

# Elevyn- Empowering Communities through Trade

## 1.0 INTRODUCTION

Inspired by the indigenous people of South East Asia, Mike Tee, and Devan Singaram, launched Elevyn, an online platform that empowers marginalized communities by giving them access to the global market.

Despite being busy, as both Devan Singaram and Mike Tee are busy young entrepreneurs running their own IT companies (Fuzion Interactive and Density Professional, respectively), they are determined to help the unfortunate indigenous artisans.

Moved by their friend, Sze Ning's story and encouraged by the idea of social entrepreneurship, they started the social entrepreneurship projects in late 2007. They managed to create business models that are not only driven by profit to ensure a sustainable business but also generate positive social impact.

Elevyn (pronounced as "eleven") is an online platform that enables rural entrepreneurs and non-government organizations (NGOs) to set up online shops and sell their crafts to a global market. Their goal is to improve the economic standards and financial independence of marginalized communities, which is clearly stated in their slogan "Empowering Communities through Trade".



Founders of Elevyn, (from left) Devan Singaram, Mike Tee and Puah Sze Ning. Source: <http://www.elevyn.com>

Sze Ning had previously worked with various indigenous groups in Malaysia and is now their Field Coordinator. Her first involvement with voluntary organizations was when she was interning for the Center for Orang Asli Concerns (COAC). According to Mike Tee, during Sze Ning's internship in a village in Sabah, she realized that most of the womenfolk, comprising single mothers and elderly women, produce beautiful crafts. Thus far they are caught up in poverty due to the lack of access to the market. It was during her internship when Sze Ning was approached by one of the artisans asking for her help to find a market for her crafts in the city. Sze Ning was saddened and experienced a feeling of helplessness as she was not able to help the indigenous artisans in Sabah to market their products. It was then that she told her friends Devan Singaram and Mike Tee about her experience in Sabah. On that basis they decided to use their expertise in the IT area and put their skills to use for the betterment of the indigenous people who do not have access to and lack knowledge in marketing their products.



Temiar settlement at Pos Tohoh (© 2009-Suli). Source; <http://www.elevyn.com>

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lift marginalized communities out of poverty, they found inspiration from various sources. To develop a proper model both Devan Singaram and Mike Tee were very much inspired by Kiva.org and were amazed at how they successfully utilized the Internet to create a community to help poor entrepreneurs in developing countries. Coming from an IT background and realizing that together they have the necessary skills and knowledge, they strongly believed that they could do something to help generate a profit that also had a social impact.

As the idea evolved the team travelled to various places including Sabah, Malaysia and Chiang Rai, Thailand and also interviewed people from Sri Lanka with a mission to better understand the real situation and problems faced by the indigenous artisans in the rural areas.

Their focus was communities in specific areas that were producing handmade items. One common problem that emerged from their observation and interviews with all of the



artisans was access to the market and receiving a fair and reasonable price for the products that they produced.

Field agent providing assistance and consulting with the artisans in marketing their products.

Source; <http://www.elevyn.com>



Elevyn.com was later created to assist and work with all of the artisans to promote their craftwork online to a global audience and directly channel over 75% from each sale item back to the producer.

With the help of their Field Coordinator, Sze Ning, the team has launched their platform with its first online shop “Soning Craft”, which sells handmade items including necklaces, belts and baskets by

talented community-based craft makers from around the East Malaysian state of Sabah.

What Elevyn.com did was simply articulate the expression of teaching a man to fish so that he can survive on his own for a lifetime rather than simply giving a man a fish that would only last for a day.

### 3.0 HOW IT WORKS

Mike Tee and Devan Singaram specifically designed Elevyn.com to make it user friendly, or in other words, easy, in order to help the marginalized artisan communities to be able to use the Internet to set up ecommerce stores for the craftwork. Elevyn.com was created by adopting the Etsy or eBay concept, but was explicitly designed to make it different from Etsy, eBay or anything else that is available online.



