

Draper Richards Kaplan

FOUNDATION



2014 ANNUAL REPORT



DRK entrepreneurs at our 2015 Annual Retreat

“I’m very honored that Room to Read and I were chosen as DRK’s second fellowship, back in the early years when few foundations had heard of us or believed in us. The funding and mentorship that DRK provides is so crucial to social entrepreneurs in their early years. And now, just 13 years later, Room to Read is reaching over 10 million students across the developing world with the lifelong gift of education.”

John Wood, Founder, Room to Read

We are pleased to present the Draper Richards Kaplan Foundation’s 2014 Annual Report.

Over twelve years, we have seen extraordinary success in our portfolio through a relentless commitment to a deceptively simple premise: that an entrepreneurial approach—bringing true innovation to difficult social issues—has the potential for outsized impact when taken to scale.

With our first two funds, we’re committing \$46 million in support of 86 social entrepreneurs. And our new fund – Fund III – is our most ambitious yet: \$65 million dedicated to finding, funding and supporting the next generation of 100 social entrepreneurs. When closed, the fund will include more than 50 donors and will be invested in true visionaries whose aim is to change the world.

Your support has been critical to our success. We deeply appreciate your confidence in our team as we work both as stewards of this precious capital and as partners in helping make the world a better place.

We hope you enjoy the pages that follow.

Sincerely,

The Draper Richards Kaplan Foundation

Our Model:

Find, fund and support exceptional leaders with passion, tenacity and vision

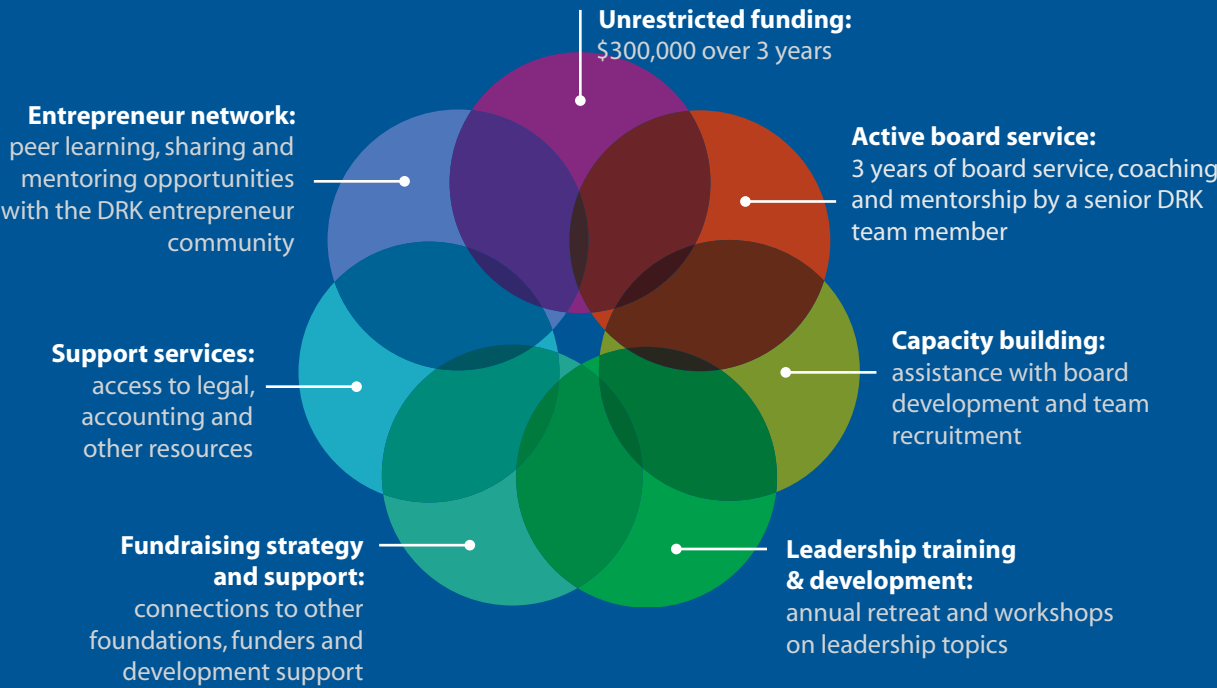
We believe in the power of innovation and that with bold support, passionate individuals can change the world. Borrowing from our venture capital legacy, we find, fund and support leaders with exceptional promise and impactful ideas that have the potential to scale.

Find: Through exhaustive due diligence on hundreds of potential opportunities, we narrow our focus to a select group of early stage social enterprises.

Fund: We provide unrestricted capital and multi-year funding, critical success factors in helping these organizations achieve scale.

Support: We partner with the leaders of these organizations and provide rigorous, ongoing support. We take a board seat, share contacts, facilitate meetings, convene critical resources and help them build their organizations and achieve their greatest impact.

