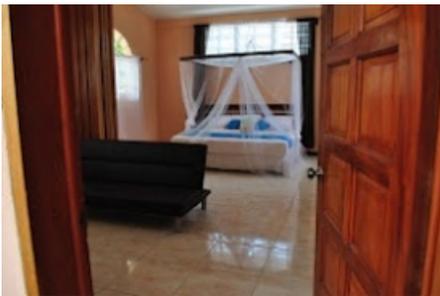


Micro-Vestors - The unbanked and Remittance users, the new business owners and investors

Nationwide, HaitiBoston, United States
Marc Saint Clair



Organization type:

for profit

Project Stage:

Start-Up

Budget:

\$10,000 - \$50,000

Website:

<http://www.haitiventures.com>

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Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

Haiti Ventures is a venture capital firm that partners with mid-market entrepreneurs, which are neither served by micro-financing nor other initiatives in Haiti

About Project

Problem: What problem is this project trying to address?

Micro-financing and aid remain the most prevalent economic interventions for the unbanked and remittance users in emerging and frontier markets. They foster an ecosystem of necessity entrepreneurship as opposed to opportunity entrepreneurship. While important, necessity entrepreneurship seldom address persisting problems that governments and conglomerates fail to address. Private money is afraid of these parts of the world. In country financial firms set steep minimum investment requirements thereby barricading the under-served markets. Unbanked and under-served markets need to have the ability to engage in the investment efforts of disruptive solution creation companies that can address country needs via equity purchase in small increments (micro-vesting).

Solution: What is the proposed solution? Please be specific!

Our financial solution enables the average person living in an emerging or frontier market to affordably participate in promising investment activities that benefit the community. Equity position purchase help opportunity entrepreneurship companies scale while providing participants with: 1) automatic digital money market account creation that enable them to make investment allocations 2) unbanked becomes banked 3) no minimum shares purchase requirement 4) share purchase can be executed via mobile app, SMS text, online, remittance gateway and face to face via local attorney and notary public in our network. One of the breakthroughs with this solution is that participants will be able to divert part of their incoming remittance money to their portfolio. Money senders would also have the ability to make the allocation for their loved ones. Participants can leverage portfolio positions to obtain credit beyond microfinance to start their own ventures or for personal needs

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Step 1: Private Placement: After due diligence on all prospective early stage companies. We conduct a private placement. We give first round micro-vestors bigger discount on shares for earlier risk Step 2: Upon successful goals met and concept is proven, an Initial Public Offering (IPO) is conducted for the company. IPO share price is kept close to liquidation value and revised quarterly. Clients can be existing companies that seek to scale. Maximum share purchase limit is set for 1 month Step 3: We maintain investor relations and CFO function. We also act as purse holder to reduce the prevalence of abuse Value Chain Benefits: Allegiance to Community: A conventional investment firm's ultimate goal is to maximize profits for its investors at any cost. We focus on lucrative companies that can at minimum return 3-5X and prioritize the community it is serving first and the investors second. This is a condition for funding Digital Account Creation: Upon purchase of shares, we automatically create a digital money market account. The unbanked automatically becomes banked and can have access to a number of other financial services. Mobile Access: Enabling mobile interactivity and shares purchase capability, users can easily migrate into the financial platform and converted to banked market Credit and collateral: Participants and groups can leverage their portfolios as collateral for credit line and purchases. This would give participants that are entrepreneurs an opportunity to access capital beyond micro-financing to pursue opportunity entrepreneurship

Sustainability

Marketplace: Who else is addressing the problem outlined here? How does the proposed project differ from these approaches?

USAID and other Government aid agencies contribute to economic development. The allocation of resources is grossly misallocated. It is usually placed in the hand of organizations with limited understanding of entrepreneurship. Furthermore, the majority of the money allocated is spent on human capital and training. Their ingenuity goes as far as a business plan competition. Investment and Private Equity firm. In Haiti for example, most, if not all of the firms require a minimum investment of \$200,000 to participate. Impossible for someone that earns \$5 per day. Peers: Banks are sitting on cash but afraid to lend because there are no financial tool to de-risk their involvement. Participant portfolios can be used as collateral to enable more credit to flow within the country

Team

Founding Story

Following the earthquake in Haiti, I did some research to find out the solutions that have been applied to Haiti in the past half century. I compared the results with that of Ireland, Taiwan and Israel. These countries are the golden model for international development success. Clearly, the cocktail of aid intervention, micro-finance and remittance have not made things better in Haiti, Africa and other parts of the Latin America and Caribbean. So I devised a modern day solution that effectively leveraged the Venture Capital model, remittance, mobile technology and the resources of people within the community that are continually affected by numerous economic pain points.

