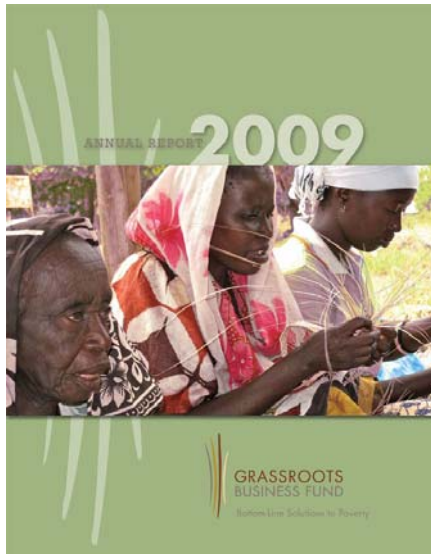




Fall 2009 NEWSLETTER



The 2009 Grassroots Business Fund Annual Report is now available!

[>>click here to download](#)

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Welcome to the Fall Edition of the GBF Newsletter!

This Fall marked a milestone for the Grassroots Business Fund--the first year anniversary of our launch! From committing the first eight deals to producing our first Annual Report, GBF has had a busy first year. Read the TOP TEN Highlights (left column, below) to learn more about GBF's activities from September 2008-2009 and visit our website, www.gbfund.org, to download the e-version of our Annual Report.

In this edition of the newsletter, we will also give you an inside view into two of GBF's most recent investees, 1) LabourNet, a social enterprise that sources jobs and offers training and benefits to informal-sector workers in India, and 2) Movirtu, a technology company that works with mobile operators, providing the infrastructure and business models to help service the one billion people who cannot afford handsets.

- [Learn about how GBF is helping LabourNet measure its impact](#)
- [Read the story of a LabourNet beneficiary and how the organization is helping him to build a career](#)
- [Meet the entrepreneur behind Movirtu and learn about the inspiration behind the company and the challenges he faced getting it off the ground](#)

LabourNet and Movirtu are just two examples of GBF's projects. Visit GBF's website, www.gbfund.org, to learn more about our [investments](#) and the [entrepreneurs, producers and consumers](#) behind these projects.

Stories don't lie but

GBF's TOP TEN Highlights

To commemorate GBF's first year of operations, below is a list of the organization's TOP TEN Highlights for the year:

1. Committed \$2.7 million: GBF committed a total of \$2,756,208 in equity, quasi-equity, debt, grant financing, and technical assistance, across Africa, Latin America, South Asia, and Southeast Asia. With these investments, GBF touched the lives of over 349,510 beneficiaries. [>>click here to learn more about GBF's projects](#)

2. Built a strong pipeline of deals: The current pipeline concentrates on hard-to-reach, low-income countries and includes an additional \$9 million of investments in the Agricultural, Access-to-Finance, Artisanal, and BoP Technology/Services sectors.

3. Developed field presence: GBF has developed field presence in India and East Africa and intends to explore scaling up its partnerships and portfolio to develop activities in West Africa and Southeast Asia in particular. [>>click here to see where GBF works](#)

4. Designed and implemented iPAL, a monitoring and evaluation framework: The iPAL framework was developed from leading metrics practices in the field and GBF's previous monitoring and evaluation framework. iPAL approaches metrics using a practical application that not only helps GBF track its projects but also allows its investees to better manage their organizations. [>>click here to learn more about iPAL](#)

5. Held its first workshop, "Metrics from the Ground Up": GBF initiated and held "Metrics

Stories don't lie, but numbers tell the truth

Grassroots Business Fund Attempts to Use Metrics to Better Business and Lift Thousands of Informal-Sector Workers out of Poverty

By Sean Killian, MBA/MS student at the University of Michigan



Shekar, a 35-year-old mason from Bangalore, used to live in a tent, unsure about how or when he would find work. Today, he earns 60 percent more per week on average than he used to, and has been able to move his family into a home with sheet metal roofing.

"My foreman has been getting better jobs, and that means better and more frequent jobs for us at better pay," he said.

Stories like these ([see Clement Peroli's story below](#)) are not uncommon among workers affiliated with [LabourNet](#), a social enterprise that offers benefits and training to informal-sector construction workers and housekeepers and connects them to jobs.

But, with more than 9,000 workers and foremen registered in the system, anecdotes alone could not give [LabourNet](#) the kind of aggregate data management needed to either demonstrate impact or to identify service gaps. Like many social enterprises and development projects, [LabourNet](#) had no way of credibly measuring impact. Until now.