DRK's Multi-Faceted Support:



“DRK’s coaching and support since day one made a transformational difference: your connections have been some of our most lucrative; the DRK seal of approval works wonders; and the peer network has increased our sense of possibility, and provided amazing wisdom.”

— **Andrew Mangino**, Co-Founder and CEO, The Future Project



How do we measure our impact?

We assess our impact in several ways. We look at the number of lives touched by our portfolio organizations. We look at the ability of our organizations to change, on a long-term basis, the systems that cause or contribute to the societal problems on which they are focused. Finally, we look at each organization's growth and their ability to leverage our investments at scale.

>50:1

LEVERAGE RATIO
for each dollar DRK
invests in its portfolio
organizations

77

ENTREPRENEURS
have joined the
DRK portfolio
(as of March 2015)

200,000

FARM FAMILIES
reached by **One Acre Fund** in 2014 with 50-100%
increased farm income

400,000

CHILDREN
in low-income communities whose lives were
transformed through **Little Kids Rock's** music
education

10M

CHILDREN
helped by **Room to
Read** to become
more literate

>50%

COMPOUND
ANNUAL
GROWTH RATE
in revenue of
organizations
in our portfolio

\$700M

MICRO LOANS
delivered by **Kiva**
to people lacking
access to traditional
banking systems

2.3M

GLASSES
delivered by
VisionSpring to the
developing world

\$4M

WORTH OF
SURPLUS
MEDICATIONS
redistributed to those
in need by **SIRUM**

40M

STUDENTS
will gain high-speed
internet access
because of **Education
SuperHighway's**
efforts when done

What does the future hold?

