

# HOW TO BE A GREAT SOCIAL STARTUP

## Practical lessons from our startup support experience

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Dream Incubator Vietnam JSC

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The logo consists of the letters 'DI' in a white, serif font, centered within a dark blue square background.

DI

## DIRECTOR, DI ASIA (Vietnam Office): KAZUHIRO NAKASHOJI



- At DI Tokyo, Kazu worked as **a strategy consultant for enterprises in Healthcare, Renewable Energy, Manufacturing, and Automotive industries across Japan.**
- He also joined **DI India as a venture capitalist focusing on fundraising, business due diligence, investment and incubation for Indian healthcare startups.**
- After DI Tokyo, Kazu is **stationed at DI Asia - Vietnam Office as a Director. He leads social impact investment projects with JICA and provides support for startups in Vietnam, Indonesia, Bangladesh, and India.**
- Kazu graduated the University of Tokyo with a Master's degree in Nuclear Physics.

**I'm really honored to be here!**

# WHO WE ARE

## Company overview

DI = "The Business Producing Company"

Founded: 1 June 2000 in Japan

Consolidated net asset: ¥13.7 billion

Staff: 835\* (Consolidated)  
91\* (Non-consolidated)

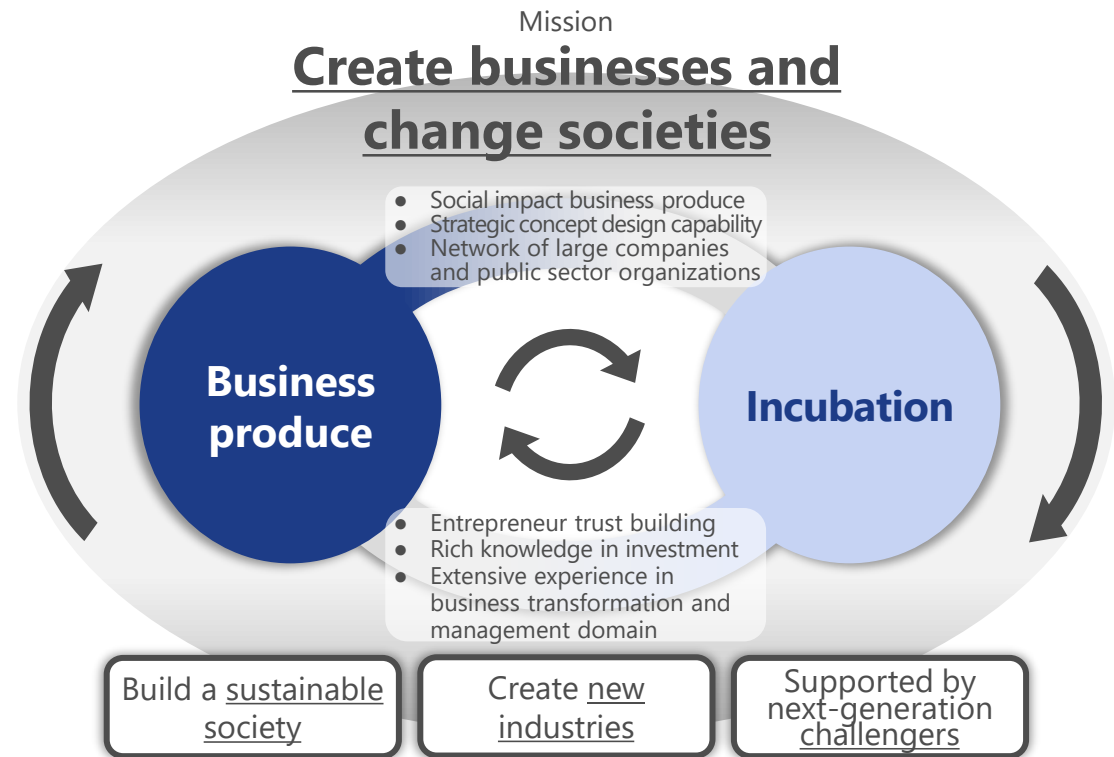
Traded on:

- First section of the Tokyo Stock Exchange

DI Group's global locations:

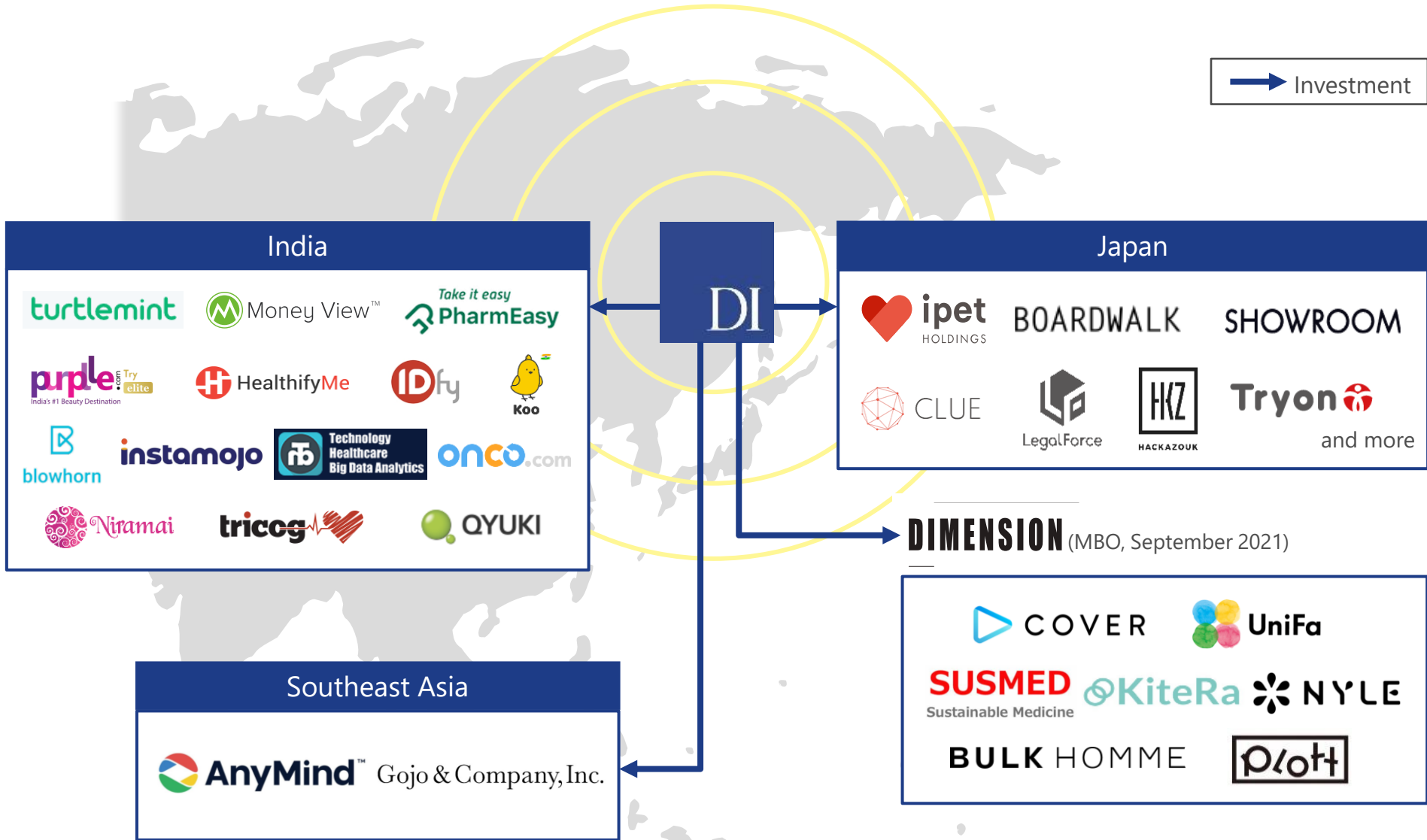
- India, Vietnam, Thailand, Indonesia

## Business model



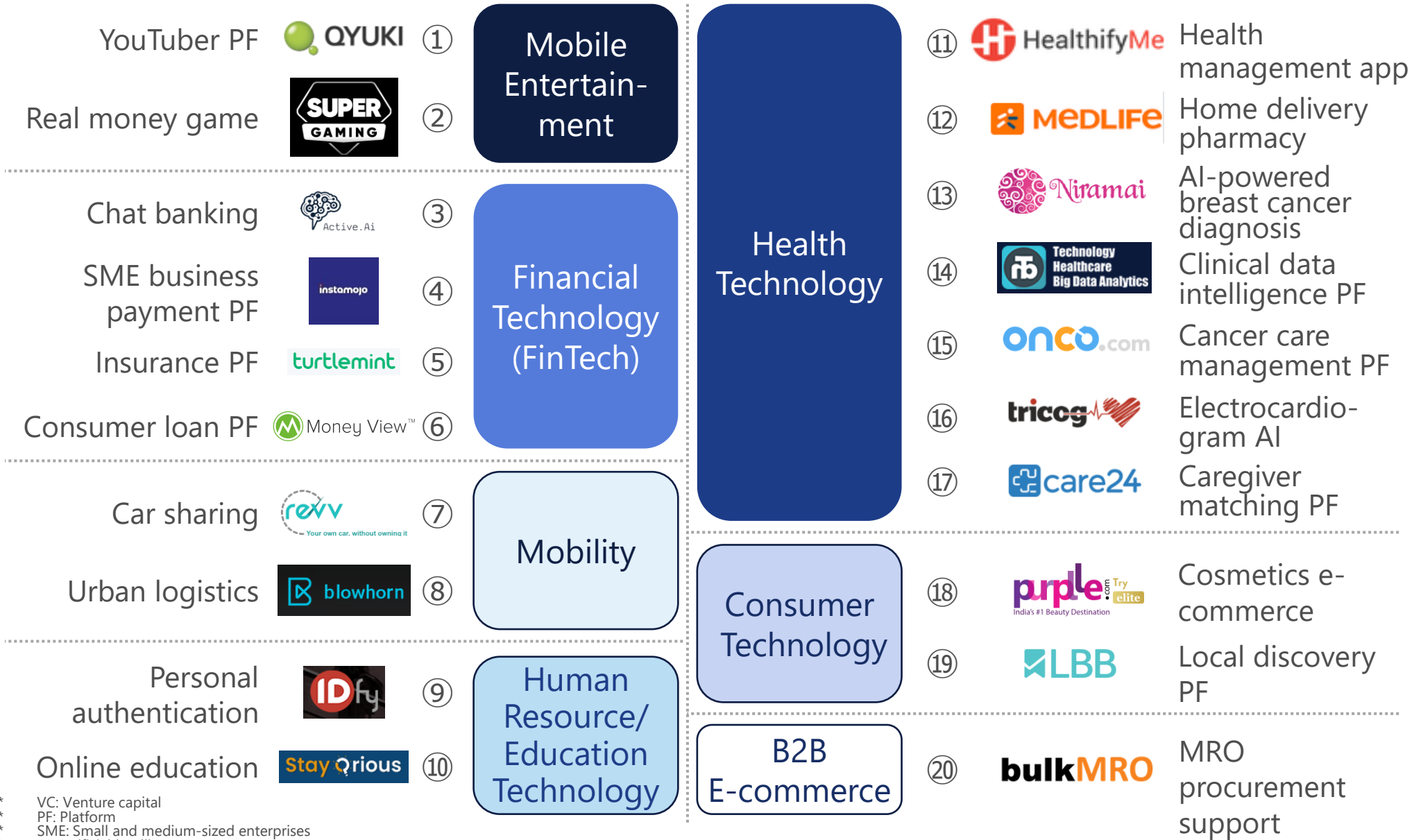
**Focus on producing high-impact businesses to reshape society**