How it works is that Elevyn link up the marginalized communities to the worldwide market through technology and the Internet. What Devan Singaram and Mike Tee did was to build a web-based platform that connects community-based sellers to a socially-conscious market.

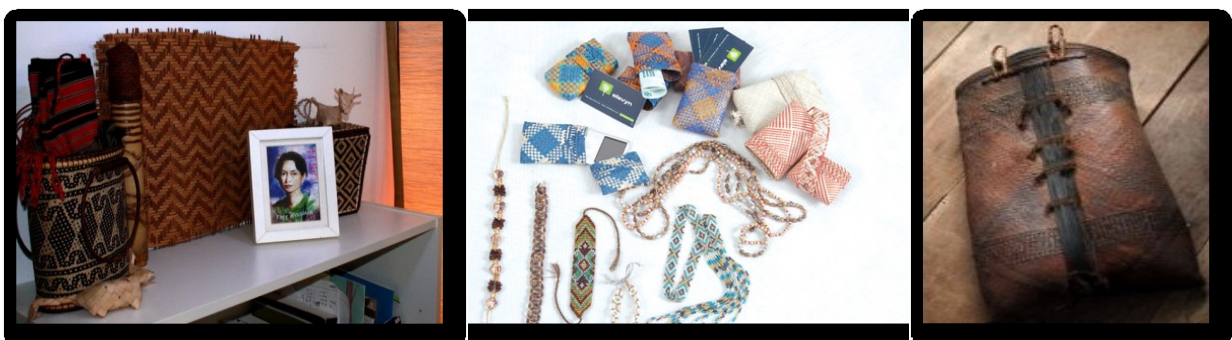


Often mistaken as an NGO because of their nature of business they clearly state that Elevyn is a social enterprise that generates profits with the main focus being to help indigenous artisans improve their living standards through fair trade.

Artisans that are engaged with Elevyn produce crafts that people will buy, and in due course, they will train the artisans to handle orders, packaging and delivery. The learning of such useful skills will continue to benefit them for a long time.

Elevyn sources for local partners' assistance to help them connect poor artisans and villagers directly to customers around the world. By cutting out all the middle men and their bottom lines, the producer now gets close to 85% of the final sale price.

Elevyn stocks everything from belts, baskets, and jewellery to coasters, musical instruments, and key chains. All beautifully handcrafted by village artisans.

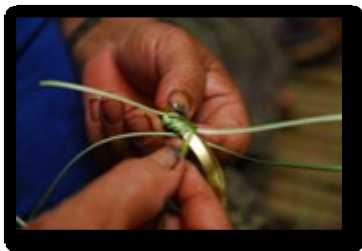


Source: <http://www.elevyn.com>



One unique factor which differentiates Elevyn.com is the “Causes Fund” that they introduced. For every item sold, Elevyn takes a 5% commission, and a further 5% is allocated to a special "Cause Fund". The “Causes” can include any little community-based project that runs in collaboration with the community and field partners, or NGOs. As explained by Mike Tee during the interview, the Cause’s could be something simple such as “Raise \$100 to buy books for the local school”. Accordingly, every time a product is sold by Elevyn.com, 5% from the price is automatically channelled towards a Cause.

Elevyn also acts as a go between for bulk orders and custom products. In this case, Elevyn marks up the price by between 10 and 40%. At the end of the day, the pricing model is based strongly on fair trade principles, which ensures that at least 50% of the selling price goes back to the artisans.



In other words when buyers purchase any item/s online at Elevyn.com, they’re not only supporting the seller but a percentage of the sale of every item sold through these online shops goes directly to fund a local community project/s.



#### 4.0: FOCUS AREA

Co-founder Mike Tee explains that Elevyn is essentially an online marketplace for the socially-conscious consumer. The main core focus of Elevyn is to provide power to disadvantaged communities who can benefit from access to a larger global market to sell their crafts at a fair price.

