The Blue Sweater

Bridging the Gap between Rich and Poor in an Interconnected World

Jacqueline Novogratz

RODALE

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Book design by Joanna Williams

Library of Congress Cataloging-in-Publication Data

Novogratz, Jacqueline.
The blue sweater : bridging the gap between rich and poor in an interconnected world /Jacqueline Novogratz.
p. cm.
Includes index.
ISBN-13 978-1-59486-915-0 hardcover
ISBN-13 978-1-60529-476-6 paperback
1. Poverty. 2. Economic assistance. 3. Charities. 4. Microfinance. I. Title.
HC79.P6N69 2009
339.4'6—dc22 2008043621

Distributed to the trade by Macmillan

2 4 6 8 10 9 7 5 3 1 paperback

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CHAPTER 13

THE EDUCATION OF A PATIENT CAPITALIST

"In the course of history, there comes a time when humanity is called to shift to a new level of consciousness, to reach a higher moral ground. A time when we have to shed our fear and give hope to each other. That time is now."

—WANGARI MAATHAI

In the final years of the 20th century, the dot-com boom was in full swing, 20-something-year-old millionaires were being minted on a daily basis, and interest in philanthropy was on the rise. At the end of 1999, I was sitting with the new president of the Rockefeller Foundation, Sir Gordon Conway, in his 22nd-floor office overlooking Manhattan, sharing my frustrations about traditional philanthropy, remarking that it often lacked clear measures and accountability and seemed at times more focused on making donors feel good than on effecting change.

The world needed a new kind of institution, I said, one built on the best lessons and precepts of philanthropy but also utilizing business approaches and concepts. I'd seen the rise of socially oriented companies and felt that deep changes were under way in both business and philanthropy. Leaning back in his chair, he looked at me as I spoke, listening intently, one eyebrow raised in a way that communicated either interest or skepticism, or perhaps a little of each.

I was breathless with excitement, dreaming about a different kind of "fund," one that would amass philanthropic money, have the flexibility to make grants or investments in both nonprofit and for-profit change came through nonprofit or for-profit channels; in fact, we believed it would come through both and often in partnership. Thankfully, our lawyers were able to register Acumen Fund as a public charity on April 1, 2001.

Changing the lexicon was the next hurdle. Traditional charity speaks of donors and grantees, but this passive language creates a power dynamic that might as well call the two groups the givers and the takers. I had seen so many dysfunctional conversations where a grantee would give a would-be or existing donor misleading and evasive answers because they feared losing funding if they told the truth about the difficulties of their work. And I'd seen those same grantees agree to do things the donors thought they should, even if it made no sense for the mission of the organization. It is hard to say no to someone who has the power to finance your dreams—or more to the point, your payroll.

I also took issue with the practice of donors typically funding only programs instead of institutions. "I want to be certain that all of the money goes directly to the people who need it most," prospective donors would tell me. That is a fine strategy for providing alms or direct charity. At the same time, no one would invest in a company and not expect it to pay for hiring great people, paying the rent, and keeping the lights on. We needed philanthropists to build powerful institutions in the social sector, too.

We committed ourselves to changing the traditional donor-grantee relationship. Our donors would be called investors. They were still giving us charitable gifts, of course, but we wanted them to think of themselves as *investing* in change, of taking seriously how their money was spent. We wanted to build incentives for more honest conversations; in fact, we would ask for big gifts to help build a real organization and then promise to tell them about failures as well as successes. After all, as investors, they were betting on long-term results and should feel like owners who would go through the ups and downs with us, just as they would with a company. I would tell them, "You don't get any money back from your investment. You get change."

While we had the luxury of starting Acumen Fund with significant institutional funding, we felt it would also be critical to build a community of individual investors from the start, people who would commit not only money but also their time and connections to the work. We sought to enlist 20 "founding partners" who would establish the initial base of money, intellect, skills, and networks on which we would build our institution. I asked each person to contribute $100,000 despite the fact that we had no track record and a vision that many people didn't fully understand.