By 2021, we will have deployed over \$110 million of support

FUND I

\$14M

30 Organizations

FUND II

\$32M

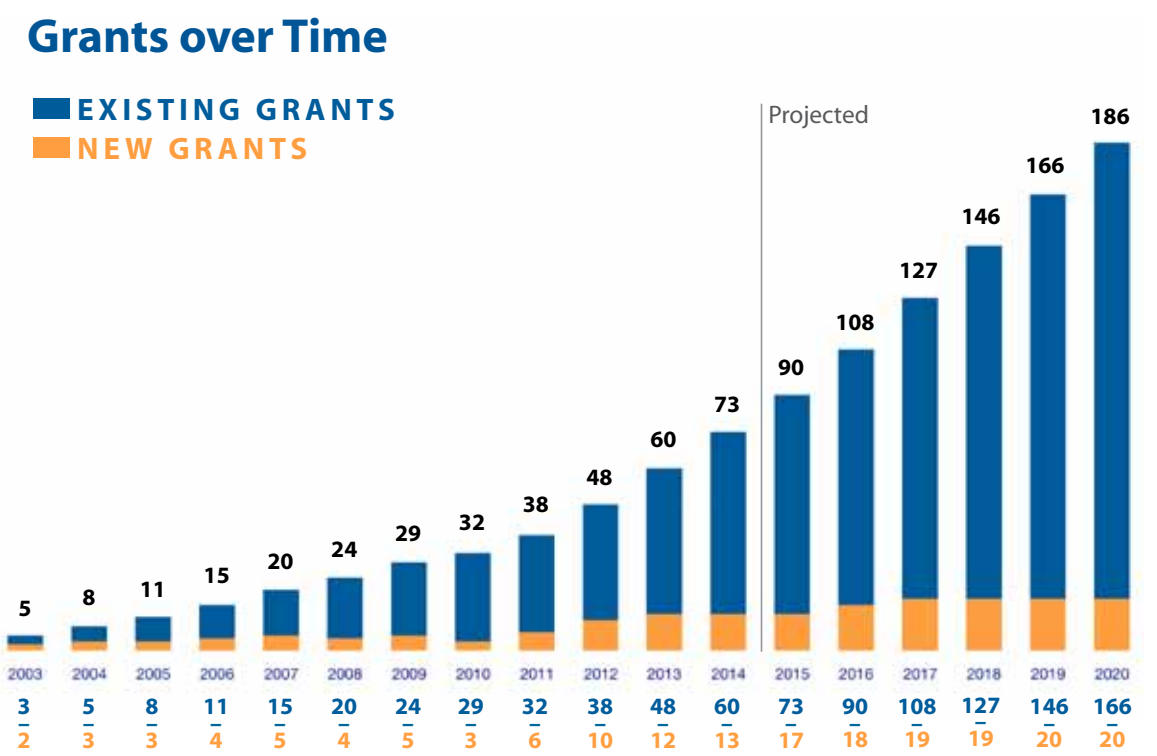
56 Organizations

FUND III

\$65M

100 Organizations

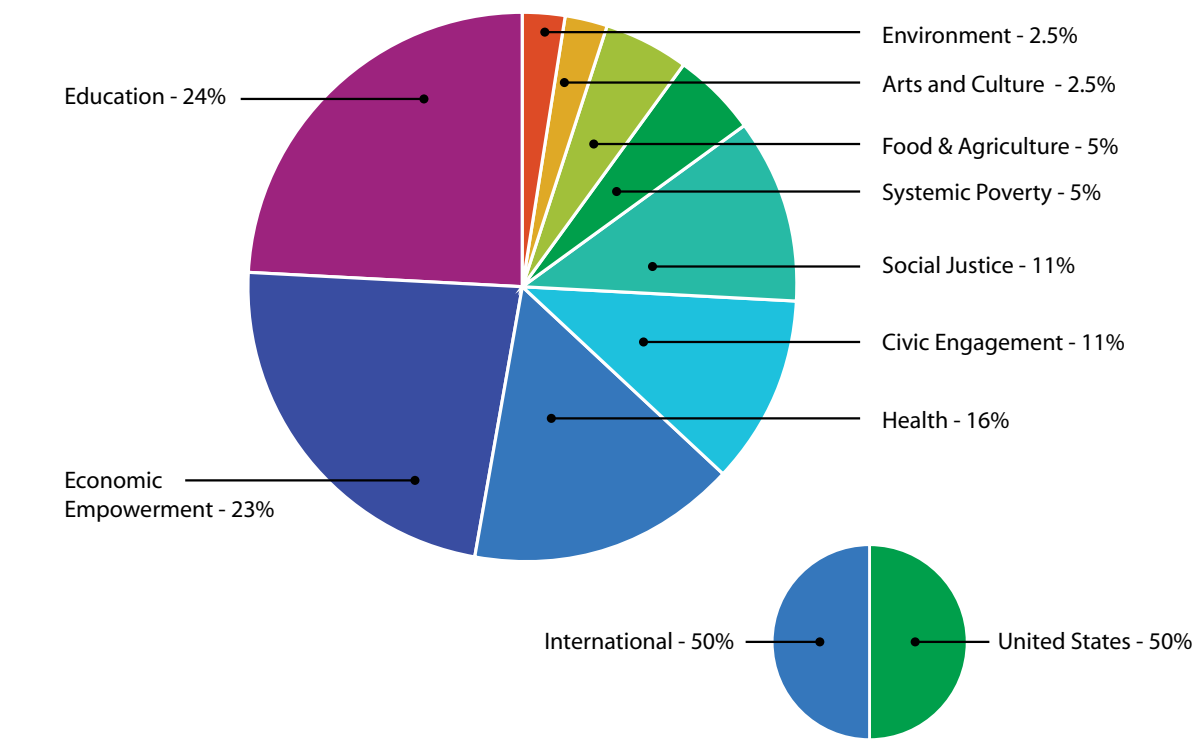
to over 185 organizations



The organizations we have supported cross geographies, sectors and issue areas but share a critical, common goal: tackling big issues that solve the problems of many.



Grant Distribution to Date









































































Funded by DRK in 2011, FoodCorps improves nutrition among children across the U.S., developing school garden projects and inspiring healthy choices in the school cafeteria and beyond.



DRK Funded the Entrepreneurs Driving These Organizations

(as of March 2015)

We are pleased to present the inspiring organizations we added to our portfolio in 2014.



caremessage

Improving health care via text message



Entrepreneur:
Vineet Singal

At a Glance

Founded: 2012
Issue Area: Health
Location of Work: U.S.
HQ: San Francisco, CA
www.caremessage.org

Model and Strategy

- CareMessage creates an improved communication channel between healthcare organizations in medically underserved areas and the patients they serve.
- This web-based system allows clinics to send patients text and voice messages to remind, educate, and motivate them on managing their disease and prevent potentially life-threatening complications. Every interaction with the patient plugs in to a web-based dashboard allowing doctors to see, in real-time, how their patients are doing.

Impact

- CareMessage seeks to simultaneously empower at-risk patients to become better healthcare consumers while reducing costs for healthcare organizations.
- In Phase I of their evaluation, CareMessage demonstrated a 92% retention rate and a 70% engagement rate among primarily low-income patient populations. Phase II evaluations will focus on measures related to improved clinical efficiency, health outcomes, and overall cost reductions.
- By 2017, CareMessage expects to serve more than one-third of all low-income, chronically ill patients in the U.S.



photo: Jorg Meyer



Creating healthier neighborhoods and local jobs



Entrepreneur:
Manmeet Kaur

At a Glance

Founded: 2012
Issue Area: Health
Location of Work: New York, NY
HQ: Harlem, NY
www.cityhealthworks.com

Model and Strategy

- City Health Works (CHW) hires and trains local, clinician supervised Health Coaches to help their peers better manage their health and navigate the healthcare and social service systems.
- CHW creates meaningful, local jobs and more effective primary care teams.
- By partnering with health systems and insurers to evaluate return on investment, CHW builds a case for financial sustainability.