The company focuses on a double bottom line strategy, and uses two indicators for the company's performance: Social Return on Investment (SROI) and Return on Investment (ROI). Their idea is simply to encourage marginalized communities to improve their livelihood by providing them access to a worldwide market via the Internet.

According to Devan Singaram and Mike Tee, with Elevyn, they specifically wanted to focus on communities in rural areas. As most rural artisans do not have access to market their products, they often struggle with poverty, which leads to education being ignored and poor health conditions. Most of them tend to shift their activities to focusing on farming and growing vegetables to support their families.

Consequently, the drive to continue producing crafts using traditional skills that were inherited from their ancestors such as natural dyeing were being lost, which explains why the majority of artisans among the indigenous people are single mothers and elderly women, as these people make craft products like woven baskets and rattan mats for their daily use.

Elevyn is not just about marketing cause-based products on the Internet. It is also committed to working closely with the communities to improve their lives through the effective use of technology.



Some of the indigenous artisans with their products marketed through Elevyn.com. Source; <http://www.elevyn.com>

#### 4.1 SUSTAINABLE BUSINESS PRACTICE

Following the footsteps of their inspiration, Kiva.org, Elevyn.com works on the basis of sustainable charity through engaging in charitable activities that focus on helping the poor and disadvantaged indigenous artisans located in rural areas. Their long-term objective is to help these people lift themselves out from poverty.

Kiva.org works on the basis of microloans helping small business owners in poor countries. Elevyn picks up where Kiva.org leaves off by connecting these people to the world and giving them a pool of demand that otherwise would never have existed for these villagers.

In addition to promoting fair trade, Elevyn also practices complete transparency in doing business where buyers have the knowledge of how much each artisan earned from the sale. In normal traditional models, buyers usually pay the end price charged by the sales store after going through multiple stages of the market process where a percentage (%) of price cut already takes place. In this situation, the producers usually earn as little as 10% of the final sale price.

In contrast, Elevyn changed the concept by cutting through all the stages and bringing the producers direct to the buyers. When Elevyn buyers make a purchase, they will be able to see where all the money goes to the exact cent.

They will also be able to see how much money any particular villager has made in real time, and the impact their purchase has had on the artisan's life.

## 4.2 ENGAGING THE COMMUNITY

According to both Devan Singaram and Mike Tee, much of the work done by them is not seen on the website. For them, it is important to work with the communities to understand the idea, getting them organized, and producing crafts that will sell.

Elevyn also organizes artisans so they can get together to achieve greater economies of scale and specialization, as well as raise awareness about the value of the goods they produce.

Working with field partners to help out with the orders and dealings on the Internet, Elevyn



is also committed to capacity building in terms of electricity and Internet access via satellite in these villages. Much of their fieldwork is done by their Field Coordinator in the team, Ms Puah Sze Ning who works directly on the ground with the sellers. The Elevyn pilot project was a crafts seller in Kota Kinabalu, Sabah who also works with a group of single elderly mothers and poor

women in her village.

Elevyn partnered with Soning Craft, which was founded by two sisters, Mazeline and Malina Soning, who ventured into the crafts business to help craftswomen in their village to sell their crafts. All the way from Kampung Tinanggol in Kudat, Sabah, East Malaysia, Soning Craft first ventured to the capital city Kota Kinabalu setting up a small stall to showcase the fine crafts from the talented craftspeople from all across Sabah. Realizing the need to explore other markets to help improve the economic status of the Sinompuru Women's Group in their village, Soning Craft hooked up with Elevyn to be the very first shop to launch on Elevyn. Also, because a rising number of rural schools and clinics in Sabah are now equipped with Satellite Internet and Solar power, their aim is to get these people on board with Elevyn as well.

