



UPAYA
social ventures



2014 ANNUAL REPORT



2014:
LEADING THE WAY

Dear friends and supporters,

For Upaya, 2014 was a year of evolution and experimentation. These 12 months saw our *LiftUP Project* partners continue to grow, and we added an exciting new company in Assam - Elrhino - to our portfolio. The community of supporters, advocates, donors, and collaborators grew as well, and we found ourselves with several opportunities to share the story of Upaya's innovative approach to extreme poverty alleviation.

Furthermore, this was the year where Upaya took more of a leadership role in promoting its unique model for supporting very early stage job creating entrepreneurs. The organization returned to the Clinton Global Initiative for a second year in a row, was invited to join the Aspen Institute's Aspen Network of Development Entrepreneurs (ANDE), and shared its experience at Harvard University's Social Enterprise Conference. There were also several articles written and awards presented, all of which helped share the Upaya story far and wide.

But those accolades are just the headlines. Behind the scenes our work with our *LiftUP Project* portfolio partners seeded two exciting new initiatives that we were thrilled to roll out before the year's end. The first was an expansion of the financial management training curriculum within Upaya's business development advisory support framework. The second was the development of a co-investment network to

provide follow-on funding support to entrepreneurs in a timely manner. Both initiatives were uniquely shaped by the time our team spent working side-by-side with these early stage ventures, and have afforded us the opportunity to build a better, more effective Upaya.

Of course, all of the superlatives and accolades tend to fade away as you step on a factory floor and come face-to-face with folks who, for the first time, have a chance to pursue a better future for themselves and their families. These are the awe-inspiring moments that remind us why we do this work. It also reminds me how thankful I am for all those who have supported Upaya over the year, and how together we can change the lives of the very poorest by simply creating an opportunity for each to earn a steady and dignified living. On behalf of the entire Upaya organization and all those who benefit from this work, thank you.

Sachi Shenoy
Executive Director



Creating Jobs, Changing Lives:
THE LIFTUP PROJECT

A company in Upaya's *LiftUP Project* portfolio is more than an investment - it is a partner in the truest sense.

Working closely with each entrepreneur and his or her team, Upaya is able to ensure that each business thrives and is able to provide hundreds - if not thousands - of stable, dignified jobs in the communities where they are needed most.

In 2014 Upaya added one new partner to its portfolio - Elrhino. Along with the continued growth of its initial portfolio companies, Upaya saw the total number of people being employed by our *LiftUP Project* partners expand to 1,165!



PORTFOLIO

 <p>Tamul Plates Marketing Pvt. Ltd.</p> <p>Barpeta, Assam Partner Since 2013 495 Jobs</p> <p>Entrepreneur: Arindam Dasgupta</p>	 <p>Samagra</p> <p>Pune, Maharashtra Partner Since 2013 4 Jobs</p> <p>Entrepreneur: Swapnil Chaturvedi</p>	 <p>justrojgarTM.com</p> <p>New Delhi, NCR Partner Since 2012 13 Jobs</p> <p>Entrepreneur: Ajaya Mohapatra</p>	 <p>EKOARGHA <small>Including Traditions of Handicrafts</small></p> <p>Bhagalpur, Bihar Partner Since 2012 119 Jobs</p> <p>Entrepreneur: Ravi Chandra</p>	 <p>samridhi</p> <p>Lucknow, Uttar Pradesh Partner Since 2011 519 Jobs</p> <p>Entrepreneur: Sanjay Dhaunta</p>
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INTRODUCING ELRHINO



Nisha Bora (right) and her father Mahesh (left) pose alongside the Elrhino logo painted on the exterior wall of their Guwahati, Assam factory.

Elrhino produces and sells handcrafted luxury paper, stationery products, and packaging materials made from recycled rhinoceros and elephant dung. The company manages the entire dung paper production chain including collection, preparation, processing, and sale of finished paper goods. The company is led by **Nisha Bora**, a young Assam native who is building on the work begun by her parents over a decade ago to create new livelihoods and increase the value of rhinoceros and elephants to local villagers. The company currently employs 15 people.

Special thanks to the Seattle International Foundation for its support of Upaya's work with Nisha and her team.

