



NET IMPACT BOSTON MEMBER Q & A

Interview with Siiri Morley, Partner at Prosperity Candle and Net Impact Boston Member

Conducted by Monica Sullivan, 2011 President, NIB

About Prosperity Candle:

This company was created to serve one purpose: empower women entrepreneurs in places of conflict and natural disaster to build successful businesses - to not only survive, but truly thrive. It a bold vision with many challenges. But having proven our model in one of the most difficult places to work – Iraq – we are now expanding there and looking to the future in places like Afghanistan, Haiti and Rwanda.

Q: We have an event coming up in May where Ashoka Founder Bill Drayton is speaking. What do you know of him and his work?

I respect him deeply and see him as one of the people making social enterprise a field of its own. When I first started learning about the field, I didn't think I was a social entrepreneur. I think this is really interesting. Before Bill's work, people like me felt they didn't belong, like they didn't have a field. We weren't exactly doing for-profit or non-profit work, but were using business tools *and* creating social/societal impact.

When I was younger I was often critiqued because my interests were so broad. I'd love to go back to those people now and show them how these diverse interests of mine have come together in an important way. Leaders like Bill Drayton have helped me recognize that there's a community focused on social enterprise - a community to identify with and get help and resources from. Social enterprise goes beyond the immediate impact in one community.

Bill Drayton leads the field. Our team fantasizes about being one of the Ashoka Fellows. That would be incredible to be a part of. And I've seen him speak, he's fantastic.

Q: Can you define the field of social enterprise?

Fascinating question because every group has a different definition. Social Enterprise is an approach to creating social and/or environmental change by applying business tools and perspectives. There's a focus on financial sustainability -- more on generating impact and less on fundraising. The field addresses needs that have existed for long time, but does so in a more sustainable and replicable way. I like the way Bill has framed it -- this is about sharing ideas so that social entrepreneurs can address immediate needs, but can do so with replication and scale.

That was an intentional part of the Prosperity Candle model. We are working to replicate our business in Iraq in other areas, including Haiti, Rwanda, and Afghanistan. Specifically, we want to expand globally into regions of conflict and areas affected by natural disaster.

Q: How did the idea for Prosperity Candle come about?

Prosperity Candle was co-founded by Ted Barber and Amber Chand. I've known them both for 7-8 years and we have stayed in touch. We've all worked in some way with women's enterprise. We shared many frustrations around some of the business models to support these women. Over the years we've brainstormed how to do this better.

When I started my MBA at Brandeis, I went in to try and address this. During school, I found out that Ted and Amber had started Prosperity Candle and were piloting the business in Iraq. I interned for them and when I finished my MBA they asked me to be a Partner.

One main reason I joined the team was that the Prosperity Candle model was easily replicable and scalable *for women* - the more molds they invest in, the more candles they can make daily. With minimal investment they can build their business and hire other people. Our own business model is also scalable and replicable. Because we work with candle-making - a business that is easy to learn and set up - and because of our focus on partnerships, we are able to work more efficiently.

Q: What are some of your responsibilities at this point as Partner?

I mainly work on external facing activities: strategic partnerships --managing marketing/ops partnerships, sales and marketing -- including social media and email marketing, and raising capital.

Q: What is the business structure for Prosperity Candle?

Vermont L3C - defined as a low profit, limited liability company. It's the same as LLC in almost every way with a "social mission" as primary purpose and financial return as secondary. It's a signal to investors and partners that we're not in this just for the money. The L3C was also designed to make public-related investments into socially-driven for profits easier for foundations to make. This aspect of it is, however, still very theoretical.

Q: What has been the biggest surprise about this venture?

For me personally, I've been surprised that I'd enjoy working in Sales - being able to share the mission and high quality product, and meaning behind the products. I believe so much in how our product creates change that I really enjoy sharing this value with others.

A surprise about the business: we set up the business so that consumers could read the bio of the specific person who individual candles. We thought, "Won't this be so amazing to the customer?" We found that this connection has been far more meaningful to the women in Iraq who made the candles than the customers. There is a hunger by women to share their stories and pictures. We were careful to ensure that we always had their consent to share their names and photos (for their safety), but they were beyond thrilled to get their voices out there.

Q: Tell me a bit about your business model?

The business model takes a traditional import model and tweaks it to ensure we can return maximum value to the women. We focus on partnerships -- the women are not beneficiaries, they are partners. Our model is designed to allow them to not only make a living wage, but a prosperity wage. It's a profit-sharing model. Their businesses are designed to be independent and flexible so they can grow in whatever way is appropriate to them.

We focus on high quality, meaningful gifts that warrant the price we charge. We want the model to be focused on a high-value exchange based on quality and demand, not just on charity. This will be the key to our sustainability.

Q: What have been the benefits of the business model?

Through the pilot we learned that the model does allow women to work to scale, as we had designed it. Some made only a few dozen candles while one woman made over 250 candles in 2 weeks. She had trained other people as well as bought some supplies from those women who for whatever reason had decided not to make candles. This woman earned the equivalent of 3.5 times the minimum wage in Baghdad during this time.

The business model also allows women to work independently to explore other markets. Several of the women we work with in Baghdad have created new candle designs for the local market and are discovering opportunities there.

Q: What about challenges associated with the business model?

We are purposefully working in some of the most challenging parts in the world, and that poses obvious challenges.

We are working to minimize disruptions to our supply chain and are beginning to partner more closely with local organizations - including local sourcing and production.

Finding the balance between making a local impact and setting up conditions to grow the business over time. There is always a tension between creating social change for women and increasing the number of women with which we work and ensuring we have the sales channel to support their candle production.

Q: For Net Impact members interested in social enterprise, can you share any key learnings or advice?

- * If you have an idea, don't keep that idea a secret.
- * Create a large support network. Get a lot of feedback, spend time with people, ask for help, and make connections. Have a diverse support network to get it off the ground.
- * Don't think you have to be an expert in every area -- in our case, there are organizations that support women in the initial stages following a disaster, and we had to know enough to say, "That is not our role." We instead build on what others are already doing.
- * Don't feel you have to start something on your own. If you don't have a vision, join someone who does and help them get it off the ground. This is just as admirable and is a great way to learn.
- * It's a tough field to be in financially, but working with a start up is rewarding if you're passionate about the work. You never get bored!

Q: Where do you go from here?

I'm so passionate about what we're doing and hope to be with the company for a long time. I spent a lot of time earlier in my career living overseas and am beginning to get itchy feet again. I would love to work more closely with the women entrepreneurs that we are supporting, so I'd like to explore managing an overseas office of Prosperity Candle in the future.