Finding the first 20 was, of course, much harder than we'd imagined. More than a few Wall Streeters explained that they kept a strict division between the way they made money and the way they gave it away.

"You are trying to do both at the same time, and it will never work. Businesses operate for profit alone, and that is how they make good decisions," an investment banker told me one summer afternoon. "Your idea of combining business and philanthropy not only won't work, it is misguided." Needless to say, he didn't contribute.

Others felt the whole idea of solving global problems made no sense given the challenges at home. One of a group of financial investors and scientific experts at a dinner asked me whether "AIDS might actually be a natural culling process.

"Maybe trying to stop it," the scientist remarked, "is ultimately detrimental to the long-term health of this planet that is already facing the negative consequences of high population growth." I spent an hour or so trying to convince the group not only of how immoral I found that idea, but also how self-defeating and counterproductive it was in a world where disease flows easily across national boundaries.

With practice, as the message became clearer, I could discern more quickly which individuals would help and which ones were more focused on finding excuses rather than working on solutions. I also relied on my good friends to make me laugh and keep the big picture in mind after too many days in a row of hearing nothing but "no, thanks, but good luck."

Ultimately, the money came, at least as much as we needed in the early years. It is only now that I realize the true debt of gratitude I owe to each of the early adopters of this innovation, those first 20 founding partners, along with the Rockefeller, Cisco, and W. K. Kellogg Foundations, for they took big bets on what may have seemed—at least to some—an unlikely dream, but one which, if brought to fruition, could actually contribute to changing the face of philanthropy.

With funding and legal status finally in place, we hired a team of three in April 2001, including Dan Toole, our first COO. I couldn't think of a person I trusted more to start this journey with me. He already had been a vital partner, helping me think through parts of the vision, and would be instrumental in our early stages of growth. I also hired David Buxbaum, a crusty investment banker, Rustom Masalawala from Silicon Valley's technology sector, and Nadege Joseph, who became my trusted assistant.

In one of our first team meetings, I asked how we would differentiate ourselves from other nonprofits in terms of the culture of Acumen Fund.

"This should be a place where nonperformers get fired," David offered, and everyone agreed. If we were to hire excellence, then people had to know we were serious, and that meant letting individuals go if they weren't up to our standards or, more often, if it turned out they weren't the right fit for the organization.

After her prestigious Wall Street career, Margo Alexander, the first woman to head a major trading floor, became our board chair. She fit our desired profile of being both tough and compassionate and always curious about the world. Along with the rest of the trustees, she would give more of herself to this start-up than she—and the others—had probably ever expected.

The biggest early challenge our new little team faced was finding the entrepreneurs and ideas in which to invest. We had decided to start in health technologies with a focus on India and East Africa. I assumed that with our connections to foundations and the United Nations we would have no problem identifying social entrepreneurs in whom we could invest. We were looking for ventures with visionary leaders who were using business approaches to solve big social problems. Their enterprises were to demonstrate the likelihood of financial sustainability and hold the promise of reaching a million customers over time. We figured that in an area like health care and a geography that encompassed more than a billion people, we'd have no problem identifying "pipeline opportunities."

We were wrong. We talked to countless people, asking for advice and connections. Many pointed to wonderful innovators who were working at the community level but didn't give us confidence their ideas would actually grow, or *scale* in our language of business. We hired two summer interns who spent long days surfing the Internet, trying to identify possible candidates. Ultimately, we reviewed more than 700 enterprises, and none fit our three criteria of leadership, sustainability, and scale in part because we limited ourselves to the nonprofit sector that first summer, where we had greater contacts.

By the end of the summer, we were in a bit of a panic, and a wise CEO of a health care company gave me advice I will never forget. "Just start," he said. "Don't wait for perfection. Just start and let the work teach you. No one expects you to get it right in the very beginning, and you'll learn more from your mistakes than you will from your early successes anyway. So stop worrying so much and just look at your best bets and go."

Still, I argued, our vision depended on finding the right social entrepreneurs.