# INCUBATION OVERVIEW





# VC: INVESTED IN ~20 COMPANIES IN THE DIGITAL x B2C FIELD



\* VC: Venture capital  
 \* PF: Platform  
 \* SME: Small and medium-sized enterprises  
 \* AI: Artificial intelligence  
 \* MRO: Maintenance, repair and operations

# JICA AND DI ARE WORKING TOGETHER TO DESIGN A SOCIAL IMPACT INVESTMENT ECOSYSTEM IN ASIA



×



Japan International  
Cooperation Agency (JICA)

- Governmental agency of Japan
- Annual budget totals \$1.4 billion



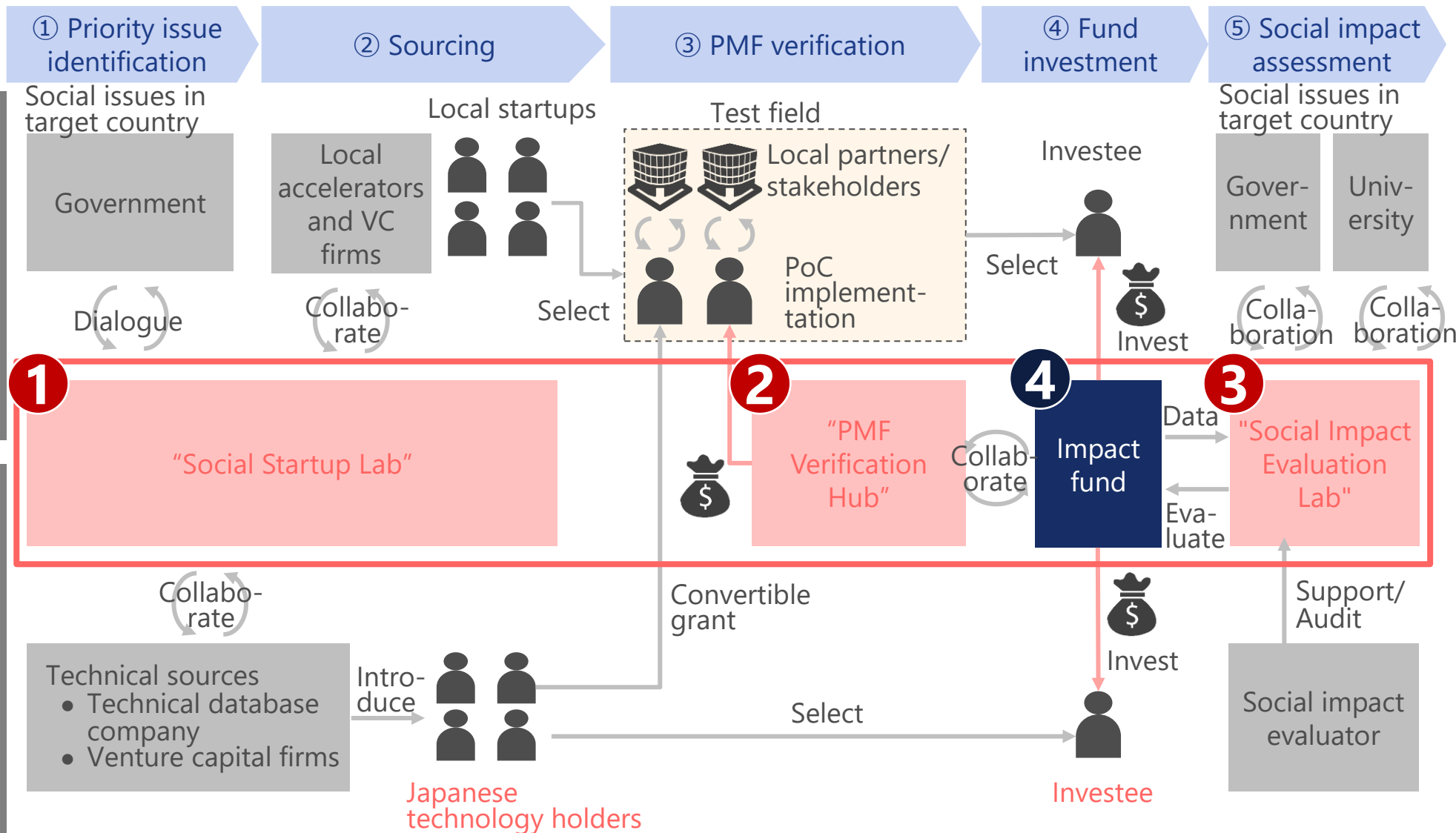
Goal

Create an ecosystem to support the growth of social impact investment in India, Bangladesh, Vietnam, and Indonesia