About You

Organization:

Haiti Ventures

About You

First Name

Marc

Last Name

Saint Clair

Twitter URL

<https://twitter.com/Haitiventures>

Facebook URL

<http://www.facebook.com/marc.clair>

About Your Organization

Organization Name

Haiti Ventures

Organization Country

, MA, Boston, Norfolk County

Country where this project is creating social impact

, OU, Nationwide

How long has your organization been operating?

Less than a year

Has the organization received awards or honors? Please tell us about them

Haiti Ventures was selected as one of the top 14 companies to participate at the Babson Entrepreneurial Intensity Track. This is an extremely competitive program to get into. 14 MBA students are selected annually to take part in this business program.

The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen..

Innovation

How long have you been in operation?

Operating for less than a year

Which of the following best describes the barrier(s) your innovation addresses? Choose up to two

Access, Equity.

Social Impact

Please describe the goal of your initiative; outline what you are trying to achieve

The ultimate goal is through innovation, create companies that will solve systematic problems within a community where governments and existing financial institutions fail to address. In the process, give underserved markets the ability to

1. diversify personal income stream
2. become banked
3. increase personal credit rating to obtain bank loan
4. invest incoming remittance money
5. enable access to new financial products on micro-level
6. provide incentives for other financial institutions to tailor similar solutions in order to compete for market share
7. foster an ecosystem that promotes the practice of opportunity entrepreneurship

Which barrier(s) to financial inclusion does your solution seek to address? (select all applicable)

Physical and other accessibility obstacles that prevent communities from reaching financial services, The lack of affordable financial products tailored to the needs of underserved and excluded communities,, Powerful incentives for financial service providers to move up-market, Other (Please describe below).

If you selected 'other' above, please specify which other barriers to financial inclusion your solution seeks to address:

The inability to convert remittance money flow destined for sustenance and quasi purchase into investment

For which underserved or excluded communities will your solution create access to valuable, affordable, secure and comprehensive financial services?

1. Those earning less than \$5 per day
2. Those that live in urban and remote locations that does not have local banks
3. Those that have been unable to obtain a bank loan
4. Economies that are mostly driven by necessity entrepreneurship

5. Those that have been unable to make financial changes to their positions years and possibly for generations

Could your solution work in other geographies or regions? If so, where?

Yes,

It can help people living in India make vertical leaps into other classes within one generation.

It can help people living in countries in the Caribbean like Jamaica buy out foreign electric management company that have been raising the cost of electricity in order to increase profits. This practice has resulted in businesses shutting down and other irreversible community loss.

It can help people living in Latin America create competition that can encourage monopolies to drive down cost.

It can help people in Africa create major companies that address local needs and displace poverty.

This can even work in the US:

For example, if equity position is taken in energy company Mobile. The portfolio manager and participants would decide how to channel profits to members. Should they decide to collectively create a debit card technology where profits are allocated quarterly to the card to offset the cost of fuel. Alternatively they can acquire enough shares to run mobile.

If your solution is dramatically successful, how will things be different in 10 years?

In 10 years, we would see a correction in the methodology of capitalism.

Capitalism is good; however it has lost its ways.

People have been placed on the back burner in exchange for profit maximization. Profit is good but when it discards the value of lives and its customers in exchange for Alpha, it is irresponsible. We would move in an era where conglomerates encompass the value of their communities when they do business.

We would see more frontier and emerging markets solve their own problems through private companies that practice opportunity entrepreneurship. We would see a sharp rise in the number of middle class families.

Global remittance flow would decrease because families are able to financially care for themselves.

Lastly, we would see a decrease in the number of unbanked and underserved financial market users as they migrate unto banked platforms.

What will have had to have changed to make this happen?

1. Conventional and high net worth investors would have to suddenly value their local community over wealth.
2. Something extremely bad would have had to occur within the country for change to take place. Rwanda is the perfect example. Haiti is currently fermenting.
3. Communities would have had to find natural resources in their backyard to change the course of their financial position and ascend into middle class.
4. Native land economies would have to significantly be better for migrant workers to either return home or have no need to send money home.

What has been the impact of your solution to date?