"So find the best entrepreneur you know and start from there."

A leader who represented our ideal was Dr. Govindappa Venkataswamy, who founded the Aravind Eye Hospital in Madurai, India. When this extraordinary man retired in 1976 at age 58 from India's Civil Service as one of the country's most lauded eye surgeons, he decided to found an eye hospital to help rid the country and then the world of unnecessary blindness. Indians suffer blindness disproportionately because of the higher incidence of diabetes among both adults and children, a result most probably of genetics and diet. The fact that millions in India are blind did not intimidate Dr. V. from starting an 11-bed hospital in a simple house.

Today, Aravind Eye Care System examines more than 2.3 million patients a year, performing more than 280,000 cataract surgeries that restore sight to people regardless of their capacity to pay. Each doctor performs, on average, 80 surgeries a day. The US average, in comparison, is six. If ever there were a social entrepreneur who fused tough discipline with powerful compassion, it was Dr. Venkataswamy. We decided to meet with him and see what innovation he might be undertaking.

I met Dr. Venkataswamy on a hot afternoon in the tiny Madurai airport in the state of Tamil Nadu, in South India. He was about 80 then, and I'd heard he suffered from rheumatoid arthritis. What I hadn't expected was the spirited lightness of this fine-boned, white-haired man with leathered skin. As he stood, a baseball cap on his head, he clutched a wooden cane with his mangled hand and I saw that he'd adorned one finger with a gold ring above the knuckle. This detail, in combination with his broad smile, reminded me of John Gardner: Dr. Venkataswamy was also full of sparkle, a walking example of integrity, and he saw beauty everywhere.

"You didn't have to come and get me yourself," I laughed upon introducing myself.

"Why not?" he asked. "You are our guest and I am happy to know you."

Dr. V.—as he was usually called—surprised me again by getting behind the wheel to drive me to the guesthouse. He swerved in and out of the traffic like a teenager, beeping the horn at least 15 times per minute as he talked incessantly about his model for change. I listened with amazement, trying to soak in the scene, feeling a sense of openness just by being near him.

"We run Aravind like McDonald's," he explained, "clean and organized, with every process known and understood so that we get maximum efficiency. Two-thirds of the patients pay nothing or nearly nothing, and yet the hospital is consistently profitable—and growing."

"How do you do that?" I asked, focusing my eyes on him, trying not to be distracted by the animals and the trucks and the children running in the dusty streets.

"We have these systems that I was explaining to you," he said, "and we simply don't turn anyone away. You will see how it works."

First we drove to the organization's guesthouse on a quiet street a few blocks from the hospital. It was a pristine building with cool white marble floors, a small eating area, and individual rooms upstairs. Mine had a bed and a ceiling fan, a small closet, and its own tiny bathroom. Pictures of Sri Aurobindo, the spiritual leader Dr. Venkataswamy followed, hung on the wall. Everywhere you could feel a sense of quiet, respect, discipline, and grace.

The hospital itself was a lot busier, though a sense of groundedness and calm was pervasive. The 1,700 young women workers all wore saris in different colors, depending on the function they performed. I saw one doctor gently help a disheveled woman settle her sari more modestly on her frail, thin body. The pure grace in the doctor's interaction with the woman made me want to cry—this was the kind of compassionate care that is too often missing in US hospitals. For Dr. Venkataswamy, how you did things was as important as what you did, and he believed that great strength and spiritual fulfillment can come from the divine nature of work done well.

During the first year of Acumen Fund's existence, we looked specifically for health care technologies, thinking technology was a key driver of innovation for issues of poverty, an approach Dr. V. understood. For the first 30 years of Aravind's existence, the surgeons would simply remove patients' cataracts and give them thick glasses to enable them to see again. When the intraocular lens, which is inserted right into the patient's eye, was invented, Dr. V. knew this could revolutionize eye care. But the price, at about $140 in 1990, was prohibitive—and he'd learned that systems requiring the poor to wait for charity or government services would leave most of them waiting for a very long time.

