



# Splash Social Enterprises

Delivering clean water solutions to children around the world



2019 Annual Report

# Introducing Splash Social Enterprises

Dear Friends,

Welcome to the first annual report from Splash Social Enterprises. Splash Social Enterprises is part of the Splash International family and was established in 2018 to pursue an exciting new social business opportunity.

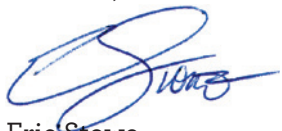
Founded in 2007, Splash International has pioneered solutions in water, sanitation, hygiene (WASH) and menstrual health for children in some of the world's largest low-resource cities. Early on, we identified a need for improved handwashing and drinking water stations, but were unable to locate high-quality, child-focused products. In response to this market gap, we developed our own drinking and handwashing stations that are durable, child-appropriate, and promote positive handwashing and drinking behaviors.

After a decade in the sector, we began receiving requests to purchase our stations from other organizations, validating the market gap we had seen years earlier. We ultimately arrived at the decision to launch Splash Social Enterprises to fill a growing need for well-designed stations for Splash International's own programs and enable other groups to use our stations to improve their projects around the globe.

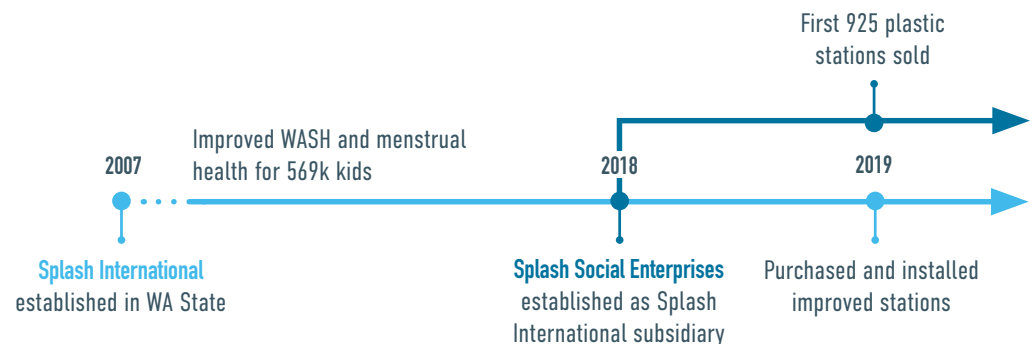
Splash Social Enterprises is seeking to deliver impact in a sustainable way. To date, we have sold 925 stations and raised over \$1M of blended capital. We have developed a unique business model that leverages grants, impact investments, and sales revenue to scale impact. Looking ahead, Splash Social Enterprises is well-positioned to continue innovating as we grow, while contributing toward the broader vision of Splash International.

In the following report, we are excited to share Splash Social Enterprises' most recent achievements and our ambitious plans for the future. Thank you for joining us on our journey!

Onwards,



Eric Stowe  
Founder and Executive Director



## OUR VALUES

### PEOPLE

People first. People second.  
People third.

### QUALITY

Beautiful products  
that function and last.

### HONESTY

No drama,  
no surprises, no BS.

### JOY

Kids at heart,  
seeing potential everywhere.

### MISTAKES

Make them, don't repeat them.

# The Stations

## THE CHALLENGE

Despite decades of investment in access to global WASH, UNICEF found that up to 50% of all WASH projects fail within five years. Stations are one of the key components of this failure due to poor design and fit to local needs, use of low-quality materials, lack of ownership and maintenance, and lack of resources to support long-term functionality.

## THE OPPORTUNITY

Improving WASH conditions has the potential to prevent at least 9% of the global disease burden and 6% of all deaths. In order to achieve the targets for universal access to safely managed water and sanitation outlined by the UN Sustainable Development Goals, the World Bank estimates \$2 billion per year is needed for handwashing stations with soap and water alone. We believe there is a similar need for drinking stations. This represents a significant market opportunity.

