

# Support of Venture Lab

Accion

August 2014–September 2017



Students in English class at the Ruby English High School in Vijayapura, India. The school has received financing to improve its grounds and support to invest in low-cost laptops for teachers from Accion Venture Lab portfolio company, Varthana.

At A Glance	
<b>Sector</b>	Finance
<b>Geographical Focus</b>	Global
<b>Number of Countries in which the Program is Active:</b>	7
<b>Target Beneficiaries</b>	Venture Lab is focused on enterprises in the financial inclusion space with new products or business models
<b>Partner</b>	
<b>Partnership with Credit Suisse since</b>	2004
<b>Targeted Social Impact</b>	Expand quality financial services to the global underbanked and the base of the pyramid and advance financial inclusion
<b>Targeted Business Impact</b>	Increase the pipeline of investable early-stage financial inclusion enterprises for emerging impact investors

**Targeted Key Figures** Develop and support up to 12 innovative, early-stage investee companies

### Social and Industry Challenge

**Social Challenge:** Lack of financial products that meet the needs of the 2.5 billion people worldwide who are financially excluded.

**Industry Challenge:** Difficulties to develop and scale diverse business models that improve financial access for people who are financially excluded and/or underserved.

### Program background

Accion believes start-ups are poised to drive innovation that will more rapidly help to build a financially inclusive world. Emerging technologies – e.g., mobile money and branchless banking, social media and cloud computing – make it cheaper and easier to get started, and potential partners like banks and mobile network operators are more interested than ever in reaching the poor and underserved with financial services. Mobile payment platforms, internet and social media, credit underwriting approaches, niche “Base of the Pyramid” finance plays, and other innovations have the potential to catalyze the next leap in financial inclusion. These will help financial institutions increase efficiency, provide additional products and services, and reach beyond their existing client base, while allowing clients to save time and money as they initiate or expand their businesses and otherwise manage the financial aspects of their lives.

Unfortunately, early-stage startups in the financial inclusion space often suffer from a lack of capital and support: entrepreneurial ecosystems are underdeveloped, few donors or “friends and family” exist to seed businesses, and most investors consider pre-revenue startups “pre-investable.” The result is that promising ideas and entrepreneurs are not given a runway to experiment with new business models and scale new businesses.

To address this challenge, in 2012, Accion created Venture Lab – an impact investment initiative that provides seed capital and support to propel innovative startups that will have meaningful social impact, fostering experimentation and promoting business models that improve financial access for the globally under-banked. Venture Lab’s early entry into a company – infusing a worthy enterprise with support at the

pre-revenue and often pre-operational stage – is the distinct difference between Venture Lab and other impact investing initiatives currently operating today, particularly with respect to financial inclusion opportunities.

Venture Lab provides flexible financial and non-financial support to suit the needs of each enterprise with whom it partners. Venture Lab will invest USD 100,000–500,000 in equity or quasi-equity instruments. It is an active investor and brings to bear the people and resources of the global Accion network to maximize the chance of enterprise success. To date, Venture Lab has invested in twelve companies that enable or enhance access to savings, payments, credit, and insurance globally. For a full list of current investees see: <https://www.accion.org/content/venture-lab-portfolio>.

#### **Countries in which the program is active:**

Mexico, Indonesia, Singapore, Tanzania, Kenya, India and the United States.

#### **Goals and Objectives**

Venture Lab's work has two main goals. First it is interested in the direct consumer impact of its portfolio companies on financial inclusion at the base of the pyramid. Second, it seeks to maximize the indirect impacts of its work – e.g., demonstration effect, knowledge creation, and lessons learned. Venture Lab believes its startups are well-positioned to experiment with and pioneer new technologies and business models, and it would like to be sure that their influence extends far beyond their immediate customers and markets.

#### **Planned Program Outcomes**

- Seed-stage equity investments in innovative financial inclusion enterprises meeting the diverse needs of people living at the base of the pyramid
- Strengthening impact investing industry through Thought Leadership and industry knowledge sharing

#### **Credit Suisse Employee Engagement**

Credit Suisse employees are able to contribute via:

- Microfinance Advocates Network
- Global Citizens Program
- Virtual Volunteering

#### **About Accion**

Accion is a global non-profit dedicated to building a financially inclusive world, with access to economic opportunity for all, by giving people the financial tools they need to improve their lives. A world pioneer in microfinance, over the last 40 years, Accion has helped build 63 microfinance institutions (MFIs) in 32 countries on four continents. Accion has become world-renowned for building permanent, sustainable and commercially viable institutions which are currently reaching millions of clients.

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