Impact

- CHW is influencing the quality of care in multiple healthcare systems in New York City and closing critical gaps in psychosocial care.
- CHW has reduced costly and unnecessary emergency room visits, while making sure clients get urgent care when they need it.
- In working with multiple insurance companies, CHW has refined the financial benefit to patients and the healthcare system.



Growing clean energy innovation



Entrepreneur:
Amy Francetic

At a Glance

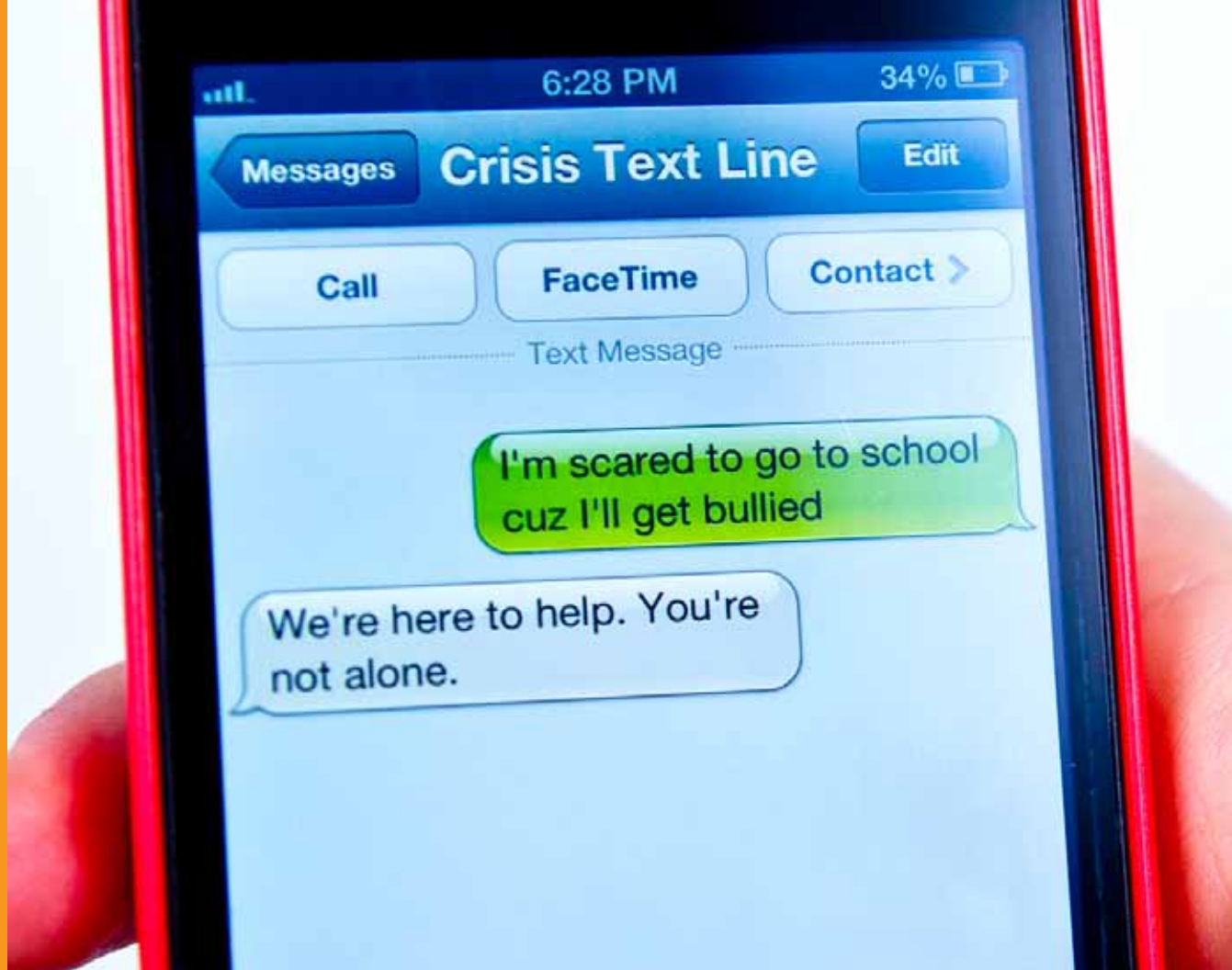
Founded: 2010
Issue Area: Energy
Location of Work: U.S. Midwest
HQ: Chicago, IL
www.cleanenergytrust.org

Model and Strategy

- Clean Energy Trust (CET) works to accelerate the development of businesses and technologies that improve the ways we create, conserve and use energy.
- CET funds startups, pairs researchers and entrepreneurs with mentors, and advocates politically on their behalf at the state and federal levels.
- CET connects innovators with diverse industry participants to foster new partnerships and align market demand.

