

USAID RISE Case Study

Tailored investment readiness TA supports Ecodoe to raise capital and pivot during the pandemic

“For every challenge, we believe it raises an opportunity to be better,” emphasizes Larasati Widyaputri, Founder and CEO of an Indonesian start-up, Ecodoe. As a start-up, Ecodoe and Larasati have faced many challenges, including a hard-hitting global pandemic.



In this case study, we feature [Ecodoe](#), a small company with lofty ambitions. Ecodoe was established in 2014 and legalized in 2016, with a focus on connecting local micro, small and medium enterprises (MSMEs) to an international market via an online souvenir delivery service. Ecodoe saw an opportunity to align local development goals, specifically to women within rural Indonesian communities, with business objectives. The USAID Regional Investment Support for Entrepreneurs ([RISE](#)) platform, managed by [Swisscontact](#), has provided technical assistance (TA) to Ecodoe to support its growth and impact objectives.

Challenges

Ecodoe has faced three key challenges so far: (1) becoming investment ready, (2) building successful development within the company team and hiring new staff, and, most recently, (3) pivoting the company to survive the global pandemic. The two main investment readiness challenges have been good bookkeeping and accountancy. Limited

capital has made it tough to acquire skilled permanent staff; instead, a small-sized team must play many roles to support the business. When new employees do join, it can be difficult to find the time to sufficiently onboard them. On top of these, the arrival of COVID-19, which has affected all businesses, has severely affected Ecodoe as the company deals with a network of MSMEs providing B2B e-procurement services.



Solutions through USAID RISE

To overcome its challenges, Ecodoe needed help. Larasati joined the [Singapore International Foundation \(SIF\)](#) 'Young Social Entrepreneur' program in 2015 and in 2019 joined [AVPN's](#) joint program with Credit Suisse for investment readiness. AVPN then introduced Larasati to its partner, the USAID RISE platform. RISE supports impact businesses and investors by providing TA through a repayable grant model. This TA is demand-oriented – serving the needs of growth-oriented entrepreneurs. TA can be tailored as it is provided by a pool of vetted consultants with wide-ranging skills and services. Larasati's first request from RISE was investment readiness support.

RISE connected Larasati to [Empassion](#), an impact investment advisory firm, which was afterwards hired to perform business management consultancy, financial planning, and evaluation for Ecodoe. "The data had not been recorded very well; we needed to re-confirm most of their data, especially the financial parts; we had to make sure that the historical data is correct because that is the basis for us to do the financial planning," explained Adisti Chandra, Partner at Empassion. Larasati further identified that the TA had been necessary for her to achieve investment readiness, admitting that:

"Before, when a prospective investor would like to invest in us we couldn't have offered real equity; it would have been based on intuition and only referring to real assets while for an early stage social enterprise like us, what we have mostly are IP, technology and people as our intangible assets, but now we have enough data from the advisor to offer prospective investors."

Empassion also helped to hire Ecodoe's CFO Wahyu Prasetya at the start of 2019. Larasati explained "The TA also supported us in the development of our people, onboarding our new team, interviewing the prospective team members, and giving us insight regarding the investors who will match well with us and who could give us an advantage in the future; so when there are several investors coming to us, they only want to invest if they receive 50% equity; now we already understand that what they offer is not relevant with our valuation."

At the same time, as Ecodoe was growing, it also sought support on growth analytics and operation optimization. Through its partnership with the [Credit Suisse Virtual Volunteer Program](#), RISE then helped match Ecodoe with a Credit Suisse volunteer to help review Ecodoe's current business SOPs and recommend improvements with a focus on growth. Larasati explained, "They delivered excellent service, providing us with strategic advice and risk management. They even helped us develop our approach to interview candidates to make sure we built a strong freelance team that could be responsible for on-boarding our MSMEs and doing product QC."

In addition to TA and additional human resources, Ecodoe needed financial support to survive the impact of COVID-19. Through RISE and Empassion, Ecodoe met the financial intermediary [BIDUK](#).



“We didn’t expect to have networking in addition to the technical assistance” explained Larasati. “I am very thankful to RISE and BIDUK.” Through a combination of financial support and guidance from BIDUK, Ecodoe has been able to better navigate the COVID-19 period. Larasati clarified that, “because of COVID-19, we needed to make some other additions to our business model to succeed. Since March we have focused on shifting the products produced by MSMEs, so we have moved from only corporate gifting to be procurement in general. We have educated the MSMEs to produce PPE and other COVID-19 related items, for example, face masks.”

Results

Since receiving TA from USAID RISE, Ecodoe has successfully raised multiple types of capital, including grants, debt financing and convertible debt financing, from various financial institutions and investors. For example, Ecodoe has been the recipient of a DBS Foundation Social Impact Prize worth SGD 10,000, received short-term working capital loans through BIDUK, and has recently secured funds from Telkomsel, the largest telco company in Indonesia. Besides fundraising, Ecodoe has also grown its B2B revenue streams to 200% in the third quarter of 2020 despite the pandemic.

As a result, Ecodoe has also been able to grow its social impact. By the end of 2020, it has provided an online market for 450 MSMEs, 63% of which reported an increase in income. By early 2021, Ecodoe has kicked off LOCALARIS, an incubation roadshow to help MSMEs upskill their knowledge and operational abilities from financial, legal, and digital literacy to communications, branding and product quality control, so they can further increase their production capacity and consequently sales revenue to meet the growing market demand. The incubation has then increased the number of MSMEs on the platform to 700.

Larasati has been committed to gender equity by adopting early on specific gender policies for her female employees. For example, Ecodoe has a work-from-home protocol for mothers who are its employees and provide Day Care subsidy for those who need to come to work at the office.

Going forward, while many challenges have been overcome, many more remain. Larasati claims that they still need TA as part of their planning: “that’s why the technical assistance itself has been very helpful but we still need more.” They need to have a senior finance member in Ecodoe, but because of delayed investment from a prospective investor they need to optimize their current team and resources.

Beyond TA, there is also a need for further international networking as the company has successfully launched additional product offerings to more local MSMEs, including micro-lending, a virtual sales platform, and acceleration support for the MSMEs working with them. Wahju, CFO of Ecodoe, sees their future stretched out in front of them, excitedly predicting; “Soon we will face our competitors like Alibaba. We already find the product market fit and are ready to scale up further, so the impact will be wider to millions of MSMEs.”