DI and JICA are now brainstorming the creation of an impact fund x ecosystem

- Product/market fit ("PMF") validation: April 2021 – February 2022
- The launch of impact fund or technical assistance programs: 2022 onward

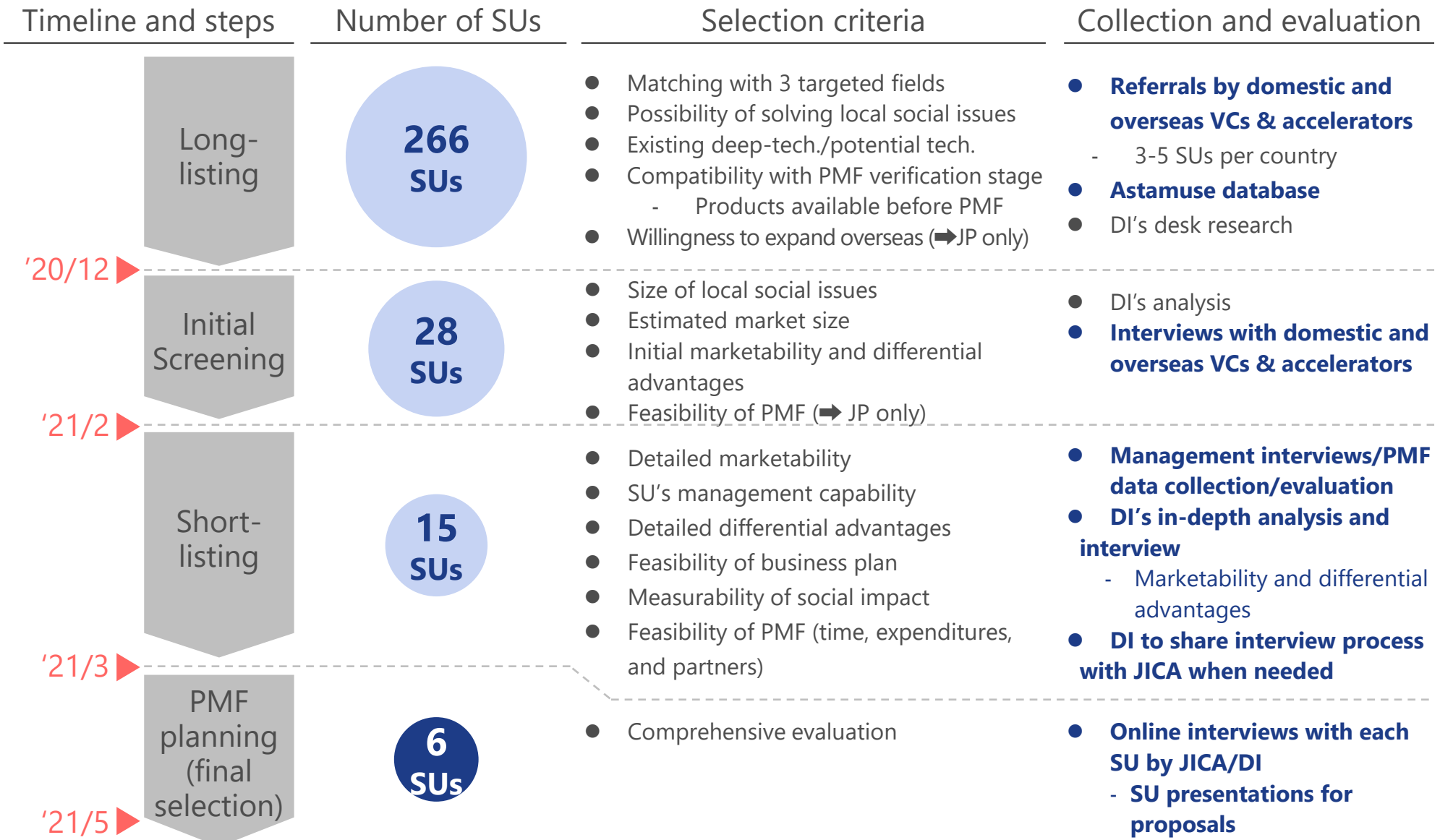
# THE AIM IS TO ESTABLISH A SOCIAL IMPACT INVESTMENT ECOSYSTEM



**We have undertaken pilot projects with distinguished startups**

\* PoC: Proof of concept, VC: Venture capital

# JICA & DI SELECTED 6 DISTINGUISHED STARTUPS IN 3 COUNTRIES



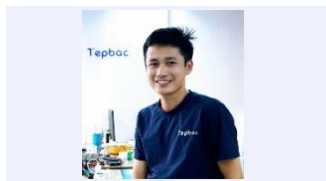


## Company Overview

### Profile

#### Provide digital solutions for aquaculture

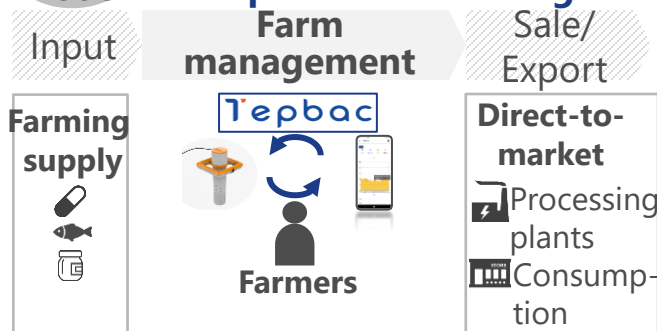
- Founded in '16, HCMC
- Industry: Aquaculture
- Product: AI-powered mgmt. software, IoT hardware for monitoring



CEO: Tran Duy Phong

### Biz Model

#### Integrated "1-stop" shop for aquaculture farming



## PMF Overview

### Plan

### Result

### Business Side

#### Market

#### Educate farmers & prove products in farm settings

- On-site device installation
- Training sessions in key provinces (Mekong Delta, HCMC, Vinh Phuc)

#### Successfully approached potential customers across the nation

- ~10 seminars, ~40 installations in both Northern & Southern VN
- ~80% customers switched to use app & timer for remote mgmt.

#### Product

#### Adding new & improving core products

- E-commerce platform
- New automation functions