Picture above show children in Sinompuru Village, Sabah receiving their Christmas presents of school supplies. Source; <http://www.elevyn.com>

Elevyn works closely with Soning Craft to help the Sinompuru Women's Group based in Kampung Tinanggol in Kudat, Sabah. The Sinompuru Women's Group consists of 16 poor,

single mothers who work together to improve the standard of their livelihood. One of the biggest issues currently faced by the group is their children's education.

Many are unable to afford its cost, which includes school fees, bus fares, stationery, books and uniforms. As a result, some of the children had to stop schooling.

The Soning Craft Cause aims to raise USD2500 in order to support the schooling of 14 Sinompuru Children. To do this, at least 80% of the sales go directly to the seller, and 5% of the revenue is channelled to the Sinompuru Women's Group to support the Cause.

## **5.0 CHALLENGES**

Since its inception, and because it deals with the products of indigenous people that usually reside in remote rural areas, resource constraints have created several barriers for Elevyn.

They were determined to challenge the pessimists who suggested that they were being ridiculous when they started a social enterprise business that focuses on promoting fair trade and improving the lives of the disadvantaged indigenous people.

They worked hard to win the MDec Preseed Grant from the Malaysian government for their enterprise.

The team members of Elevyn also get involved in the groundwork in order to assist the communities in setting up their online shop. They have been in and out of the Borneo rainforest to reach the indigenous artisans and help them market their products globally.

In addition to setting up an online platform centre to market the indigenous products, Elevyn provides training, workshops and consultation for their field partners. They educate sellers on how to put items online, product photography, packaging, delivery and shipping.

One of the challenges facing Elevyn is the dependence on the field coordinator. As most artisans comprise indigenous people who are illiterate and unskilled in using the Internet, they depend on their field coordinator to place their products online.

Elevyn were convinced that with proper training, sellers would be able to set up their own online shops without the assistance from the field coordinator. Such a situation is possible as some of the rural settlements actually have satellite-based Internet connections. Moreover, more youth within the community are becoming aware of the importance of the Internet know how and are becoming more knowledgeable than what was assumed.

Another challenging issue they are facing is organizing the communities to work together as a team. The artisans themselves need to have the initiative to sort everything out and have a person in charge to manage the team. By working as a team, they can then discuss what





types of craft to produce, who will be in charge of what and also manage the pricing and funds associated with the community.

Elevyn has no capacity to handle the various issues that arise within the communities and cannot control such factors as they only act in an advisory capacity to the community.

Another major issue is copyright. Various parties expressed their concerns about local traditional motifs being open to plagiarism once published on the web. Among the proposed solutions was the suggestion to draft protection clauses and form copyright taskforces. However, nothing can be done as such matters are beyond Elevyn's capacity.

## 6.0 FUNDS

Resource constraints create various barriers for Elevyn, which at times might hinder its growth potential, as resources are crucial for their survival. Realizing the challenge that



awaits them in continuing a sustainable social enterprise, Devan Singaram and Mike Tee took the challenge of applying for a MDEC Preseed Grant.

A MDEC Preseed Grant is a Malaysian Government Grant to help budding technopreneurs turn concepts into products or prototypes. With a model that serves as a platform for the indigenous people to market their product online through online shops that support a worthy cause, Elevyn strongly believed that their business model was something that the government would recognize and that would qualify for the grant.

Regardless of having to struggle to prepare the proposals and presentation at the eleventh hour, as they found out about the challenge a couple of days prior to the deadline, Elevyn.com successfully met the challenge and received MYR150,000 (which is about US\$40,000) from the MDEC Preseed Grant, which helped them get started.

In addition to this good news they also qualified for the finals of the Youth Social Entrepreneur Initiative (YSEI). YSEI is a social venture programme for emerging young social entrepreneurs in developing countries. It aims to invest in young visionaries who have big ideas and who need crucial start-up support to turn their ideas into action.

The start-up support includes:

- i. Startup financing up to USD15,000.
- ii. Essential development knowledge and tools for social entrepreneurship.
- iii. Technical consulting through mentorship

iv. Access to diverse networks

Moving forward, the team is positively looking at various other grants to continue building the company until it reaches sustainability.