## THE SOLUTION

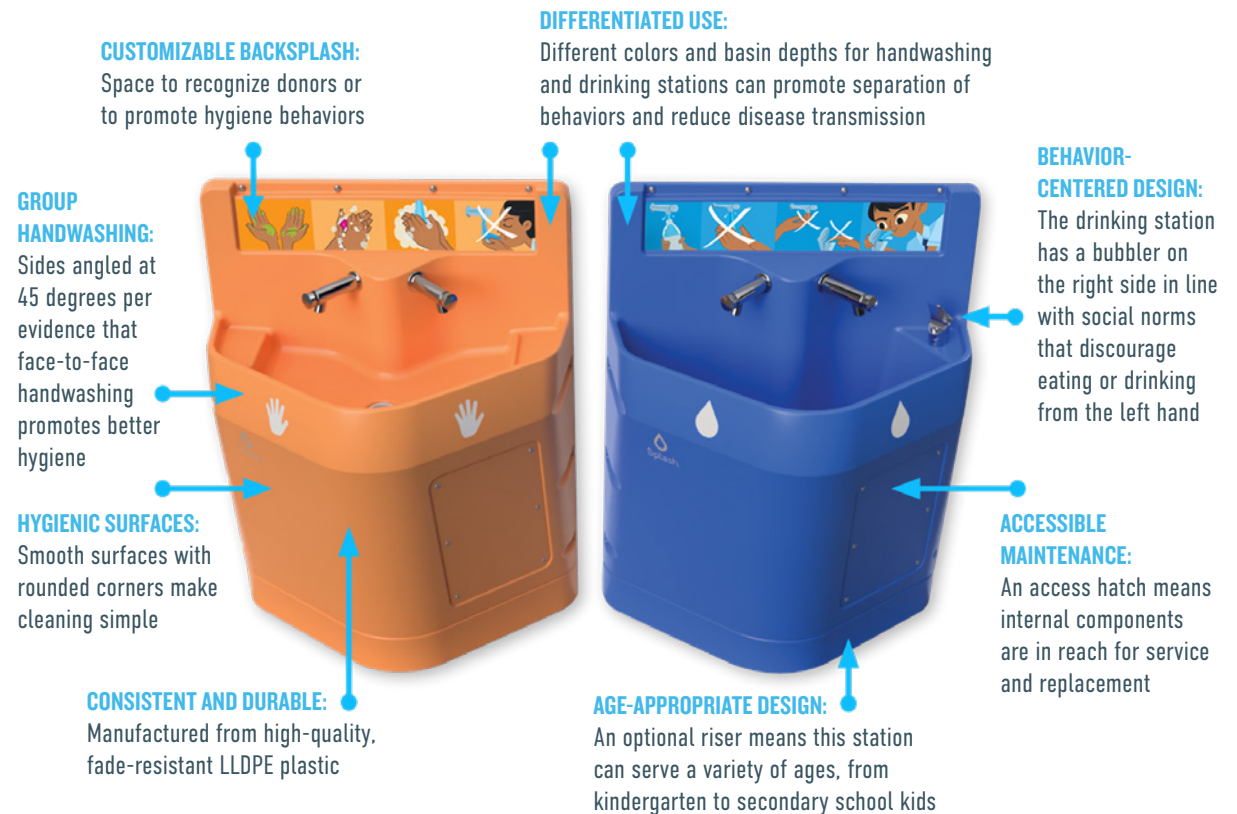
Our stations address the well-known failures in the WASH market by offering an innovative, practical, and lasting way to improve health and hygiene outcomes while ensuring that the dollars invested can create long-term social benefits for children, families, and communities, globally.

## GOOD DESIGN AWARD

This year, Splash Social Enterprises, along with our design partner Artefact, received the **2019 Good Design Award** from the Chicago Athenaeum Museum of Architecture and Design! We are so proud of this recognition for our work to break the mold and push the WASH sector to create better products.

“Community is at the heart of the stations’ design. The innovative new drinking and handwashing stations are designed for ... the widest impact in educating and inspiring healthy habits. The result is a behavioral research-driven, culturally conscious, highly scalable design with several innovative features.”

GOOD  
DESIGN



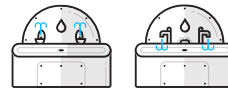


# How we are doing things differently?

Splash Social Enterprises' goal is to sell stations to governments, non-profits, and multilateral organization customers at fair prices for distribution in schools and other low-resource, institutional settings.

In 2019, Splash International was the sole customer for Splash Social Enterprises, but starting in 2020 we will sell stations to other organizations for distribution around the world.

## OUR THEORY OF CHANGE



Institutions in low-resource settings install handwashing and drinking water stations...



...so that kids practice healthy drinking and handwashing habits each day...



...resulting in improved access to water and hygiene for kids and better overall health.

## Splash Social Enterprises

## Customers

### FUNDING

### R&D

### MANUFACTURING

### DISTRIBUTION



#### Grants

Philanthropic capital is a critical source of funding to drive product development and business development.

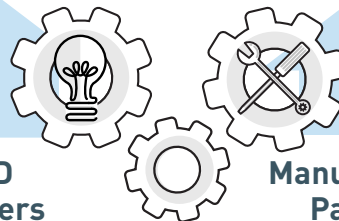
#### Impact Investments

Impact investments fund critical items that help us grow, such as the molds used to manufacture stations.

#### Sales Revenue

Revenue from Splash International and other NGOs allows us to sustain and scale this innovative model!

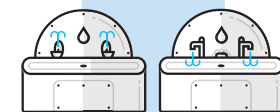
R&D  
Partners



Manufacturing  
Partners

### FEEDBACK

from our partners and schools on the ground allows us to continually improve our products.