Impact

- CET was ranked the #1 regional clean energy accelerator in an independent peer review conducted by the U.S. Department of Energy.
- Since its inception in 2010, CET has helped launch, fund and grow hundreds of Midwest-based clean energy companies and has placed over \$2.2 million in funds with emerging companies. These companies have created 300 new jobs and raised \$48 million in follow-on funding.



CRISIS TEXT LINE |

Text-based emotional support for teens



Entrepreneur:
Nancy Lublin

At a Glance

Founded: 2012
Issue Area: Mental Health
Location of Work: U.S.
HQ: New York, NY
www.crisistextline.org

Model and Strategy

- Crisis Text Line (CTL) serves young people in any type of crisis, providing them 24-hour access to free emotional support and information via text message, the medium they use and trust most.
- Trained specialists respond immediately to teens who send a message to CTL; these specialists provide secure counseling and referrals through text message using CTL's platform.
- CTL partners with existing organizations that are experienced, highly trained, and well-equipped to respond to teens in crisis.

Impact

- Crisis Text Line currently texts with 200-500 individuals each day; more than 6.4 million texts have been exchanged.
- Based on demand, CTL plans to grow its impact (number of texts) 20x in each of the next few years and increase its volunteer counselors from 250 to 8,000 by the end of 2016.



Medical technologies for the underserved



Entrepreneur:
Krista Donaldson

At a Glance

Founded: 2009
Issue Area: Health
Location of Work: 34 countries
HQ: San Francisco, CA
www.d-rev.org

Model and Strategy

- D-Rev designs and delivers medical technologies that close the quality healthcare gap for underserved populations.
- D-Rev's initial products address newborn jaundice and amputee mobility. Both are being widely distributed in India and other developing market countries.

Impact

- By introducing world-class, affordable products into underserved markets, D-Rev is working to catalyze change in markets, industries, and customer mindsets in order to address a global gap in high-quality healthcare.
- 43,000 babies have been treated with Brilliance, D-Rev's newborn jaundice product, averting deaths and disabilities. 1,100 units have been sold in 23 countries.
- 6,000 amputees have been fit with the ReMotion Knee, D-Rev's amputee mobility product, reporting an 86% satisfaction rate. The ReMotion Knee is on the market in 14 countries.



Jobs for homeless parents and warmth for those in need



Entrepreneur:
Veronika Scott

At a Glance

Founded: 2012
Issue Area: Workforce Development
Location of Work: United States
HQ: Detroit, MI
www.EmpowermentPlan.org

Model and Strategy

- The Empowerment Plan tackles the cycle of homelessness and poverty in the US by addressing one of the key constraints that keep a person struggling with homelessness trapped: lack of viable and consistent employment opportunities.
- Execution of this mission is anchored by four key areas of focus: employment, education, production, and revenue.

Impact

- The Empowerment Plan employs previously homeless parents. Earning livable wages enables employees to find permanent housing and establish a stable life for their children within the first three months of employment.
- The Empowerment Plan manufactures coats that convert to sleeping bags, which are then distributed directly to people living on the streets, as well as sold to community nonprofits and disaster relief organizations. Over 9,000 sleeping bag coats have been distributed to homeless individuals across the nation to date.



Using design thinking to find innovative solutions to poverty



Entrepreneurs:
Patrice Martin and Jocelyn Wyatt

At a Glance

Founded: 2011
Issue Area: Design and Innovation
Location of Work: Global
HQ: San Francisco
www.ideo.org

Model and Strategy

- IDEO.org's premise is that the most potent weapon against global poverty is design. The solutions, systems, and social innovation that arise from understanding and designing alongside people living in poverty are the most likely to offer hope and improve lives.
- IDEO.org partners with nonprofit organizations, social enterprises, and foundations to directly address the needs of disadvantaged people in sectors like health, water and sanitation, financial inclusion, agriculture, and gender.
- They accelerate innovation and put the perspective of low-income communities in the forefront, teaching and spreading a human-centered design approach and creating products and services that are adopted.

Impact

- IDEO.org has directly impacted the lives of 17,500 people through the solutions they have created.
- They have built the capacity of 291,172 people through teaching human-centered design.
- By 2016, the organization expects to teach 389,000 people human-centered design, and to directly impact the lives of 277,000 people through the solutions created.



lava mae

Mobile showers – and dignity – for the homeless



Entrepreneur:
Doniece Sandoval

At a Glance

Founded: 2013
Issue Area: Systemic Poverty
Location of Work: San Francisco
HQ: San Francisco, CA
www.lavamae.org

Model and Strategy

- Lava Mae transforms decommissioned public MUNI buses into bathrooms for homeless people. On board every bus are two private pods, each with a shower, toilet, sink, and changing area.
- Lava Mae partners with organizations that span the sectors: nonprofits working with the homeless, to leverage their expertise and augment their services; local government, to secure buses, access to water, and permits; and the private sector, for in-kind donations of products and services.
- Lava Mae's beautiful, highly visible buses serve as a platform for raising awareness and activating community engagement.