The question for Aravind, then, was how to manufacture an intraocular lens that was priced to make eye surgery affordable to the greatest number of people, and ultimately, the organization developed a lens as good as any on the market at a $10 price point. Though the very poor would still be unable to afford this, a business model could be developed to make intraocular lens transplants accessible to huge numbers of people without depending on great amounts of charity or government support.

Early in the development of Aravind's lens (through its for-profit technology company, Aurolab), Dr. V. was approached by a pharmaceutical company that offered to purchase it with the intent of selling the lenses for $60 each, which would cut the existing market price by more than half. Though the sale would have provided major revenues to Aravind, Dr. Venkataswamy refused the offer, for his goal was to ensure affordability not to the middle class, but to the very poor. He knew the poor would never be able to afford anything near $60 and wanted to find a way to manufacture the lens for less than $10. Today, Aurolab is one of the world's largest manufacturers of intraocular lenses, exporting to more than 120 countries and selling the lenses for less than $2 apiece.

Aravind's simple business model was based on a sliding-scale pricing system whereby wealthier people paid the full cost of an operation and the poor paid a token amount or nothing if they were truly destitute. No one was turned away. Aravind at that time had two hospitals in the same location, and it differentiated ability to pay by offering full-service, air-conditioned rooms at the newer hospital to the paying patients. The "free" or lesser-paying patients were treated at the older facility and slept on mats on the floor, but every surgeon rotated between the two hospitals, so the actual quality of care was the same.

When we asked how Acumen Fund and Aravind might work together, Dr. Venkataswamy's team (comprised mostly of his seven younger siblings and their spouses and children, 31 family members in all) suggested we provide a grant for an experiment in establishing a telemedicine unit so that farmers in the field could have their eyes examined without traveling hundreds of miles to the main hospital. Aravind also wanted to use telemedicine as a teaching tool because it worked through five hospitals and wanted all of its students to learn from the best doctors, wherever they resided.

Telemedicine was a fairly new innovation at the time, especially in low-income areas. Essentially, it was a means of connecting doctors at a distance to patients through a computer with video capability. Given how far most rural villages are from high-quality hospitals, we intuitively understood the power of providing low-income people with access to talented doctors; however, we were unsure of how to build a business model that would enable Aravind to cover its expenses.

"Let us try and that part will come," Dr. V. assured us.

We made the grant and a year or so later, I visited again to see what had happened. Dr. V. walked me into one of the teaching classrooms in the hospital. The brightly lit room with wooden floors was filled with eager young medical students who stood when their revered teacher walked in. On the wide screen at the front of the room were live video feeds of four other classrooms in different parts of India, and in each of those rooms, the students stood for Dr. Venkataswamy, as well. Another doctor then took the floor, showing how to operate on an eye. Students in all four cities could see exactly what he was doing as if they were all in the same room.

Later that afternoon, I watched the doctors at Aravind diagnose the damage a swipe from a stick of sugar cane had done to the eye of a farmer who was sitting 300 kilometers away. The weathered farmer was terrified that he had lost sight in both eyes, which was tantamount to a death sentence: Blindness meant loss of the ability to produce income. The good doctors at Aravind could see that his healthy eye was having a "sympathetic reaction" and would return to normal after the wounded one was properly treated.

The cost to the farmer for this consultancy with some of the country's best doctors was an affordable few rupees: This could indeed be revolutionary. By 2008, telemedicine would be part of Aravind's normal business. It had been integrated into 16 vision centers in rural villages, each providing about 50,000 people with access in places where individuals previously had no access to high-quality eye care—and Aravind was treating about 150,000 patients a year. But 7 years previously, it had been only an idea—with a powerful team of entrepreneurial, results-oriented people behind it.