Going Beyond the Expected: NEW INITIATIVES

After several years of providing incubation support to its *LiftUP Project* partners, the Upaya team zeroed in a couple of interlinking truths in 2014. First, if early stage entrepreneurs have the resources to master basic financial management practices at the same time they receive seed funding, their confidence greatly improves and they are far more likely to see a new venture through its tumultuous first year. Second, as they pass that year mark, their businesses have often grown to the point where additional investment is needed, but they are still considered so early stage that most funders do not consider their venture investment ready.

Seeing these challenges as opportunities, Upaya launched a pair of initiatives this year to increase the value of its *LiftUP Project* to participating entrepreneurs.

A FOCUS ON FINANCIAL MANAGEMENT



Although a number of financial management training tools are already available, the uptake by entrepreneurs currently is minimal as most tools are either too general to be applicable or geared towards later stage businesses.

Over the course of 2014, the Upaya team developed and implemented a training program that introduces small, early stage ventures to concepts within financial management ranging from budgeting and cash management, forecasting, performance measurement, risk and inventory management, basic concepts of valuation, and adherence to financial regulations. We have found that equipping entrepreneurs with financial management tools and a road map for their use, they have been able to reduce the risk and uncertainty inherent in a new venture and, in turn, attract follow-on debt and equity investment needed to grow the business.

SUPPORTING GROWTH THROUGH CO-INVESTMENT

For our *LiftUP Project* partners, the process of lining up that follow-on investment can be a months long - if not years long - process. Thus, we saw a need to expedite the process and give our partners the best chance at success.

In 2014, we launched the first of our co-investment collaborations that ask interested investors to earmark a specific amount of funding that can be considered for follow-on investments in *LiftUP Project* participants in exchange for regular updates on our current portfolio companies. These updates give potential investors more time to become familiar with the model and comfortable with the management team ahead of any fundraising round. Any investments made would be direct agreements between the investor and the company, and no funding would pass through Upaya in this arrangement.

Upaya announced co-investment collaborations with a pair of impact investors - 3rd Creek Foundation and the Artha Initiative. Initial results have been positive and we are excited to see the co-investment concept grow in the coming year.



Leading Conversations AROUND THE WORLD...

As word spread about the Upaya model for entrepreneur support and job creation, members of the Upaya team and board were invited to speak at influential conferences in both India and the U.S.



HARVARD UNIVERSITY SECON 2014
Former board member Caroline Vance (left) and current board member Bulbul Gupta (not pictured) discussed entrepreneur support strategies and the Upaya model with students in Cambridge.



CLINTON GLOBAL INITIATIVE
Executive Director Sachi Shenoy represented Upaya for the second time at the CGI Annual Meeting in New York and participated in roundtable discussions on impact investing and poverty alleviation.



SANKALP FORUM
Director, Business Development Sreejith Nedumully joined representatives from the Monitor Group, Shell Foundation, Accion Venture Lab, and Intellegrow on stage in Mumbai to discuss new strategies for spanning the Pioneer Gap.



This year Upaya also accepted membership to the Aspen Institute's prestigious Aspen Network of Development Entrepreneurs (ANDE), a global network of organizations that propel entrepreneurship in emerging markets. Upaya was selected for membership based on its strong focus on job creation through small and growing businesses (SGBs).

...AND AT HOME



Upaya received the prestigious *Light a Fire* award from Seattle Met magazine, and is the first ever recipient in the publication's "Acting Globally" category. According to the publishers, the *Light a Fire* awards were created by the magazine as "a celebration of organizations and individuals who make Seattle – and the world – a better place."

Upaya was profiled in the 12 December 2014 Seattle Times. In the article, Upaya co-founders Sachi Shenoy and Steve Schwartz talk about the organization's evolution, the challenges of the work, and how Upaya is changing lives.

The Seattle Times



In recognition of her work to launch and grow Upaya, Executive Director Sachi Shenoy was named to the Puget Sound Business Journal's "40 Under 40" list, an honor that "spotlights the top business leaders under the age of 40 who excel in their industry and show dynamic leadership."

