

# SANITATION INNOVATION ACCELERATOR (SIA) 2016

- **Background**

Ennovent, IRC and Taru Leading Edge (“TARU”) forged a partnership alliance to develop a Sanitation Innovation Accelerator (‘Accelerator’) for India’s rural markets. Sanitation innovation is an inclusive and sustainable solution to sanitation challenges anywhere in the sanitation chain; from containment and collection to treatment, safe disposal and reuse of faecal waste. The Accelerator is a unique nation-wide program to discover, startup, finance, and scale early-stage entrepreneurial innovations and enterprises with wide-ranging and sustainable solutions in the rural sanitation ecosystem in India.

The initiative brings together international and national technical expertise on Water, Sanitation and Hygiene with a specialization in accelerating innovations for sustainability in low-income markets in developing countries. The aim is to build the Accelerator gradually in several phases to ensure better alignment of activities, resources and effectiveness.

- **Location, Date**

Pan India, 2016

- **Areas**

Rural

- **Stage/Scale**

Pilot Project

- **Objective of the assignment**

The objective of the Accelerator is to promote solutions that can impact a large number of people. Sanitation innovations are expected to bring substantial improvements to existing technologies or approaches, tailored to meet the objectives of clients and partners, and solve their innovation challenges. Participation in the program was absolutely free of charge for the cohort members with all costs (accommodation, meals and resource material) borne by the core team.

- **What was done**

The Sanitation Innovation Accelerator was initiated with an aim to identify, source, build capacities to scale such enterprises, especially in rural areas where it is more difficult to reach large numbers of people.

In the first phase of the project, scheduled from March 2016 to September 2016, a pilot was set up with the objective to test the process and systems of the Sanitation Innovation Accelerator. Almost half of the 88 innovations submitted focused on awareness raising approaches or product development and most of the applications lacked a viable business model. 30 businesses complied with all the selection criteria and based on a second round and third round of interviews and due diligence and capacity assessments, 6 innovations were shortlisted for a coaching trajectory to improve their business. During the programme, the

cohort members went through a 3 Day boot camp which focused on understanding the larger sanitation sector challenges, discussion of the innovations and its challenges, elements of business models and its importance and an opportunity to clarify any doubts they had regarding the accelerator programme. The capacity building phase which took place over the next 8 weeks was taken up primarily to infuse the cohort of 6 finalists with a new level of confidence and was done through the provision of Investment-readiness support to the entrepreneurs in the form of capacity building interventions tailored to match their specific requirements. Experts, mentors and service providers from the alliance's networks were brought on board to guide the entrepreneurs and ensure that they are well equipped to present their pitches to investors. Potential investors were also involved during this stage to ensure that an investible pipeline is created for them.

As part of the culmination of the first batch of the Sanitation Innovation Accelerator, TARU, IRC and Ennovent held a Final Showcase event and roundtable discussion on 07th September, 2016. Each cohort member got an opportunity to present their pitches to investors. Based on their business pitch, the winners were announced. The roundtable discussions focused on 4 broad themes and other insights from the programme namely Building a scalable, for-profit revenue driven Sanitation business model, creating breakthrough innovations in solving sanitation challenges, Diversifying Entrepreneurial focus into other parts of the Sanitation Value Chain (beyond toilets) and Developing a Knowledge sharing platform to remove information gap. The event also launched the SIA Report titled "Enabling Rural Sanitation- Understanding the Business Perspective"

- **Impact**

Through this platform, innovative and effective sanitation solutions were recognized and 3 innovations were rewarded along with a focus on different business and revenue models for such enterprises.

- **Challenges and Issues**

- In the awareness and engaging with communities' space, most applications were from NGOs who depended on grants with no business models. These were limited to the community led total sanitation approach. There was little study or effort in understanding the community's perception, needs and aspirations.
- The applications received in products were mostly on toilet technology, for example waterless urinals, and a few on material of construction. Most of these innovations lacked a demand-driven focus; there was little or no focus on the users, especially for women, children, elders and people with disabilities.
- Very few applications for process focussed on supply chain
- There were several applications on solid waste management and this area was beyond the scope of this accelerator.
- For faecal sludge management, that is the treatment of human waste, there were a few applications, but they were still in the testing stage.
- During the sourcing phase, there were very few initiatives in the rural sanitation space by social entrepreneurs. A lot of the innovations, that were tried, were undertaken NGOs. That is why it was decided to open up it up for others as long as there was a business approach.

## • Innovation

This innovation accelerator was unique as it

- was the first of its kind innovation accelerator in the rural sanitation space. Most of the innovations are targeted towards the urban sanitation segment.
- was the first of its kind innovation accelerator in the WASH sector that targeted and sourced innovations across the value chain (B-U-M-T)
- explored innovations across both for-profit and not-for-profit models and organisations.

## • Lessons learnt

### • Scalability

Almost all the applications received under the Sanitation Innovation Accelerator 2016 (SIA '16) had come out with an innovation that was highly localized in focus with a limited geographic reach, restricted to 1-2 regions within a state and had no scalability potential.

### • Revenue Streams:

Most businesses in the rural ecosystem focus on merely monetizing their product or service usage and have not looked at diversifying its revenue streams. However, there were a few limited players who thought out of the box and focussed on several revenue streams feeding the growth of their core product.

### • Forward and Backward Linkages:

One of the interesting findings from managing the accelerator was the lack of diversified participation across the value chain. The representation was highly skewed towards a product innovation (toilet) at an individual or household level, without ensuring linkages with other elements in the chain. This was observed among both, for-profit and not-for-profit innovators.

### • Traditional Non-Startup Approach

Most entrepreneurs targeted the B-2-B client segment and focussed purely on the supply side (creating a product) while neglecting the needs and requirements of the end-user community.

### • Managing partnerships and relationships

Most of the applicants had limited knowledge of the existing players, as well as low visibility of existing / potential business partnerships across the value chain, and technical and financial support opportunities from key ecosystem player including donors, investors and intermediary organisations.

### • Scalable Innovation Program

The rural sanitation ecosystem needs an innovative spark to instill a “for-profit” mindset as well as unique startup approaches to solve existing sanitation challenges including prototyping, which is accompanied by a customer development process. A structured program is required to support existing and potential social enterprises in monetizing their business model and building a scalable framework

## • Financials

Not Available

## • Implementer Contact Persons

- **Manu Prakash**  
CEO – Taru Leading Edge
- **Vipul Kumar**

Country Director – Ennovent India

- **Ruchika Shiva**

Country Coordinator - IRC

- **Sources and References**

- “Enabling Rural Sanitation-Understanding the Business Perspective”