By the fall of 2001, we had identified other social entrepreneurs and were feeling more confident that a pipeline of talent existed and that there was power in our model. We'd also found new offices across the street from Trinity Church at the end of Wall Street. I loved the symbolism of the new location, for Acumen Fund would be built with both a hard head and a soft heart. I loved that church bells rang every 15 minutes, which would remind me of time passing and call me to be more present with the work we did. I liked that we would be right next to the World Trade Center, for our dream would be about all of humanity and our collective future.

We were set to move in on September 11, 2001.

I REMEMBER THAT DAY as if it were yesterday. The dawn revealed a perfect world, a pink sky folding into china blue as I ran the length of Central Park, thinking nostalgically of schooldays and of how much I love the rhythms of the East Coast seasons. It was fall, and I was looking forward to the year ahead and how much there was to do.

An hour and a half later, I was standing in our offices on the 28th floor of the building housing the Rockefeller Foundation, at Thirty-Eighth Street and Fifth Avenue, talking to David, our chief financial officer, as we looked through the big plate-glass windows down Fifth toward the World Trade Center Towers, near where our computers and furniture were in the process of being moved. Suddenly, a huge jetliner roared down the avenue, and we swore it was flying below the top of the Empire State Building, just a few blocks south of us. The plane continued until it neared the World Trade Center, then banked and plunged into one of the skyscrapers.

Though both of us were in shock, I thought it must have been an accident, but David recognized that it had banked. "That was an act of terrorism," he said. "That was no accident." Rustom had just returned from India, and both he and Dan walked up as David was shouting and pointing at the burning hole when the second plane entered the building. It was immediately clear that David was right. As we later watched both towers collapse, we knew the world would never be the same.

The next morning, our tiny team of four gathered in our borrowed offices at the Rockefeller Foundation. Like all New Yorkers, we wanted to do something—anything—to help. But we couldn't join the workers at the site, and it was already clear there would be few, if any, victims found alive within the rubble. The world's attention was turned on New York, and I wondered whether Acumen's prospective contributors would pull back now and focus on the city's challenges rather than international ones. We also needed to think of a way we ourselves could contribute.

The team decided to reach out and convene a roundtable to try and make sense of what was happening. We gathered our community of partners, team members, and experts, including a White House advisor on terrorism and a former *Wall Street Journal* writer who had covered the Middle East for years and had interviewed every jihadist from Ayatollah Khomeini to Osama bin Laden himself.

The experts told us that the White House was already linking Saddam Hussein to the tragedy and predicted we would be at war with Iraq the following year.

After hours of discussing fundamentalism, terrorism, poverty, and possible solutions that focused on "soft power" rather than on forceful retaliation, I asked what an organization like Acumen Fund might do to contribute. The group reached easy consensus: "Build civil society organizations. Go to the Muslim world and provide examples of how people are working to give themselves a bigger stake and better chances for the future."

In Acumen's first months, we had focused on health care technologies in India and East Africa. Our early team knew little about the larger "Muslim world" despite our work in India, but we knew we could bring in people who *did* know. I remembered the health care company CEO's wise words, "Let the work teach you."

Though we explored the possibilities of doing something very quietly, by year's end, that evening's consensus was solidified via a million dollars in donations to Acumen Fund. A few months after that, in early 2002, we'd gone to Pakistan, and by the next November, just a year after that first roundtable, we had made our first investments. Working in Pakistan turned out to be one of the best moves we made.

In that first year of operations, we also gave a social entrepreneur a grant for his work on developing a $40 hearing aid that would later be tested and shown to be as effective as a $3,000 model. Like the services provided by Aravind, the hearing aid would be priced on a sliding-scale basis to make it affordable to the poor and provide revenues to the enterprise. When the test results came back after the initial trials, our entire staff whooped and laughed and cheered in the halls, sure this low-cost technology would disrupt the market and change lives. We hadn't expected such an early technological victory for the poor.

But as it turned out, it wasn't so easy.

We hadn't counted on the fact that most individuals are interested not in technologies themselves but in the services they provide. With cataract surgery, people go from being nearly blind to having sight and being able to work again; that change can be the difference between life and death. Given that a tailor, for example, depends on his eyes for his very livelihood, an investment in sight is worth the price.

