up cost is US\$250. (www.water.org)
- ⦿ Costs of running toilet including depreciation a (2 years) and maintenance is US\$325.

Membership fees

- ⦿ Membership fee paid to Co-ops in return for guaranteed clean water/month is US\$0.50 per person/month;
- ⦿ Cost of maintaining the membership (30%);
- ⦿ Hence, for 100 people, the net profit is US\$420/ annum.

Total profits for running a Co-ops is approximately US\$1,800.