## 7.0 IMPACT

Considering Elevyn's presence, which only dates back a few years in the social entrepreneurship arena, and although its impact maybe small, it was named one of the [top 100 social innovations of 2008 by NetExplorateur](#).

Since their launching in 2008, Elevyn has been working with nearly 400 artisans and 9 field partners across Malaysia, Cambodia and Philippines. So far, Elevyn has generated USD4,500 for the artisans through online sales alone.

Although the sales are not yet at a scalable phase, Elevyn is encouraged to improve to achieve their objective of helping all of the artisans. As Elevyn continues to work closely with some of the artisans, they have helped to motivate many artisans who have taken a new sense of pride in their craft, as many previously thought that nobody would buy their crafts. This change of perception towards their products has indirectly encouraged many others into producing crafts knowing that their artwork is appreciated by the locals and even foreigners.

Elevyn has also managed to empower women in helping them to provide for their families. The women have managed to earn an income and improve the living conditions of their family, acquire a sense of purpose, self worth and dignity, as well as skills they can continue using to earn income.

Apart from helping the artisans to earn income they also instil awareness among the communities regarding the importance of reviving the crafts because of their cultural significance. Above and beyond helping the indigenous artisans to improve their lives, Elevyn has also gained publicity for the artisans in order to market their craftwork to a bigger market.

Raman Bah Tuin, the co-founder of Gerai (one of the online shops in Elevyn), gained immense exposure when he helped out at Gerai. A talented Semai *pensol* (nose flute) player and artisan, Raman has appeared on TV and been interviewed by the media. He admitted that his income has changed from five years ago due to the exposure that he has received. Feedback from buyers has been very useful as well in providing the indigenous artisans input on the design, colour and product ideas that the market wants. Elevyn has not only helped the indigenous artisans but it has also helped the co-founder of the business enterprise as well.

According to Mike Tee, being involved with Elevyn has helped him so much in building his character, teaching him the hard lessons in life that are not provided in any universities. Elevyn has opened up possibilities for the indigenous artisans and also promotes fair trade products, especially those produced by low-income groups that need the support.

## 8.0 FUTURE EXPECTATIONS

Both Devan Singaram and Mike Tee are hoping that Elevyn will create a global impact. Using the Internet as their business medium, their hopes seem attainable.

Thanks to the support that Elevyn has received through Preseed funding, their operation is now running smoothly. The aid has enabled them to do things that were beyond their capacity before. Cautiously watching over their operational spending, Elevyn is hoping to be able to sustain its operation as long as possible. The team is also actively searching for grants from social entrepreneurship foundations.

Elevyn was hoping to engage the public sector in terms of policy and most importantly to educate the market in becoming an ethical buyer. Knowing that online sales are emerging each passing day, Elevyn is preparing itself for future challenges. Elevyn is expecting to be able to measure in detail, how many artisans have managed to increase their income levels through the sale of crafts.

In time, Elevyn wants the sellers themselves to be responsible for marketing because they want the sellers to



understand that it is a huge part of what contributes to the success of a business. To be able to attract sellers from around the globe by setting up their own online shops directly through the Elevyn website would be their ultimate achievement.

At the end of the day, sustaining the business operation would not have been possible without the core team's tenacity, a strong belief in the organization's mission and the will to create solutions when there were none. With



the support from all of their friends and partners, together, they strongly believe that Elevyn can make a difference.

### **DISCUSSED QUESTIONS**

1. Describe the nature of Elevyn as a company and how does it work to serve its purpose?
2. How does Elevyn differentiate itself from any other web entrepreneur?
3. How does Elevyn reach out to its potential customers?
4. What do you think would be Elevyn's biggest obstacles in the future?
5. Suggest ways as to how Elevyn might overcome the potential problems.
6. In your opinion, what do you think of Elevyn's business, is it sustainable?