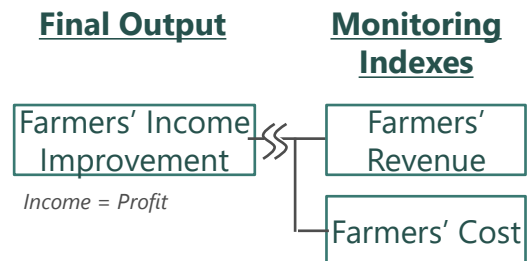
#### Customer feedback showed that products were improved significantly



- EC transactions grew by 3x
- Developed NH3 index & automated feeding

### Impact Side

#### Improvement of aquafarmers' productivity



#### Tepbac succeeded in improving farmers' income drastically (Potential growth rate = ~6%)

	Jul	Nov	Feb
Avg. revenue per area	\$103k/ha	\$65k/ha	\$111k/ha
Avg. cost per area	\$69k/ha	\$97k/ha	\$65k/ha
Avg. income per area	\$34k/ha	-\$32k/ha	\$46k/ha

\* EC: E-commerce, mgmt. = Management  
Source: Tepbac, DI Analysis

## Company Overview

### Profile

**A pioneer in hospital caregiving services in VN**

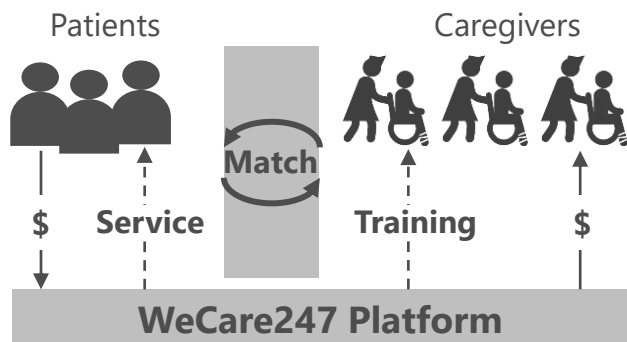
- Founded in 2017
- Industry: Healthcare



Founding team

### Biz Model

**A booking platform for inpatients and caregivers**



## PMF Overview

### Plan

### Result

### Business side

#### Product

**Improve caregiving services by building a professional training program**

#### Market

**Better facilitate market demand with a tech platform**

- Create a mobile app

**Successfully improved caregiving services with higher patient satisfaction**

- Patient satisfaction increased by 65% after the PMF

**The app effectively generated a significant number of customers in just a month after launching**

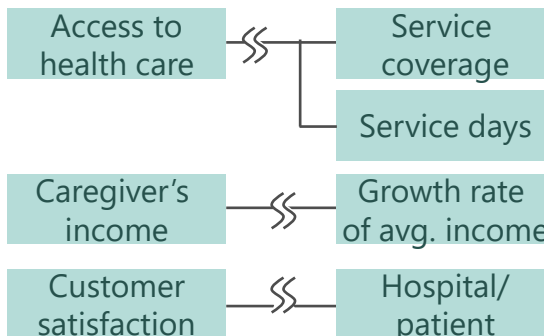
- 30% of Jan '22 customers come from the mobile app