Most farmers, tailors, shoemakers, and laborers can continue to work, however, with a loss of hearing. This is complicated by our human tendency toward vanity: Many feel a sense of shame at wearing a hearing aid, whereas no such stigma is attached to glasses. Consequently, individual demand for the hearing aids was low. There was—and is—still a major market for the devices among hospitals and other institutions, but, at least when we were starting, the market among the poor themselves was limited. The enterprise distributed 10,000 hearing aids, but we decided not to make a second grant or investment until we better understood the issues of distribution and demand. Price was not the only factor in delivering services to the poor.

In addition to the hearing aid, we also supported the early development of an electromagnetic immunosensor, a low-cost technologically advanced method of diagnosing diseases. From that experience as well, we concluded that we wouldn't invest in start-up technologies, especially when our organization was not set up to help develop the technology. Technology itself wasn't the answer, we realized, and we would contribute more to the world by understanding the distribution, pricing, and marketing systems for health care rather than simply the technologies involved.

From this and other ventures, we determined that despite Aravind's success, grants typically weren't as effective as equity and loans, especially when trying to create markets for the poor. An equity investment would make us real owners with the ability to negotiate with greater clarity. Loans and equity also would impose a market discipline that could lead to raising more traditional forms of capital over time—and that, we knew, was key to growing the innovations we wanted to support.

We were learning. By the end of the first year, we had modified our approach. We determined that we would no longer make grants, but instead invest equity in or make loans to social enterprises. We would establish metrics for what the entrepreneur hoped to achieve from the beginning and hold him or her to it, as we would hold ourselves to our own set of expectations and goals. This was the opposite of old-fashioned charity.

Our new approach also differed from the type of investment that a venture capitalist or private equity investor might make. Traditional investors doubtless would never touch the deals we were willing to contemplate. They were seeking returns of 25 to 40 percent and had a fairly short time horizon, usually 5 to 7 years. We were interested in enterprises run by social entrepreneurs who were unafraid to work in markets where individuals had minimal income, where the roads were terrible and infrastructure was sometimes nonexistent. Low-income markets also tended to be where corrupt politicians played, making promises that were never kept, but often requiring bribes or "speed money" just for providing the license to start a business that served the community.

We knew that the pipeline—the number of deals we could support—would be a challenge for a number of years, yet we were convinced that the many problems of poverty could only be solved if entrepreneurs were encouraged to overcome these hurdles. This meant we couldn't simply invest and expect quick results. We planned to work alongside our entrepreneurs, offering management advice and technical help and connections to a wider network of talent. We were also willing to be realistic about how and when loans would be repaid, remembering these businesses at the bottom of the pyramid could take a long time to grow and that our primary goal was not to make money, but to effect long-lasting change.

Our investment style was focused on what we termed *patient capital*—not traditional charity, not traditional business investment, but something in-between. Patient capital is money invested over a longer period of time with the acknowledgment that returns might be below market, but with a wide range of management support services to nurture the company to liftoff and beyond.

If it were easy to start a business serving the poor, patient capital would not be necessary. It's not easy. Social entrepreneurs focused on serving low-income markets work against all odds of success, facing enormous individual and institutional challenges. The only chance to overcome these hurdles is to combine an extraordinary entrepreneur with the kind of support that neither traditional investors nor charities can provide.

We learned the power of having strong teams on the ground. Varun

Sahni, our India country director, a brilliant young man in his thirties with a degree from Columbia who had spent his early career at Unilever, opened our office in Hyderabad, hired a team, and surrounded himself with some of the country's best minds in business—advisors who were also keenly focused on the work of serving the poor. Varun has the talent and skill to be successful in a traditional private equity firm, but his personal quest is to help create a new industry that promotes equitable development. Early on he identified Satyan Mishra, a visionary entrepreneur who was focused first and foremost on supporting the poor by building a large-scale information distribution system.