MEET THE TEAM



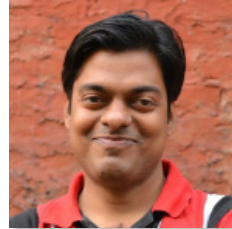
SACHI SHENOY

Executive Director & Co-Founder

Sachi leads Upaya's global team, overseeing the organization's strategic direction and advocating for its work worldwide.

Experience: JP Morgan, SKS Microfinance, Unitus, Price Waterhouse, Smith Barney

Education: MBA and BA, University of Chicago



SREEJITH NEDUMPULLY

Director, Business Development

Sreejith heads up Upaya's *LiftUP Project* work including selection and support of the companies in Upaya's portfolio.

Experience: ROPE International (Co-Founder), IIT Madras, Villgro, Dhan Foundation

Education: PGDM, Tata-Dhan Academy, B. Tech, University of Calicut



TANYA JAIRAJ

Director, Strategy & Operations

Tanya oversees Upaya's India operations and governance, and provides ongoing support to Upaya portfolio companies.

Experience: Ashoka: Innovators for the Public, Sun Edison

Education: BA LLB University Law College



STEVE SCHWARTZ

Director, External Relations & Co-Founder

Steve leads Upaya's marketing communications, public relations, and fundraising operations.

Experience: Walek & Associates, Unitus, Investment Dealer's Digest, U.S. Dept. of State

Education: MA, Boston University, BA, University of Western Ontario



APARNA ARORA

Senior Associate, Business Development

Aparna provides business advisory support to Upaya portfolio partners with a specific focus on financial management and planning.

Experience: Drishtee, Masan Group, McKinsey

Education: BA, University of Delhi, CFA Level II



JYOTSNA TAPARIA

Senior Associate, Business Development

Jyotsna provides business advisory support to portfolio partners with a specific focus on social metrics and impact assessment activities.

Experience: ICICI Foundation for Inclusive Growth

Education: MA, Tata Institute of Social Sciences, BA, University of Delhi



VICKRAM SAIGAL

Specialist, Business Development

Vickram is supporting the development of financial management tools and trainings designed to enhance the capability of Upaya's *LiftUP Project* partners.

Experience: Agricultural Transformation Agency (Ethiopia), Bain & Company

Education: BA, University of Delhi



LAUREL CURRAN

Associate, Development Operations

Laurel supports the Upaya team's fundraising efforts through research, grantwriting, donor relationship management, event management, and project management activities.

Experience: Initiative for Global Development, Oregon State Senate Legislative Aid

Education: BA, Willamette University

BOARD OF DIRECTORS



Dipika Matthias, Chair

Assistant Project Director, PATH
Previous Experience: Merck, World Bank, Pratt & Whitney



Kate Cochran

Director of the Vittana Education Fund, Former COO of Vittana
Previous Experience: Unitus, Towers Perrin



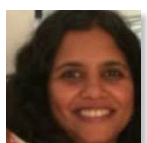
Sunil "Sonny" Garg

SVP and CIO for Exelon Corporation
Previous Experience: White House Innovation Fellow, University of Chicago



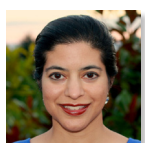
Bulbul Gupta

Head of Market Based Approaches for the Clinton Global Initiative
Previous Experience: Asia Foundation, David & Lucile Packard Foundation



Deepika Mogilishetty

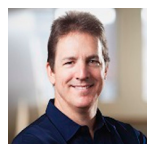
Legal counsel, Unique Identification Project
Previous Experience: Partners for Justice, Commonwealth Human Rights Initiative



Sachi Shenoy

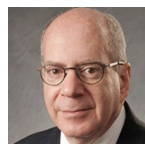
Executive Director, Upaya Social Ventures
Sachi has been asked to serve on the board of directors by the other members

ADVISORS



Brian Arbogast

Currently the Director of the Bill & Melinda Gates Foundation's Water, Sanitation & Hygiene program



Robert Gertner

Currently the Deputy Dean, Joel F. Gemunder Professor of Strategy & Finance, University of Chicago Booth School of Business



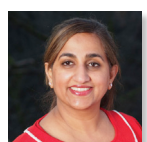
Sriram Gutta

Upaya Co-Founder, currently a Fulbright Scholar studying at the Columbia University School of International & Public Affairs



Suhail Kassim

Currently a Specialist and Fellow with the World Bank Group



Dilpreet Kaur

Founder and Currently the Managing Partner of ThinkAct Consulting



Tanya Menon

Currently the Associate Professor of Management and Human Resources at the Ohio State Fisher College of Business



Suzanne Skees

Currently the Founder and Director of the Skees Family Foundation



Neal Winterhof

Currently a strategic advisor to AlphaBet Management, formerly Upaya's Director, New Initiatives.

