

BusinessWeek

JULY 9 & 16, 2007

www.businessweek.com

ANNUAL RETIREMENT GUIDE

“I’m Outta Here!”

HOW TO RETIRE EARLY, NEST EGGS IN PLACE

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GLOBAL FINANCE

Where Venture Capital Never Ventured Before

The fishermen from the Indian village of Chidambaram live a hard life. They sleep most of the day, then spend the night out on the water. For light during those dark hours, they have long depended on wobbly kerosene lamps that were easily blown out or, worse, toppled by the wind, risking a deadly fire on their boats. But these days, the kerosene lamps have been replaced with MightyLights, \$50 solar-powered fixtures. "I save 100 rupees [\$2.50] a month on kerosene alone," says K Kanimuri, a fisherman's wife who also uses the MightyLight

in her makeshift kitchen.

Kanimuri and her fellow villagers may not know it, but the change in their fortunes is rooted in global finance. MightyLights are the brainchild of New Delhi-based Cosmos Ignite Innovations, a startup that aims to provide simple products for the world's poorest people. And Cosmos got its start with backing from Vinod Khosla, a veteran Silicon Valley venture capitalist. Now Cosmos is in talks with other groups including London-based 3i and eBay Inc. founder Pierre M. Omidyar for a second round of funding. "For us, it's not just the light, but using a sustainable

model to effect social change," says Matthew Scott, chief executive of Cosmos.

Just a few years ago, most venture capital funds focused on pure technology companies operating in industrialized countries. But now, VCs are starting to look for opportunities in the developing world. "The base of the pyramid is often ignored but offers a tremendous opportunity," says Katie Hill, the India representative of Acumen Fund, an \$8 million fund backed by the Cisco Systems Foundation and the Rockefeller Foundation. Acumen has put \$1.5 million into Ziqitza, a Mumbai-based ambulance

company that offers deep discounts on its service for residents of the city's vast slums.

The trend is due in part to the amount of money chasing deals. VCs these days are forced to "invest in less fished areas," says Sumir Chadha, managing director of Sequoia Capital India, an arm of the Silicon Valley VC firm. But don't mistake such investments as charity. Santa Monica (Calif.)-based Clearstone Venture Partners has put \$5 million into DigiBee Microsystems, which expects to pocket handsome profits by selling low-end mobile phones to poor Indians. And two California VC funds are considering a \$5 million investment in Novatium, a Chennai company that has developed a \$100 PC and expects to sell 3 million of them by 2010. Says Novatium CEO Alok Singh: "We have always been market-driven and make money."

—Nandini Lakshman