EARTHTENABLE
2017 ANNUAL REPORT
“Before we could see dents, [and] dirt and clothes were full of dust, but now my house is clean and there are no more dents in the house”

EUGENIE MUKANEZA
Dirt floors are a major cause of disease as breeding grounds for bacteria, parasites and other pathogens.
Dirt floors within homes have been associated with higher levels of bacteria and pathogens than the homes’ corresponding latrines.
Hello EarthEnablers!

EarthEnable celebrated its 3rd birthday in 2017 – in some ways the time has flown, and in other ways it’s hard to believe how much has happened in such a short time. Three is an interesting age for any start-up because it becomes increasingly unclear whether the organization is still a start-up or ready to grow up.

At our December 2017 management retreat, we spent a long session thinking about what stage EarthEnable was at, and what that meant for our 2018 strategy. We read a section of a book recommended to me by the incredible Anushka (the founder of MyAgro), called “Predictable Success: Getting Your Organization on the Growth Track-and Keeping it There”. The book discusses how start-ups go through several phases while getting going. First, the “Early Struggle” when you’re just trying to get things going. Then, “Fun” when sales are growing fast and things seem to be taking off. Next, “White-Water” when systems and personnel aren’t keeping up with scale and that really starts to hurt. And finally, to the goal, “Predictable Success”, when the organization has the structures in place to scale, but they aren’t so imposing that the organization loses its scrappiness and creativity [which would veer the organization towards the “Treadmill” stage where things become too rote, leading to failure].

We unanimously agreed that we were smack in the middle of White-Water. In 2017, we did a lot. We rolled out our third and fourth business model iterations, scaled to 3 new districts in Rwanda and 1 new country (Uganda!), tracked every bit of operational data to figure out how to contain costs and make a gross profit (successfully – became gross profitable in December!), tested dozens of financing strategies to

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reach a lower-income segment of the population, struggled (victoriously, eventually) through a transition from Excel and Google Docs to Salesforce, experimented with a substantial price hike that squashed sales for months before they picked back up, had our first formal board meeting, and won our first large international competition (the Dutch Postcode Lottery Green Challenge, which got us 500K euros and a tweet from Sir Richard Branson!). Whew! While we had a BLAST, we sometimes found it hard to keep up with ourselves! It was clear that we needed some new systems in place (e.g. to keep track of our 100+ sales reps and 100+ masons), new functions built out (e.g. a Quality Assurance department), and strategic alignment across our departments to grow.

We also were unanimously optimistic about achieving Predictable Success in 2018. We deliberately set a strategy to do things a little differently in 2018: “slow down to speed up”. This means building exactly the systems and functions that we desperately need, investing in a management team to fill some clear gaps, and being strategic and deliberate in our choices versus opportunistic and haphazard. We are so excited about this strategy to invest in our future.

I am incredibly proud of the growth of our team this year – not just in numbers, but in our ability to weather challenges, work together, and build a company that is worthy of the task we have set for ourselves. Whether you donated money or frequent flyer miles in 2017, whether you liked one of our Instagram posts or simply stayed subscribed to our newsletter, your support has encouraged us to push forward against dirt floors and unhealthy housing. Thank you.

With gratitude,
GAYATRI DATAR | CEO of EARTTHENABLE
2017 UPDATES & ACHIEVEMENTS

Business Model
This year we successfully rolled out two new business models. Rather than delivering a full-service model to customers (with masons on payroll and last-mile delivery of materials), which was becoming increasingly expensive with scale, we now train, certify, and audit freelance masons in building our floors, and distribute material across villages through shops. This model hits the sweet spot of low price for the customer combined with high quality approved by EarthEnable.

Team
Our team expanded this year to include Inventory, Growth, and Talent Associates, a tripled Customer Experience team in our Call Center, and teams of operations, sales, and admin staff in each of our four new districts (including one in Uganda!)

Expansion
In 2017, we brought clean flooring to three new districts in Rwanda, and to a new country with our first international expansion into Uganda. Throughout our expansion, lessons from each new area have helped us to improve our operations across the board.

