

Letter to the Solace Community from Executive Director Nate York:  
November 3<sup>rd</sup>, 2009

Hi Everyone,

Well it has been a hectic and interesting past 3 weeks fundraising with Simon and Banze. We have been to Vegas, Salt Lake, Seattle, Anchorage and New York. It has been a while since I have been on the circuit and it is always good to take the temperature of donors and people interested in our projects. Obviously raising funds is very important but it is even more important for us to have a clear vision of where we are heading and why we are making the decisions that we make.

Over the past few years I have become truly convinced that in order for true sustainability to be achieved we need to establish successful and profitable income generating businesses at most (if not all) of our projects. We are starting to see some real successes on the ground in Kenya and Malawi and it is imperative that we build on these successes in order to truly quantify and document the results. Marcus is working on putting together a simple metrics system to measure the results.

The most compelling aspects of our projects are sometimes the smallest. The fact that YGC was able to take profits from the cyber cafe and Celine started a small poultry business is a true sign of entrepreneurship and movement towards sustainability. Starting with 50 chicks and slowly growing the business to one that will have capacity for 6,000 birds in Mamboleo is huge. Because of this success Simon was able to easily raise funds at our event in Anchorage for another 550 chicks. Basically people are willing to give towards a one-time capital investment when they are shown that their donation is something that will multiplied many times over. The donor community has finally realized that giving a \$1 for food is simply a band aid approach as opposed to giving \$1 for a business that can generate profits to buy the food.

I write this letter to simply reiterate this concept to everyone in the field. I have been preaching this at all of our project sites for years and I know that all of you know this. But I know recognize that when times are tough and money is tight (like not having enough money to pay teacher's at YGC) there is a tendency to fall back into the "aid mode or emergency mode". Also there is a tendency when local organizations are continually bailed out by donors to revert to begging for handouts. Take Malawi Children's Village as an example. While they have a beautiful campus, amazing infrastructure, many large-scale businesses (carpentry, tailoring) they have become used to having their overhead covered by donors in the USA. The fault lays squarely on both parties because initially it may have been better for MCV to focus on businesses and growing their campus and infrastructure on pace with their sustainability plan. I am not being overly critical of MCV because of their board structure in the USA and their donors they did not need to focus on the businesses in the beginning because they had their annual overhead covered. I use this as an example of what we be avoiding in the future. We need to carefully balance project growth with business development.

As Solace moves forward with this large scale project in Kenya (the women's vocational training center) it is going to be imperative that we are aware of our profits and cash flows from our businesses at YGC. We must not fall into the trap of overbuilding or designing something that is going to have an large overhead. That means carefully looking at our power consumption, food consumption vs our farm / business outputs. It is a balancing act that I want us all to be acutely aware of. Bottom-line we must design a system that has the least amount of overhead even if that means a higher infrastructure costs.

As we move forward in Kenya my suggestion is that as Simon begins the process of building the women's center that we maintain focus on the businesses that are currently running. Mamboleo farm needs to be scaled up to produce as much food as possible. We need to keep a very keen eye on the trucking business. Partnering with Med25 we need to have an efficiently run clinic in Mbita. The hospitality business is going to have to have clear numbers on what it costs us to host volunteers.

Looking at 2010 and seeing what we are striving to accomplish I know that the results from this project can be groundbreaking. There are very few NGO's in the world that are taking this holistic approach towards solving the problems of poverty. It is going to be a mighty team effort.

We are embarking on the most important project in Solace's 8 year history. I believe if we can truly show sustainability at our new women's center we will have an solid foundation for our future work throughout the world.

Go ahead. Don't stop.

Nate