After due diligence on 10 companies, we finally selected our first company, Perle Hospitality S.A.

We raised first round of funding for Perle Hospitality through private placement.

We are Currently working on October 2012 IPO efforts in Haiti. .

Impact of our first company:

1. The average hotel construction requires a minimum investment of \$5 million. Perle innovative approach crowd sources mansions from home owners. These underutilized assets create a network of private residence hotels at the cost of \$126,000.
2. Most items for the hotel network have been sourced locally. This is creating a ripple effect in the economy.
3. Home owners that usually send money back home to families can now offer jobs to family members as opposed to sending remittance money. This reverses decade long remittance practice for these home owners.
4. These hotel networks employ more people than conventional hotels given geographic distribution. Perle provides a location near where they work.

What is your projected impact over the next five years?

- 1) Fund at least 10 game changing companies
- 2) Solve 5 of top 10 pressing problems in Haiti through these companies
- 3) Create over 50,000 direct jobs and 150,000 indirect jobs
- 4) Move 1.5 million people in Haiti from unbanked to banked status
- 5) Engage Haitian Diaspora in Haiti's reconstruction.
- 6) Share my success and mentor four other economies about how to replicate this effort.

What barriers might hinder the success of your project? How do you plan to overcome them?

1)IPO Regulation in US

IPO will be conducted in Haiti where there are very limited regulations

2)Public trust in our financial product

Marketing push by leveraging my connections with radio owners, actors, filmmakers and organization leaders.

3)Identify entrepreneurs with the right mindset that will respect contracts. After doing due diligence on 10 companies, we realized that mindset and respect for contract was a challenging character to find.

We would have to look at a high volume of prospect in order to find the gem in the boulder.

Winning entries present a strong plan for how they will achieve and track growth. Identify your six-month milestone for growing your impact

10,000 participants and 100,000 shares sold in the first IPO. Underserved markets make up 60% of all participants.

Identify three major tasks you will have to complete to reach your six-month milestone _____

Task 1

Successfully market and establish trust in order to successfully conduct Haiti IPO for Perle Hospitality

Task 2

Leverage our resources and contact to ensure that Perle Hospitality shares are easily available within Haiti

Task 3

Earn enough from IPO to push SMS technology service capability

Now think bigger! Identify your 12-month impact milestone

30,000 participants and 2 successful IPOs conducted. Underserved markets make up 60% of all participants.

Identify three major tasks you will have to complete to reach your 12-month milestone

Task 1

Continuously help all funded companies meet investors expectations

Task 2

Define our usual and recurring users to modify marketing plan if necessary

Task 3

Deploy mobile platform, SMS technology and Remittance investment feed features

Sustainability**Tell us about your partnerships**

- 1) We partner with over 12 Haitian movie makers to place ads in their movies.
- 2) Color of Hope: We create their entrepreneurship curriculum. We identify Haitian entrepreneurs and engineers to speak at their Haiti events.
- 3) Haiti Renewal Alliance: We manage their Haiti Investor tank that is held during their annual forum. During this event, Haitian entrepreneurs from all over the globe pitch their business to potential investors.
- 4) Haitian Diaspora Organizations: I am a member of over 4 organizations and have working relationship with over 15. Some are on our ethics board.

Are you currently targeting other specific populations, locations, or markets for your innovation? If so, where and why?

Yes, we are targeting Haitian Diaspora that would like to return to Haiti to help funded companies with their intellectual assets. This is necessary to reverse brain drain. Over 75% of Haitians with a degree live outside of Haiti. We hope to leverage their professional knowledge to fuel growth and innovation.

What type of operating environment and internal organizational factors make your innovation successful?

If we can galvanize excitement about this product and more specifically what it can achieve, people will be excited about the combination of community impact and return.

An ecosystem where prior interventions have historically failed would be an ideal environment for our effort to flourish and do well. People are on the constant lookout for the breath of fresh air. People are always thrilled about helping themselves if they have the ability to do so.

Internally, if we continue to strive for integrity and aggressively help the underserved to flourish and solve their problems, the money will eventually be a natural by-product.

Please elaborate on any needs or offers you have mentioned above and/or suggest categories of support that aren't specified within the list

I can provide assistance in many facet for business efforts in Haiti.

Source URL: <https://www.changemakers.com/financialinclusion/entries/micro-vestors-unbanked-and-remittance-users-new-busines#comment-0>