IN 2017 EARTHENABLE HAS

Sold 1,878 unique floors.
A total of 51,496 square meters.
Scaled to 3 new districts in Rwanda (Rwamagana, Kayonza & Kamonyi) and Jinja in Uganda.
2017 UPDATES & ACHIEVEMENTS

**Financing**
We experimented with literally dozens of financing schemes (layaway savings plans, room-by-room phasing, partnerships with MFIs, partnerships with SACCOs, partnerships with rotating savings groups, partnerships with co-ops, bundling with solar systems to pay over time, and loans given via masons, to name a few!) Customers can now buy on layaway or build one room of their home at a time, to spread out payments and avoid having to move out. The increase in our sales numbers and reduction in our build numbers demonstrates the continued demand and desire for a floor, but also the increasing need for one of these financing options.

**Sustainability**
In December of 2017, we made a gross profit for the first time! We worked throughout the year to find efficiencies and cut costs by tracking all of our data. The hard work paid off: we achieved gross profitability, proving that our model of bringing a quality product to the rural poor can be sustainable.
2018 STRATEGY & VISION

Slow Down to Speed Up
We moved fast in 2017 - possibly too fast! So, in 2018, we plan to build the foundation for our future. We have made huge strides in 2017 toward the business model and systems that can scale quickly, and we plan to prioritize getting things right this year by building up the quality assurance, mason training, and certification systems; hiring in additional members of the management team; and revamping our IT systems, thus slowing down our growth in order to scale faster in the future.
Explore Additional Products
After putting some highly desired features of the floor - such as coloring and tiled patterns - on hold in order to optimize the basic version of the floor, we plan to restart this research in 2018. Since EarthEnable began, our customers have asked whether we can help improve their walls, their roofs, and more. Thus, we plan to start research and development on other housing components, and potentially a full house!

Convert Sales to Builds
Due to our financing pilots, we were able to sign a huge number of contracts that did not yet convert to builds, because families were still saving money for the next installment. This year, we plan to continue exploring new models that would help people pay to transform their home so that our product will remain accessible to those who need it most.

Test a “Groupon” Model
Offering a discount for customers purchasing in groups could have significant benefits, ranging from greater operational efficiency in distribution to streamlined sales and collections processes.
ONE OF OUR CORE VALUES AT EARTHENABLE IS TO
SET THE BAR FOR CUSTOMER CARE.

EXCEED THEIR EXPECTATIONS EVERY STEP OF THE WAY.

Eugenie Mukaneza is a farmer and mother of three children. Eugenie and her family live in Eastern Rwanda. An EarthEnable sales representative came to her house to pitch the benefits of our floors, and she decided to buy a floor immediately. “Before we had a dirt floor and our clothes were full of dust, but now my house is clean,” Eugenie said, “Children at school would laugh at my children because their school uniforms were covered with dust. Sometimes, my children would miss school because they were afraid to be laughed at. After having an EarthEnable floor, my children do not miss school anymore. They go to school clean and other children do not laugh at them anymore.”

Janvier Magiza lives in Eastern Rwanda with his family. He is a farmer and father of six children. Janvier had heard people talk about EarthEnable’s floors, but he was distrustful that such a thing could be real. After our sales representatives visited his home, he decided to purchase an EarthEnable floor. Janvier told us “Our house was not beautiful. It was difficult to find where to put chairs to sit on because there were dents in the house. After having an EarthEnable’s floor, we invite people to visit us in the house because we are proud of our house with an EarthEnable floor. In addition, my family could not afford to pay in full, but EarthEnable gave us an option to pay in installments so that we could afford the floor.”
“We have made huge strides in 2017 toward the business model and systems that can scale quickly!”
Athanase Nzayisenga, Product Innovation Associate, manufactures a fresh batch of varnish at our Rwanda headquarters in Nyamata.
FINANCIALS

TOTAL 2017 REVENUE
$479,227

TOTAL 2017 EXPENSES
$477,399

- Salaries, Benefits, and Professional Development: 46%
- Cost of Floor installation: 24%
- Tools and Equipment: 15%
- Office Administration: 8%
- Depreciation of Fixed Assets: 5%
- Sales and Marketing: 2%

Graphs showing revenue and expenses over the years with specific data points for each year.
CEO Gayatri Datar accepts EarthEnable’s 2017 win of the Postcode Lottery Green Challenge
Floorman Jean Claude Nepo Bigeze smooths out the sand screed layer on a floor under construction in Rwamagana District.
The work of EarthEnable would not be possible without the generous support of the people and organizations who believe in our mission to floor the world! **IN PARTICULAR, WE WOULD LIKE TO EXTEND A SPECIAL THANKS TO...**

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