[>>Read full story...](#)

Job sourcing business reduces poverty by building careers

By Sean Killian, MBA/MS student at the University of Michigan

Clement Peroli



from the Ground Up” in May 2009—a two-day workshop, co-sponsored with the [Aspen Network of Development Entrepreneurs \(ANDE\)](#). The conference brought together donors, investors, practitioners, academics, and entrepreneurs to explore the different approaches to monitoring and evaluating the impact of social enterprises. [>>click here to learn more](#)

6. Conducted first two Progress out of Poverty (POP)/Client Feedback surveys (CF):

POP and Client Feedback surveys were conducted for two investees ([SELFINA](#) and [LabourNet](#)). The surveys will measure to what degree our clients' products and services have helped their clients progress out of poverty and highlight areas in which our clients' business models can be improved to increase both economic sustainability and social impact.

[>>click here to learn more about the process](#)

7. Revamped its website content:

The GBF website, www.gbfund.org, now has picture slideshows, videos and background stories of entrepreneurs and beneficiaries. You can also find fact sheets on all of GBF's investments, information on the organization's supporters and partnerships, and new articles and websites added to the [Resource Library](#).

8. Completed its first audit: At the end of August 2009, GBF underwent its first complete financial and management audit. Highlights of the financial report can be found in the 2009 Annual Report. [>>click here to download](#)

9. Hired New Staff: GBF now has a staff of 20 professionals (including five in the field and two outside consultants) with a combined total of 62 years of investment experience, 56 years of business consulting and TA

(pictured right), a 38-year-old carpenter in Bangalore, has had payment disputes with customers in the



past. He was on the losing end of all of them. At times, this meant a 50 percent loss in monthly income, forcing Peroli to take out high interest loans from money lenders to make ends meet.

“One customer in particular kept adding jobs to a kitchen renovation I was doing, but I didn't have the time to complete the extra work,” Peroli recalled. “So, when I completed the job I had originally agreed to, he told me that he wouldn't pay me the \$130 he owed me because I didn't do the job he wanted.” Peroli made \$200 a month at the time.

Although the caste system was outlawed in 1949, social hierarchy is still deeply engrained in the culture. As an informal sector worker without the means of drawing up legally enforceable contracts, Peroli has been taken advantage of on numerous occasions.

“Rich people, you can't fight with them,” he says.

But, since joining [LabourNet](#) in 2007, things have changed. According to Peroli, a father of two, he has not had a single payment dispute with a customer. [LabourNet](#) is a clearinghouse for construction and maintenance jobs that matches the needs of small businesses and households to maistris and workers with the appropriate skills sets.

[>>Read full story...](#)

Development Crossing interviews Movirtu's Nigel Waller

An interview with Nigel Waller of Movirtu was featured on Development Crossing. Below is a link to the interview:

“As part of our ongoing interview series, Nigel

experience, and with global experience in the Americas, Asia, and Africa. >>[click here to meet the team](#)

10. Coordinated its first staff retreat: In September, the team took a trip down to Delaware Seashore State Park to discuss and begin improvement plans for the organization's investment process, messaging, and goals for its second year of operations and beyond.

GBF's University Initiatives

The [Grassroots Business Fund](#) works with several leading universities throughout the year to offer students the opportunity to obtain field experience in the social enterprise sector. In March 2009, GBF organized a four-student team from the [Huntsman Program at the University of Pennsylvania](#) to create and implement a progress out of poverty and client feedback survey for [Sero Lease and Finance Limited \(SELFINA\)](#), a microleasing company that provides training and economic opportunities to women in Tanzania.

The Huntsman students spent their spring break in Dar es Salaam, Tanzania, administering a sample survey to determine and monitor SELFINA's clients' household, financial, and business conditions. Click below to read one of the student's experience:

[Aleksandar Rasevski, Huntsman Program student](#)

To learn more about GBF's University Initiatives or to recommend a program, please contact careers@gbfund.org.

Waller, CEO of Movirtu, shared his thoughts on applying technology and mobile solutions to help those people at the "base of the pyramid" (BoP)..."

[>> click here to read the interview](#)

Quick links...

[Grassroots Business Fund](#)

[2009 GBF Annual Report](#)

[Aspen Network of Development Entrepreneurs](#)

[University of Michigan](#)

[University of Pennsylvania](#)

Contact us...

There are many ways to get involved with GBF's work. Read [GBF's University Initiative](#) to learn more about GBF's partnerships with leading universities and [Contact Us](#) if you are interested in volunteering.

Visit us on the web at:

www.gbfund.org