Special thanks to all the volunteers, champions, and advocates who contribute their time to advance the Upaya cause.
While there are too many of you to list here, please know we couldn't do this work without you!

2014 FINANCIALS

PROFIT & LOSS

Income

	Restricted	Unrestricted	TOTAL
Philanthropic Contributions	\$86,013	\$201,401	\$287,414
Consulting Income	\$ 71,853	\$4,500	\$76,353
Other Income (Foreign Exchange, Interest)	-	\$19,492	\$19,492
TOTAL INCOME	\$157,866	\$225,393	\$383,259

Expenses

	Program	Fundraising & Administration	TOTAL
Staff Costs	\$230,750	\$41,300	\$272,050
Travel Expenses	\$28,369	\$3,478	\$31,847
General Admin	\$21,291	\$37,067	\$58,357
Taxes, Licenses & Legal Fees	\$12,748	\$3,818	\$16,566
TOTAL EXPENSES	\$293,158	\$85,663	\$378,821
PERCENT OF TOTAL EXPENSES	77%	23%	-

BALANCE SHEET

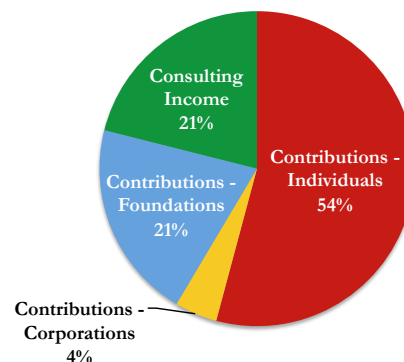
Assets

Current Assets	
Total Bank Accounts	\$89,120
Total Accounts Receivable	\$38,600
Total Other Current Assets	\$33,321
TOTAL CURRENT ASSETS	\$161,041
Other Assets	\$0
TOTAL ASSETS	\$161,041

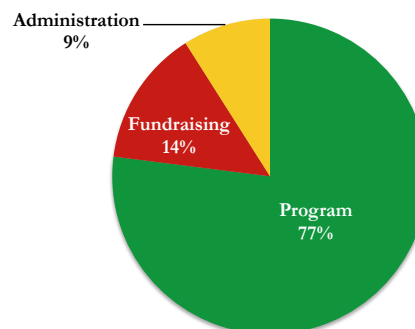
Liabilities & Equity

Current Liabilities	
Total Accounts Payable	\$1,003
Total Credit Cards	\$0
Total Other Current Liabilities	\$6,567
Total Liabilities	\$7,570
Equity	
Retained Earnings	\$149,033
Net Income	\$4,438
Total Equity	\$153,472
TOTAL LIABILITIES & EQUITY	\$161,041

REVENUE SOURCES



EXPENSE ALLOCATION



Thank You!

Upaya is deeply grateful to those who make our work possible including:



And the **378** individual donors who made contributions in 2014 to support Upaya's work.

Special thanks to these companies for matching their employees' generosity:



K&L GATES

Upaya thanks the global law firm K&L Gates LLP for its in-kind contribution of legal services.

Thank You Maestro!

On 25 April 2014, Upaya was honored to host world class Indian musician Shashank Subramanyam for a benefit performance at the Seattle Art Museum. Joined on stage by Mysore Srikanth on Violin and Patri Satish Kumar on Mridangam, the Grammy-nominated bamboo flute prodigy put on a wonderful show for over 300 members of the Upaya community.

Special thanks to Jonathan Weinstein and Tamara Bailey for their support and help in making this event such a success!