Impact

- Lava Mae makes it possible for homeless individuals to gain employment and maintain health, and provides a place for those who are disabled to find bathrooms that meet their needs.
- Lava Mae also provides its guests with hope and a deepened sense of self-worth.
- Since launching operations in June 2014, Lava Mae has provided showers to more than 1,000 people.



Saving lives through early access to care



Entrepreneur:
Ari Johnson

At a Glance

Founded: 2005
Issue Area: Health
Location of Work: Mali
HQ: Yirimadjo, Mali
www.projectmuso.org

Model and Strategy

- Muso's mission is to eliminate preventable deaths in the world's most impoverished communities, starting in Mali.
- Muso has built a rapid health system in conjunction with the Malian government, optimized to save lives by reaching patients early. Components include:
 - **Doorstep Care:** Proactively searching for patients door to door, using a community healthworker model.
 - **Rapid Referral:** Tapping the power of social networks to encourage faster access to care.

Impact

- In 2014 Muso deployed over 75 community health workers serving a population of over 90,000 people, performing over 127,000 home visits, and reaching 75% of children within 48 hours of symptom onset.
- A recent Harvard/UCSF study noted an over 90% reduction in under-five child mortality in the area where Muso operates.



nest 

*Promoting prosperity with artisans
in emerging economies*



Entrepreneur:
Rebecca van Bergen

At a Glance

Founded: 2006
Issue Area: Economic Development
Location of Work: Global
HQ: New York City
www.buildanest.org

Model and Strategy

- Nest helps artisans overcome early-stage hurdles to business growth, developing skillsets and building the infrastructure for a sustainable business. Simultaneously, Nest helps provide artisan businesses with market access and an ongoing revenue stream by partnering them with global brands.
- In tandem, Nest seeks partnerships with likeminded NGOs in order to stabilize surrounding communities through provision of clean water and other social services.
- With these pieces in place, Nest can withdraw its presence after 2-5 years of programming.

Impact

- Nest currently works with over 1,500 artisans and business staff in 6 countries (India, Indonesia, Kenya, Mexico, Swaziland and the US), impacting more than 28,000 lives.
- Nest estimates that for every artisan employed, an additional 20 lives are impacted through the ripple effect of job creation.
- Roughly 89% of Nest artisans are women, a demographic with a proven record of reinvesting income in food, education, and community enrichment. Half of Nest artisan businesses bring together groups historically in conflict, promoting peace.



*Enabling communities to put their
ideas into action*



Entrepreneur:
Sasha Fisher

At a Glance

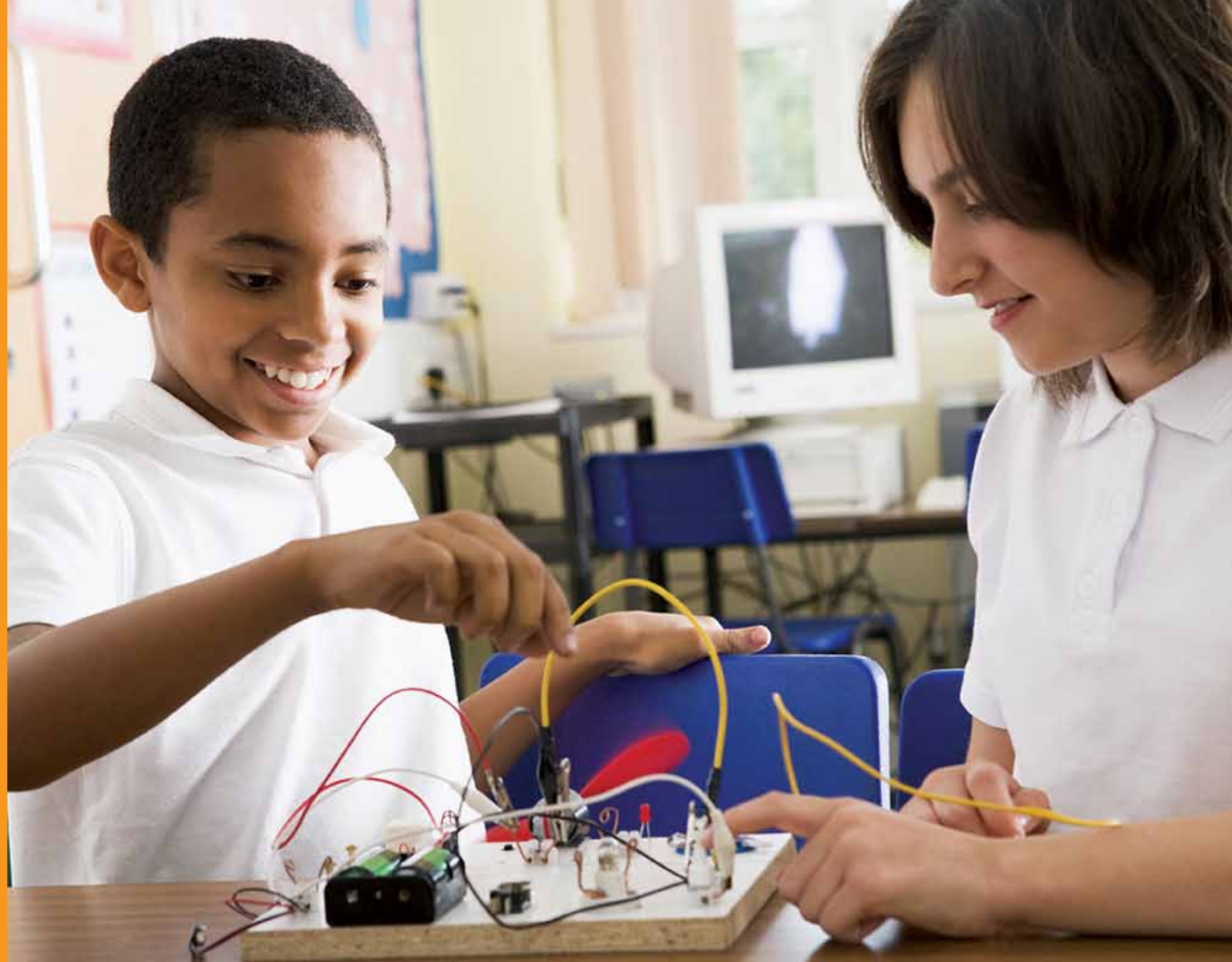
Founded: 2010
Issue Area: Economic development
Location of Work: Rwanda,
Uganda, Burundi
HQ: Uganda
www.sparkmicrogrants.org