### Impact Side

**Improvement of healthcare service, caregiver's income, customer satisfaction**

#### Final Output

#### Monitoring Indexes

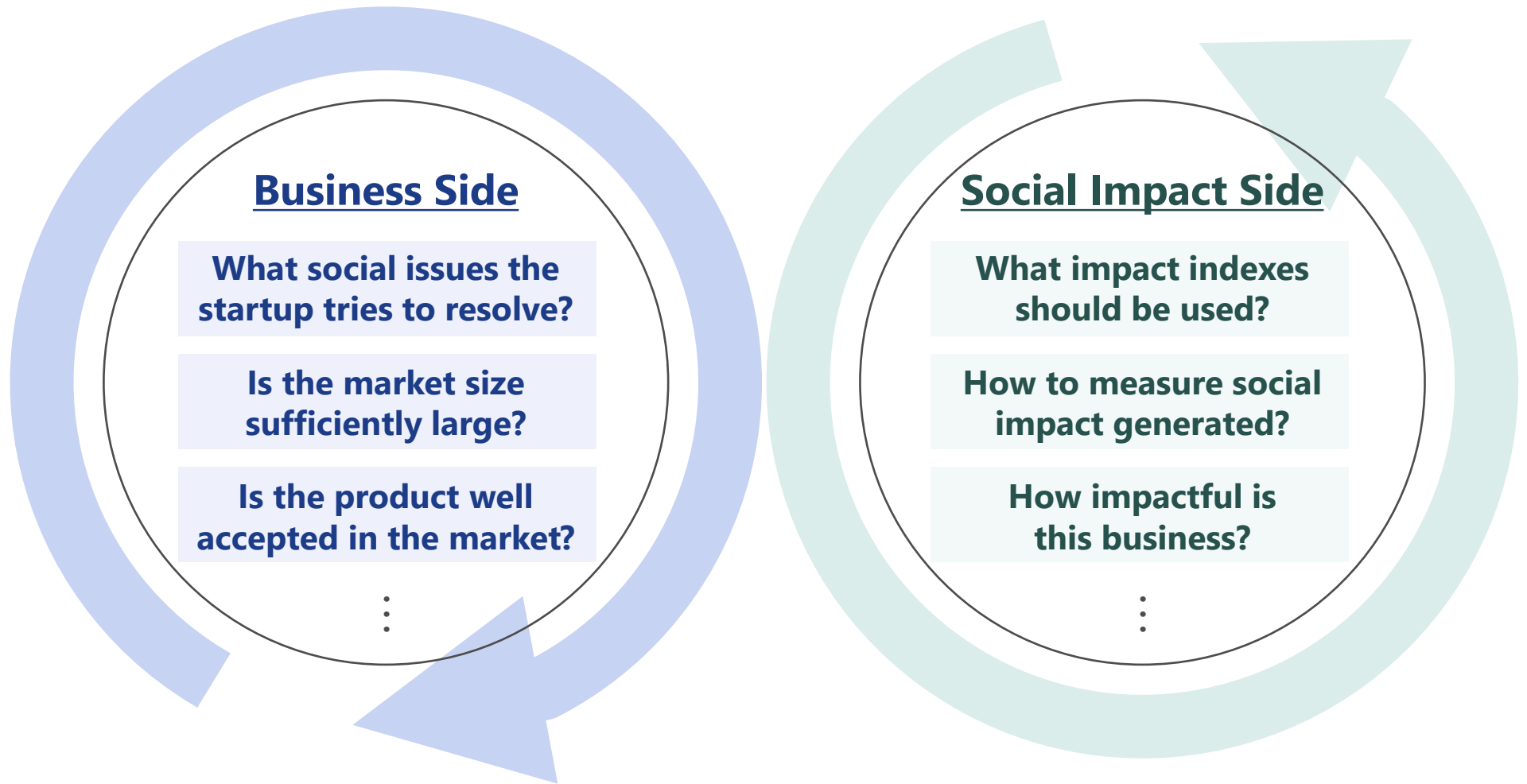


**Proven positive social impact on patients, caregivers & hospitals**

- **Patient:**
  - Service coverage increased by 0.46%
  - Service days decreased by 1%
  - Satisfaction increased by 65%
- **Caregiver:** Average caregivers' income increased by 0.4%
- **Hospital:** Satisfaction increased by 38%

# KEY QUESTIONS TO ANSWER FOR A GREAT SOCIAL STARTUP

The balance and combination between “Business side” & “Social impact side”



Let me introduce a good example from our actual activities

Purpose/  
Social Issue

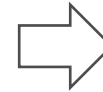
**Verify the potential contribution to Indonesia's fishery industry using genome editing tech**

- **Improvement of farmers' income through genome editing technique**



PMF  
Overview

Verification items



Methodology

**Product**

**Verify if the mutation was detected with 2 species**

- Genome editing on Vannamei shrimp and pangasius



**Collaborate with a local fishery SU\* and RF to create a basic scheme**

- Set up an aquafarm in Situbondo
- Inject genome editing tools into eggs and analyze DNA by PCR/HMA
- Design and create genome editing tools (enzyme) for the species

**Market**

**Understand substantial needs of high-speed breed improvement and desirable traits**

- Fishery market demand and technology pain points
- Potential needs of consumers and exporters

**Conduct 2 types of market research**

- RF-Indonesia to conduct qualitative interviews with aquafarmers
- Conduct a quantitative online survey targeting potential consumers and exporters with a local partner (ARUNA)