Meet TANJIT PATHAK

Tamul Plates Platemaker and Trainer

*“This job provides enough income to support my family,
so I’m happy just to continue here.”*

22-year-old Tanjit Pathak enjoys the challenge of running three machines simultaneously in the Tamul Plates factory, where he and five others race against time, turning palm leaves into disposable dinnerware. On most days, he can produce near 1,200 pieces, usually pulling two plates and a bowl out of a single palm leaf. His boss, founder Arindam Dasgupta, says proudly that Tanjit “is one of our best workers.” Because quality matters as much as quantity, Tanjit has to be on his game all day, working quickly. He dances in a choreograph of placing a palm leaf onto a heating-mold machine, filling the other two machines with more leaves while the first one processes, and then circling back again to remove shaped bowls and plates, and then start the process again.

When Tanjit graduated from high school, he had no desire to continue on to college. Jobs are scarce in the rural northeast of India, where he lives in Assam. According to Arindam, for every one job posted, you will get 1,000 applicants—200 of whom are serious about and qualified for the work. All Tanjit wanted was to make a decent wage, enough to help support his mother, father, and two younger sisters—with whom he still lives, as is common practice for young adults in India—and have a little left over for clothes, parties, and his mobile phone bill. He gives 60% of his earnings to his family and keeps 40% for himself.

Tanjit felt lucky to land an entry-level job with Tamul as a leaf washer, at age 17. Making biodegradable dinnerware takes a village - literally. Many local families collect leaves from the arecanut palm tree that grows here. They sell to leaf-collection agents for a few rupees each, and then the leaf agents supply Tamul with raw material that will become plates and bowls. Once at the factory, the leaves undergo a careful process of drying, sorting, and storing. Just prior to becoming dinnerware, they are thoroughly scrubbed clean. That was Tanjit’s job; but that didn’t last long. He was promoted just six months later, given one machine on which to learn how to make product. He soon graduated to three.

It takes time to perfect the skills involved with efficiency of movement and material. Pressing the leaves is a bit like pressing cookies with cookie cutters, as the machines cut and press a portion of the leaf into a plate and you want to have as much leaf left over as possible for the next plate. You must know the precise moment when to lift the heated mold, when the plate is cured but not burnt, and you must know how to get clean edges. Only the units fit for sale count in one’s daily output. Rejects do

get used, though: They feed the fires that dry new leaf inputs. For Tanjit, however, it’s the pile of perfect products that makes him smile.

Starting work at 6:00am, Tanjit and his coworkers arrive to begin heating up the machines, which are ready to begin pressing leaves by 6:45am. Breaking only for lunch, they work until 2:00pm, when they count their units and clean up their area; then they are finished for the day.

Wearing a yellow T-shirt with a logo from an American rock band and a shock of dark hair neatly gelled, Tanjit says he still has no interest in going to college or getting married. His slender, blue-nail-polished hands fly from machine to machine. He says he’s very happy with this job. Arindam comments, when Tanjit is out of earshot, “He is mild person and a good worker. He doesn’t get into others’ business. Other youth don’t contribute to the family income the way Tanjit does.” Arindam, known in the industry as an honest man with a social mission, has made a commitment to hiring as many women and youth as possible for Tamul. He explains why. “Many of our youth have a drinking problem,” he says, “but if they’re busy like this, it keeps them out of trouble.” That is, you wouldn’t want to come to work at 6:00am hung over. Tanjit has way too much to do for all that.

“This job provides enough income to support my family,” Tanjit says, “so I’m happy just to continue here.”

As Tamul has expanded, they’ve added home-production units to their fleet of leaf-pressing machines. This allows regional families to rent or purchase the same type of dryers and pressers used at the Tamul factory in smaller, home-based businesses that employ family members or neighbors. When Tamul made their first sale to a home business in a village on the banks of the Manas River, Tanjit was chosen to accompany the factory manager to drive the machine to its new location, install it, and stay for one week to train the new crew in the tricks of the trade.

“I really enjoyed that,” Tanjit says. “I hope the company continues to grow, so that I can travel more and do more trainings.” He’d like to start with Mumbai and Delhi, big cities in India that are no more than magical-sounding names to him now. But at 22, he’s already left the small village where he’d spent his whole life. For a humble leaf-washer who’s become one of the fastest and most skilled production workers at Tamul, that’s quite a promotion.