Model and Strategy

- Spark is a community-based approach to international development, built on the belief that communities in poverty have the knowledge to solve their problems but lack the resources and capacity to do so.
- Spark facilitators reach out to infrastructure-poor villages and engage in a 6-month planning process where communities identify and design their own social impact project such as latrines, schools and farms. Spark then awards a one-time grant (up to \$10k) so the community can implement their projects.

Impact

- Since 2010, Spark has worked with more than 100 rural communities across Uganda, Rwanda, and Burundi, benefitting over 100,000 people.
- Spark communities have launched 103 projects with Spark's direct support, and 105 independently thereafter (for a total of 208), 95% of which are sustaining.
- Spark plans to train additional organizations in their model and build a movement to support community-driven development.



Every child, cradle to career



Entrepreneur:
Jeff Edmondson

At a Glance

Founded: 2011
Issue Area: Education
Location of Work: United States
HQ: Cincinnati, OH
www.strivetogether.org

Model and Strategy

- StriveTogether helps communities improve educational outcomes by uniting stakeholders across sectors - including school districts, non-profits, business leaders, city officials and university presidents - around shared goals, and then allocating resources based on what data has proven to work.
- Outcomes include improved kindergarten readiness, early grade reading, middle grade math, high school graduation, and postsecondary enrollment and attainment.

Impact

- StriveTogether's "Cradle to Career" network now includes 53 communities working to improve education for every child. Together, the network is connecting 8,000 organizations and impacting over 5.5 million students.
- Their goal is to establish "Proof Point" communities, which will encourage additional communities to implement data-driven, collective decision-making around educational resource allocation.



Addressing intergenerational poverty by reducing the number of unintended pregnancies



Entrepreneurs:
Peter Belden and Mark Edwards

At a Glance

Founded: 2014
Issue Area: Health
Location of Work: US
HQ: San Francisco, CA
www.upstream.org

Model and Strategy

- Upstream's mission is to change policy and practice so that U.S.-based health centers can more readily offer IUDs and implants, birth control methods which are more effective than the pill, as safe as any method of birth control, endorsed as best-in-class, and which research shows women prefer when they have education and access.
- Upstream addresses the barriers to health center delivery of IUDs and implants with state-of-the-art, customized technical assistance so that health centers can offer women same-day access to the most effective methods of contraception.

Impact

- In the U.S. today, the majority of births to women under 30 years old occur outside of marriage, and most of these are the result of unplanned pregnancies. Through widespread adoption of effective contraceptive delivery, Upstream aims to significantly drop rates of unintended pregnancies.
- By reducing unintended pregnancies, Upstream will address the 47% of young women and 38% of young men who drop out of high school because they become parents, derailing their educational and economic prospects as well as the opportunities for their children, and thus will address a central issue impacting intergenerational poverty.

We want to highlight two of our portfolio organizations that have had extraordinary impact this past year. One faced a historic health challenge in the Ebola crisis and the other achieved a significant milestone in increasing broadband access across the United States.