I remember meeting Satyan when we had coffee at a New Delhi hotel along with Tim Brown, the CEO of a major design company called IDEO. Tim, an understated Brit who was living in Palo Alto, California, and working with big consumer companies, saw in Satyan the same infectious combination of qualities that Varun and I did: passion, commitment, and big ideas. When Satyan left the table to take an urgent call, Tim whispered to me that we'd just met the real deal.

The 30-something, balding man with a black mustache and honest face who wore conservative glasses over his serious eyes and carried pens in his front pocket was not one to dream small. His vision was to establish a network of tele-kiosks, one in each of India's 650,000 villages. A tele-kiosk, he explained, was a small store where a local entrepreneur would set himself up with a computer, a phone, and a camera. He would sell a range of services, from computer training classes to international calls to taking family photographs and sending them to relatives over the Internet.

"Much of the rural areas are cut off from real information," he said, "but for India to prosper, we need to bring the 300 million poorest individuals into the global economy. Connecting them to information and skills is one way to do it."

At the time, his for-profit company, Drishtee, already had built 500 kiosks, and Satyan was looking for additional funding in a combination of equity and loans. Here was a man who understood not only the preferences of the poor, but also how to build distribution systems that would reach them in an affordable—and sustainable—way.

Satyan knew what he was talking about when he spoke of rural villages; he had grown up in one himself in Bihar, one of India's poorest states. His focus on understanding his customer base, moreover, was so fierce that he typically spent a month or so each year living in his home village so he could listen directly to the people to gain a better understanding of their needs. As a potential partner, he urged me to visit that village with him.

At that point, we'd invested $1 million in equity in the company and loaned it $600,000 to help it expand. About a year later, I visited with one of our founding board members, Cate Muther. By then, the number of kiosks had more than doubled, but we noticed that most of the local franchisees were men and wondered where the women were. Satyan explained that women were actually his most successful franchisees, but they had no access to financing because so many of them had never been registered for birth certificates when they were born (as opposed to their brothers, who were expected to get real jobs and places in society and therefore needed official documents).

We asked why women performed better than men.

"Women come to work early and they stay late," he said. "They are very serious about what they do and I think they work harder to succeed. Apart from that, most of a dollar earned by a woman goes right to the family. It's not the same for men. So everyone benefits when we support more women to do this work."

Cate and I brainstormed on how to raise the financing to extend to women. I called Maria Eitel, who ran the Nike Foundation, because that organization focuses specifically on women's economic situations, just as Cate's own foundation, Three Guineas Fund, does. Nike Foundation approved a $250,000 grant and Cate began spending many hours with the Acumen team and Drishtee to establish a larger lending capability to women that she herself would help finance.

Drishtee began to grow exponentially. By 2007, the enterprise was established in nearly 2,000 villages. Satyan invited me to visit his home village in Bihar. After an all-night delayed flight from New York to London, hours spent in Heathrow waiting, and another all-night flight to Delhi, I met two Acumen Fund team members, Ann MacDougall, our new general counsel, and Biju Mohandas, a former military doctor who knew India's rural areas. From Delhi, we took the

2-hour plane ride to Patna, the state's capital, and then started driving, this time on dirt roads riddled with potholes and covered with belching trucks and oxen carts, rickshaws, bicycles, and skinny men carrying enormous sacks.

Just outside Patna, the stench of garbage piled along the streets carried for miles. The refuse of civilization—paper, rotten fruit and plastic bags and cans—became part of the landscape, turning green fields into abstract paintings of blues and whites and browns more like a dirty moonscape than pastoral earth. We drove for 5 or 6 long, hot, and bumpy hours, and finally arrived at our tiny hotel, where we fell into our beds and then woke at dawn to drive another 2 hours to reach Satyan's village near Madhubani.

