



# AppLab

## Mobile Microfranchising and Application Laboratory Initiatives Give Entrepreneurs New Tools for Success

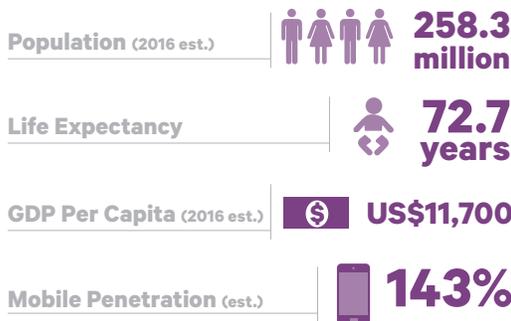
In Jakarta, the capital city of one of the world’s most populous nations, underserved residents have been introduced to mobile technology to access unique business opportunities and gain the skills needed to lift themselves out of poverty. In collaboration with Grameen Foundation and Ruma, a local social enterprise, a suite of mobile solutions was developed for Indonesia. The core concept of the Mobile Microfranchising program was simple, effective and sustainable: a local small-business entrepreneur used a microfinance loan to purchase a pre-packaged kit that included a mobile phone and then re-sold the “airtime minutes” to neighbors. The Application Laboratory (AppLab) initiative established a multi-tier suite of data services designed to increase the incomes of entrepreneurs, mostly women. Following the success of the AppLab initiative, Grameen Foundation launched its Inclusive Business Tools initiative to build mobile technology tools for social enterprises, enabling them to work more effectively with underserved individuals.

### Challenge

- Although the majority of Indonesians live below the \$2.50/day poverty line,<sup>1</sup> the number of mobile subscriptions in the country exceeds its total population size.
- The Mobile Microfranchising program, and later the AppLab initiative, saw mobile technologies as an opportunity for rural entrepreneurs to access high-value social applications and increase their income.
- The cost and time required to deploy each mobile application was affected by the need for each one to be supported by an entire business line and a business model that had to be designed, tested, modified and scaled across a broadly distributed network of entrepreneurs.
- The process of building the applications and the related services took more time and resources than building a more traditional mobile application. However, the potential for impact and alleviation of poverty was much higher.

## INDONESIA

### 2017 Statistics\*



\*Sources: CIA World Factbook (<https://www.cia.gov/library/publications/the-world-factbook>); mobile penetration data provided by Ovum World Cellular Information Service and based on market intelligence.

### Solution

- To ensure long-term support for the expanding network of entrepreneurs, Grameen Foundation and Wireless Reach incubated Ruma, an Indonesian social enterprise whose name translates to mean “your micro-business partner.”
- Ruma helped micro-entrepreneurs to first become electronic airtime resellers, and then to expand their businesses with new AppLab products and services that further increased their income. The program demonstrated an innovative microfranchising model that was market-oriented and built on the strength of microfinance, a leading poverty alleviation strategy.
- The mobile phone then served as a platform for providing additional applications and services to further increase their revenues and profits. New applications and services were launched through a mass-market channel, which directly supported the entrepreneurs.
- AppLab delivered new and innovative products, information services and business opportunities tailored to the needs of underserved residents with the objective of increasing their incomes.
- The Jual Pulsa or Top Up application allowed entrepreneurs to sell airtime to customers. Operators were also able to profit from each transaction.
- The Kerja Lokal or Local Work application was a service that connected residents to informal sector job opportunities, increasing the chances of stable income for families who had no central source for aggregated job information, such as factory workers, drivers, maids and security personnel.
- The Market Intelligence application enabled businesses to better understand the needs and interests of low-income consumers, while providing additional income for some of the world’s poorest people.

## Impact



### Achieved Sustainability

Ruma assumed full day-to-day operations in 2011 and works independently of Grameen Foundation and Wireless Reach. It recruits and trains owners of small shops to accept payments for utilities, conduct market research for consumer goods companies and sell financial services using custom applications. The shop owners earn an incremental income, while providing necessary services in their communities. Grameen Foundation became an equity investor in Ruma in 2014.



### More Than 1.5 Million Customers

Results from 2012 were:

- More than 15,000 entrepreneurs serving more than 1.5 million unique customers in Indonesia.
- Of the entrepreneurs involved in the project, 82% were women and 100 percent of them were profitable.
- In addition, approximately half of the entrepreneurs who stayed in the program for at least four months lifted themselves out of poverty and doubled their income.



### Tailored Solutions

Using insights from the Mobile Microfranchising and AppLab initiatives and Ruma's early work, Grameen Foundation created TaroWorks™, a mobile technology tool that helps social enterprises with field agents in remote locations work more effectively with the poor. The suite of data management solutions enables two-way information flows between field agents and their home office and can be tailored to the specific needs of each organization.

## Program Stakeholders



<sup>1</sup> World Bank Data from Poverty & Equity Databank and PovcalNet (Accessed June 2014) <http://povertydata.worldbank.org/poverty/country/IDN>.

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### Qualcomm® Wireless Reach™

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