\* ARUNA: One of the largest fisheries e-commerce players in Indonesia

# BUSINESS SIDE: HOW INVESTORS SEE YOUR BUSINESS

## Social Issues

**Social Issue size = Market size?**

Agriculture: \$60 billion

Rice waste: \$600 million

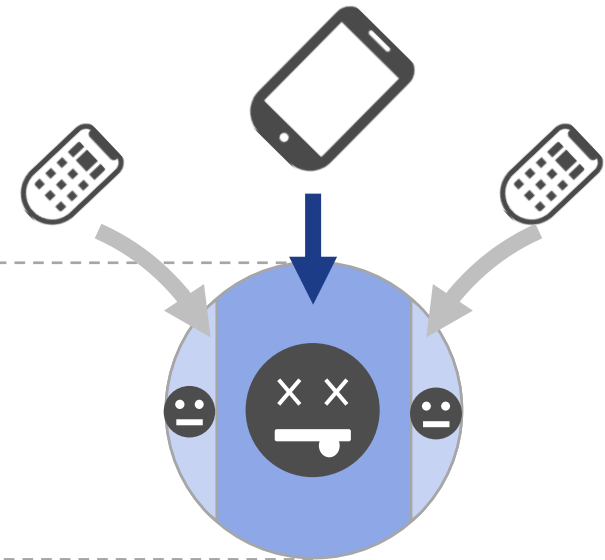
Products from  
rice waste: \$60 million

Current market:  
\$0.5 million

↑  
**TAM**  
(Total Accessible Market)  
↓

## PMF

**Do you know who is crazy about your product and the proportion of these customers?**



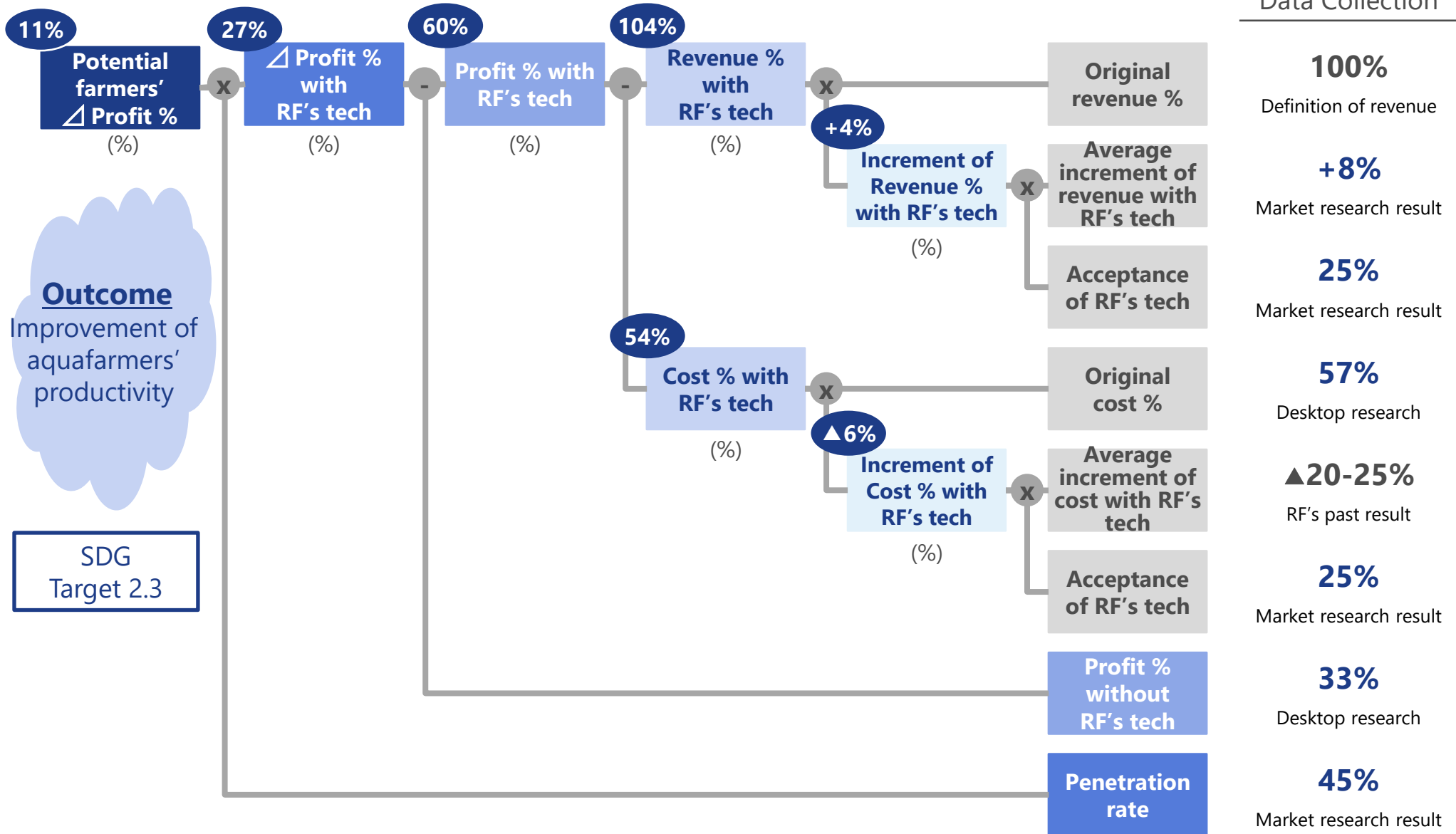
Image

Investors' Eye

- ① Is TAM large enough?
- ② Is the current market very small?  
If the market is small, startups will become large by market growth