LAST MILE HEALTH



Leadership: Raj Panjabi is an Associate Physician in the Division of Global Health Equity at Harvard Medical School, Brigham & Women's Hospital. At age 9, Raj escaped the civil war in his home country of Liberia. He returned to serve the people he had left behind, co-founding Last Mile Health. Raj has been ranked as one of the World's 50 Greatest Leaders by *Fortune Magazine*.

Joined DRK Portfolio: 2013

Issue: Traditional hospital-based services are failing to reach the world's most remote villages, and nowhere is the rural health crisis worse than in Liberia, which is also recovering from one of the 20th century's most devastating civil wars. The majority of health facilities were destroyed and the country saw a mass exodus of professional health workers. Today, 60% of the rural population in Liberia lacks access to essential health services.

Innovation: Through its replicable model, Last Mile Health (LMH) trains, equips, and supervises community members to be health practitioners for their villages and then connects them with rural health clinics. These community health workers are able to prevent, diagnose, and treat the top ten most life-threatening health conditions in Liberia, transforming access to health services and health outcomes.

Impact: LMH was on the front lines fighting the recent Ebola outbreak, helping contain the epidemic by training over 1,000 community health and hospital workers in partnership with the Liberian Ministry of Health, while working long-term to build the health systems that will prevent future crises. Their model was proven successful in the most rural region in Liberia; 97% of pregnant women now have access to prenatal care and 100% have early childhood health services. Last Mile Health is working with the Ministry of Health to integrate and adopt their model into national policy to achieve even greater scale.



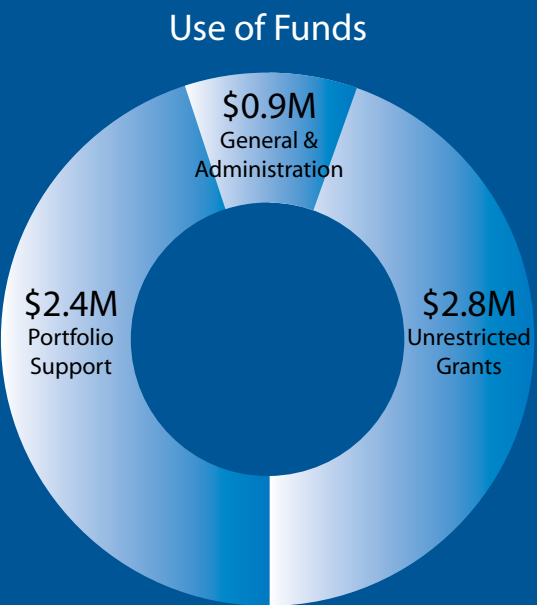
Financials

fiscal year January-December 2014

Sources of Funds	
Revenue and Support	\$ 19.7
Total	\$ 19.7

Uses of Funds	
Direct Grants	\$ 2.8
Portfolio Support	\$ 2.4
General, Admin and Fundraising	\$ 0.9
Total	\$ 6.1

*in millions



Leadership: Evan Marwell is a serial entrepreneur with over 20 years of experience as a CEO, entrepreneur and investor in the telecommunications, software and consumer retailing industries. He has served on numerous non-profit and for-profit boards.

Joined DRK Portfolio: 2012

Issue: Over 40 million students in America’s K-12 public schools are being left behind. To deliver digital learning content to every classroom, schools need high-speed broadband. Yet today, 63% of schools do not have enough bandwidth to meet the current needs for digital learning.

Innovation: EducationSuperHighway (ESH) is one of a new breed of “purpose built” social enterprises. They raised \$9 million in startup capital, up front, to build a national, data-driven organization that has the resources, board and capability to change the lives of children across the country.

Impact: In September 2012, ESH launched the National SchoolSpeedTest which made it easy for schools to measure their broadband. They collected 800,000 tests from 33,000 schools – partnering with 25 state departments of education. These tests showed that less than one-third of schools had adequate broadband for digital learning. Using this data, ESH has helped redefine the allocation of more than \$2 billion in federal funds to close the fiber and broadband gaps so that by 2020, the majority of schools across the country will have adequate broadband.



Donor Partners

The Draper Richards Kaplan Foundation raises funds from a diverse group of partners, including individual donors, family foundations and private foundations, and deploys these resources around the world. We are deeply grateful to our donor partners for joining us in supporting the big dreams, new ideas, and bold actions of extraordinary social entrepreneurs.

Individuals & Foundations*

- Lois & David L. Anderson

Laura Scher & Ian Altman

Mary Anne Nyburg Baker & G.
Leonard Baker, Jr.

Bohemian Foundation

William K. Bowes, Jr. Foundation

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- Laurie Protacio

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*as of 5/31/15



you can't light a fire without a spark

BRUCE SPRINGSTEEN



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