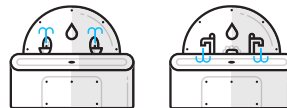


# 2019 Achievements

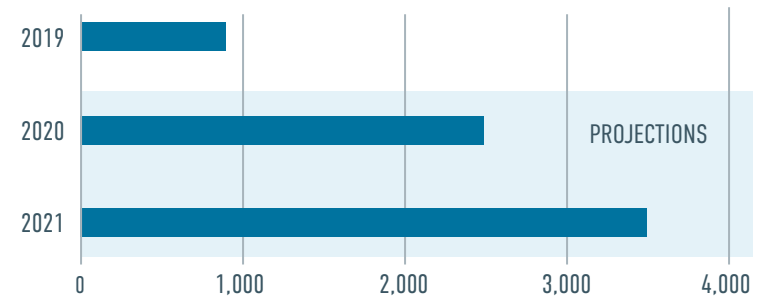
2019 was a pivotal year for Splash Social Enterprises as we launched manufacturing in India, delivered our first stations to school sites in India and Ethiopia, and built a reliable, high-quality production and distribution network. We continue to advance the collective mission of the Splash family, leveraging our close partnership with Splash International along with the expertise of our R&D and manufacturing partners to deliver drinking water and handwashing access to children around the world. Some key achievements of 2019 are highlighted here.

## 925 STATIONS SOLD

As of December 31, 2019, we sold 925 stations. We conservatively project station sales of 2,500 in 2020 and 3,500 in 2021. Each station can provide access to drinking water or handwashing for an average of 150 children daily.

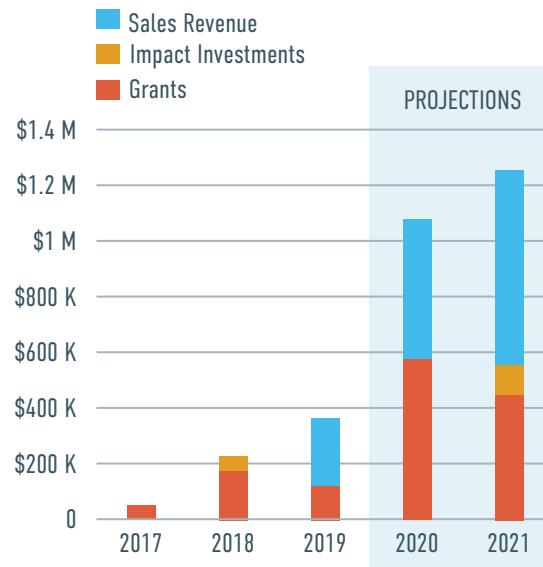


Stations Sold Per Year



## FINANCIAL SUSTAINABILITY

We are on the right track to achieve sustainability through a combination of grants, sales revenue, and impact investments. In 2019, our sales revenue covered 65% of expenses and grants covered the other 35%. Our goal is to grow our revenue streams and identify additional impact investors, with grants continuing to be an important component of the model, to allow us to drive R&D and innovation.



## MEETING GROWING DEMAND

The initial 2019 projections called for the manufacturing of 350 stations; however, demand quickly increased to 925 stations by year-end. After making key design modifications, we produced two additional sets of molds to meet increased demand from Splash International and other customers. As we ramp up our manufacturing capacity, we will achieve economies of scale while maintaining superior quality. Already, our units are cheaper, more durable, and easier to install than the most common alternatives (tile and cement stations) in the markets where we work. We anticipate demand for our stations to grow rapidly in the coming years.



# Looking Forward

We are just getting started! In 2020, we will focus on:

## OPTIMIZING THE SUPPLY CHAIN

We are transitioning to new, higher capacity manufacturers in India and China. We are also streamlining logistics by consolidating under one logistics provider, allowing us to improve the quality, consistency, and timeliness of our delivery. We will now have stations shipping out at regular intervals to minimize inevitable supply chain delays.

## LEAN OPERATIONS

We are still small and relatively new, so must remain focused on keeping operations as efficient as possible. Our human resource strategy reflects this: In lieu of full-time staff, we have relied on dedicated time from Splash International staff and have two consulting firms on retainer. In 2020, we plan to hire our first full-time Splash Social Enterprises staff.



## ONGOING RESEARCH AND DEVELOPMENT

In 2020, our R&D will focus on both improvements to existing stations and adaptation of the stations for new environments.

- **Improved taps:** Broken taps are one of the largest and most costly operational risks of the stations, so we will explore ways to shift to a different tap solution for both types of stations. This will reduce the risk of contamination, lower product costs, and simplify our supply chain.
- **New environments:** Demand for our stations continues to grow both within our existing urban school environments, as well as in other low-resource settings with critical WASH needs. We will explore ways to adapt our stations for healthcare facilities, rural areas, and disaster relief environments, all critical customer segments identified during market research.

## THIRD-PARTY SALES

Improvements to our supply chain and experience testing stations at sites in India and Ethiopia have laid the groundwork for us to begin sales to third parties. We plan to launch sales to other organizations in late 2020.

## FUNDING STRATEGY

We will continue to rely on a blended capital model, utilizing grants, impact investments, and station sales revenue to drive our growth. For us, sustainability may always include grant capital, but our aim is to identify long-term impact investment partners to accelerate our ability to manufacture more units and continue to increase unit sales and business revenue.

**Detailed 2019 financials are available upon request.**





These partners support Splash Social Enterprises through funding, pro bono support, and advisory services:



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