- ③ Can the startup elaborate on desires of target users vividly?
- ④ Are products accepted by large and easy targets?  
Time is money especially for SUs

# IMPACT SIDE: IMPACT MEASUREMENT SCHEME & POTENTIAL IMPACT



# SOCIAL IMPACT SIDE: HOW INVESTORS SEE IMPACT MEASUREMENT

← **Output** →

Use global standard indexes (SDGs, IRIS)

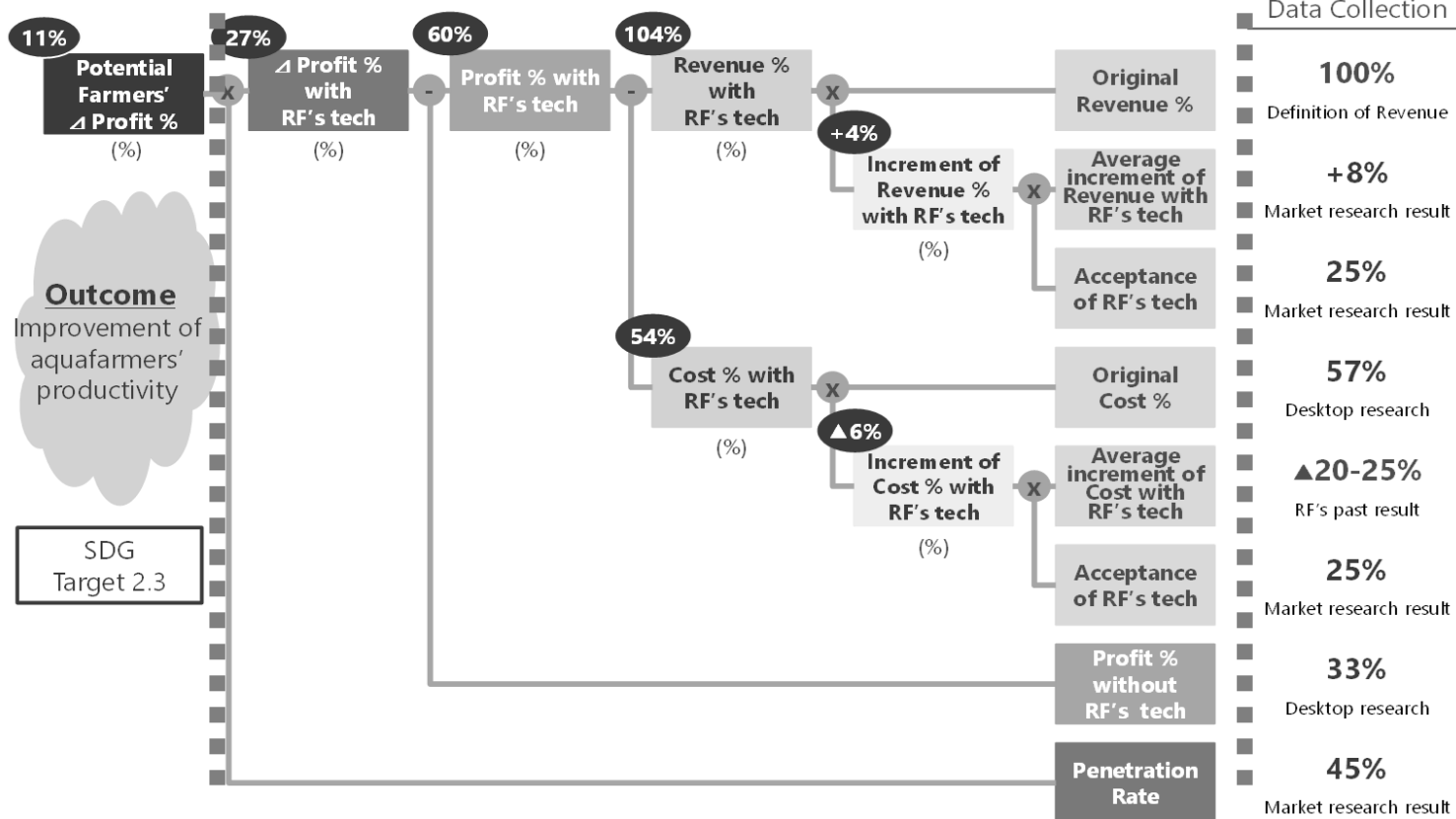
← **Calculation** →

Concise model to calculate  $\Delta$

•  $\text{Impact} = \text{After} - \text{Before} (= \Delta)$

← **Input** →

Select indexes where data can be collected naturally



# SUMMARY & KEY TAKEAWAYS FROM TODAY'S DISCUSSION

1. **JICA & DI started to consider how we can contribute to Vietnam's impact investment ecosystem through our startup and market player support**
2. **Though there are many challenges, great supporters exist in this ecosystem and promising startups start to emerge (=Great potential!)**
3. **To be a great social startup,**
  - **Business side: Achieve PMF based on social issues**
    - Is the market size sufficiently large and at the same time small?
    - Can you envision your target users' desires?
  - **Social impact side: Create a standard, practical scheme → Measure impact**
    - Outcome: Adopt global standard indexes
    - Measurement: Data should be collected naturally from your business

**Let's make Vietnam's impact ecosystem greater with us!**