India is a contradiction of extreme wealth and extreme poverty living side by side. In Bombay, one of India's biggest billionaires was constructing a 27-floor mansion with parking for 168 cars, three helipads on the roof, and a staff of 600—all at a cost of a billion dollars. At the same time, 300 million people lived on less than a dollar a day. Bridging that gap and giving to India's poor, who represent a third of the world's people living in poverty, must become a priority for the nation's future. For Acumen Fund, it meant working harder with social entrepreneurs like Satyan to create the models that could help pave the way.

We had entered another world. Oxcarts and rickshaws moved slowly cutting through endless dirt roads bordering emerald fields. Women walked to the wells and holy men sat in front of temples, preparing for a religious festival. Only the very rich had electric generators, and even those who went to school told us the teachers never showed up.

When Ann asked one of the village women if she could use the bathroom, the woman led her to her backyard. The woman was by no means destitute. She lived in a brick house with separate bedrooms and her own walled yard. Ann told me she looked around to see where the outhouse was and it took her a moment to realize that there wasn't one. She looked back at the woman, who was happily waving her arm in a sweeping gesture to let Ann know that the entire yard was hers as a revered guest. She could squat in whichever part best suited her.

If this is what the better-off villagers did, Ann asked, how do the poorest ones take care of their hygiene? A doctor friend of Satyan's replied that open defecation was one of the biggest public health issues the area faced, reminding us that some health investments are best undertaken through effective awareness campaigns, not through medicines or direct services.

Against this backdrop, we sat in a circle under tall green trees outside Satyan's childhood home, cows lolling in the distance. Satyan pulled out his computer to show us the work he was doing to establish a business processing outsourcing (BPO) unit here. Already, he'd secured wireless, and sure enough, in this tiny village so far away from everything, we were able to check my e-mail and read the *New York Times*. Inside a small house, six young men sat inputting data for a bank in Delhi, all earning more than they had ever dreamed they could. A 17-year-old, too young to work at the BPO, introduced himself and showed us the Web site he had built.

Satyan took us to meet one of the kiosk entrepreneurs, a young man with a small face and pointed chin who greeted us with great warmth despite our arriving an hour and a half later than expected. The roads had flooded, and most were impassable. This wasn't a hindrance to his business, he informed us, because most people walked to his kiosk, where he sold photographs and computer services. He was bringing in more computers due to the high demand and had a phone to enable people to call whomever they wanted to. He also wanted to take us to a nearby town to see some of the art he sold through Drishtee Haat, the company's online crafts store.

As the sun was setting, we drove to meet some of the artists. Soon it was pitch-dark and impossible to see houses, let alone paintings, but we managed to fumble our way to one of the artists' homes. She came out with a scroll of paintings and two candles. The darkness alone made doing business impossible, and I felt a surge of frustration that something as simple as a single lightbulb could make all the difference yet be so inaccessible.

All of us, Satyan included, had an urge to try to fix every problem in the community. The children needed schools, and their mothers needed even more general education about health, hygiene, and nutrition. The farmers needed some form of health insurance so they could weather the inevitable catastrophes that befall a poor family and keep them in poverty forever. Satyan and I both are big dreamers. We can't help ourselves. But the conversation eventually turned to remembering what he was trying to do and what it would take to do it.

If Satyan was to succeed in creating a network of connections by having the tele-kiosks in even 10,000 villages, let alone 30,000 or each of the 650,000 villages across India, then his enterprise had to remain focused on one thing and do it better than anyone else. It required discipline and the humility to recognize that no single person can do everything. But if he did it, he had a chance to reach millions of people and change their lives fundamentally by helping them to help themselves, a goal worth focusing on and fighting for.

In 2008, Drishtee began expanding more quickly than Starbucks did in its early years, opening about four kiosks a day. By fall, the company was operating in more than 4,000 villages, creating more than 5,300 jobs and serving 7.5 million. What thrills me just as much is that the company is building a powerful distribution system through which it ultimately will be able to sell a multitude of products that can improve a low-income person's ability to change his or her own life. Acumen Fund's patient capital enabled Satyan to take great risks, experiment, and innovate in the early years. And we know that despite his enterprise's rapid growth, he is just getting started.

And so are we.