



# Luminaid

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# LuminAID – Case Study

‘Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry’.

- Bill Drayton, CEO, Chair and Founder of Ashoka, a global non-profit organisation devoted to developing the profession of social entrepreneurship.

Innovation isn't easy, and social innovation even less so. The above quotation by Bill Drayton suggests the intricacies of the challenge; social innovation entrepreneurs tend to look beyond short-term solutions, and rather to the ways in which they might make long-term structural change. With LuminAID, co-founders Andrea Sreshta and Anna Stork have created a product that has the capacity to do both. This case study will explore the ways in which LuminAID has been able to create value for consumers and vulnerable communities alike. By investigating the means by which LuminAID has responded to the challenge of maintaining growth in both consumer sales and the humanitarian sector, and looking further at its lean approach to scaling the venture, this study will position LuminAID at the forefront of design-led social innovators.

## What can light do?

The original LuminAID lantern was designed when Sreshta and Stork were classmates at Columbia's Graduate School of Architecture, as a response to the 2010 earthquake in Haiti. Prompted to design a product that would help to meet the critical needs of individuals affected by the crisis, they realized that there was a requirement for something beyond food, water and basic first-aid supplies – light.

For vulnerable communities, access to a safe (alternatives such as kerosene lamps are particularly hazardous), waterproof (LuminAID products have an IP67 waterproof rating), and transportable (the Packlite series lanterns collapse to 20% of their inflated size) light source, which can be powered by the sun, is invaluable. In areas in which communities are living under particular hardship, accessible lighting provides a sense of security and community. Beyond this, light facilitates study into the evening, providing much-needed access to education for disadvantaged children across settings around the world. In areas of extreme deprivation, ready access to light facilitates not only the meeting of short-term needs, but also the social mobility required to combat many of the issues which reinforce poverty.

Since the first LuminAID lantern was launched in 2010, successive iterations have followed, including a lantern which doubles as a phone charger. Considering that 1.6 billion people across the world do not have access to readily available energy, the implications of this are immense. Particularly in areas hit by natural disaster, a primary need of many individuals is in making contact with relatives; by providing a 75%-100% smartphone charge, the LuminAID Packlite Max 2-in-1 facilitates this contact.

The impact that LuminAID lanterns and chargers can make is clear, and there are a variety of ways in which it has been enabled over the past ten years. The most immediate is through direct partnerships with NGO's and humanitarian entities, including ShelterBox, the United Nations Population Fund (UNFPA), Doctors Without Borders / Médecins Sans Frontières, and Convoy of Hope, to name a few. LuminAID offers a significant discount

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to such organisations. They also offer a limited number of full donations to humanitarian projects with limited budgets, via an application process. According to the LuminAID website, over 250,000 lights have been distributed by their partners to those in need, 50,000 of which were sponsored directly through their Give Light, Get Light program.

LuminAID's Give Light, Get Light program follows a similar model to the '[One for One](#)' campaign established by TOMS shoes 13 years ago. Customers are able to purchase a light for themselves, alongside sponsoring a light for someone in need (they are able to choose between 'Disaster Relief', 'Refugee Relief', or 'Allocate as Needed'). It is also currently possible to purchase packages that include children's shoes manufactured by [Because International](#), and simple sponsorship packages that do not include a consumer purchase. Unlike the TOMS 'One for One' campaign, it is also possible for customers to simply purchase items without explicitly sponsoring another item for humanitarian purposes. This is a core feature of the LuminAID model; in order for LuminAID to offer significant discounts to humanitarian agencies, they must also focus a noteworthy proportion of resources on developing their consumer brand.

### The Challenge

A [recent survey](#) suggested that as many as 87% of US consumers will buy a product because a company acted on an issue that they felt strongly about. For LuminAID, as for an increasing number of contemporary enterprises, a demonstrable social conscience is an integral part of their marketing strategy. But there's no cynicism in LuminAID's business model. Consumer sales are the primary means by which they can facilitate donations and discounted products to disaster and refugee relief. This creates a particularly tricky challenge. Craig Wortman, Professor of Entrepreneurship at Chicago Booth Business School, (where he acted as advisor to Sreshta), [puts it matter-of-factly](#), 'These goals require markedly different sales strategies, marketing plans and pricing models – things that would be tricky for an established company to pull off and are incredibly challenging for a start-up'.

Sreshta and Stork have been meeting this challenge with one overarching response- by creating a design-led high-quality product, through a process of testing and iteration. Stork describes this process [as so](#), 'We are also constantly iterating on our products and working to make them as powerful, long-lasting, and sustainable as possible. Our commitment to iteration can be seen in everything from new products to [improving the smallest details](#) of our existing products'. One benefit of working in collaboration with large scale humanitarian projects is that LuminAID are able to test their products under some of the harshest, most demanding conditions in the world. The long-term nature of many of their relationships with NGO's means that they are consistently receiving feedback that they can use to fuel further development. As their products continue to make incremental improvements, they are able to continue offering value to both individual consumers and humanitarian agencies alike.

The idea of creating successive iterations based upon user data and testing is by no means a novel one, but it is one that is increasingly prevalent in many innovative organisations. Miki Agrawal, social entrepreneur and founder of Thinx [describes the approach](#):

My best piece of advice – and all of my employees know it, it's a daily mantra – is iteration is perfection. I think people get so caught up in being perfect, especially young women who are starting to get more interested in being entrepreneurs. I always say put the minimum viable product out to market, get feedback, and iterate, iterate, iterate. The perfection is in the iteration and it's not in getting it perfect and right – it'll never be perfect.

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As Architecture post-graduates, Sreshta and Stork would have been well versed in ‘Design Thinking’ methodology (a thorough description of Design Thinking can be found on our website [here](#)). [It has been stated](#) that their shared interest in the ways in which Design Thinking might provide solutions to global issues was a driving factor in their collaboration at Columbia. Essentially, Design Thinking is a methodology which challenges creators to seek to understand users, define problems, create ideas and test prototypes. It is a non-linear process which is constantly in motion. A TED talk in which Tim Brown further discusses Design Thinking in this context can be viewed [here](#). By repeatedly responding to insights gained throughout their 10 years in production, and by creating successive iterations that seek to provide an increasing level of value, LuminAID are able to offer a product range that is consistently attractive enough to drive growth in the consumer market, thereby enabling growth in the humanitarian sector.

### Scaling the Venture

Though they have now provided light to over 100 countries across the world, LuminAID began modestly. Incorporating [crowdfunding campaigns](#) into their business, and originally responding to enquiries personally, they took a lean approach to growing the venture. Scaling is often a stumbling block for social enterprise, and so when Sreshta and Stork were ready to grow the venture, they sought outside help and investment that would ensure a smooth transition. Amongst various sources of investment and guidance, they famously took part in CNBC’s ‘Shark Tank’, in which they enlisted the supervision of Mark Cuban. Stork describes their reasoning for collaborating with Cuban:

Mark Cuban saw the potential for LuminAID light technology and this really resonated with us. He encouraged us to push the boundary with innovations in design and to think about ‘what’s next’ for disaster relief aid. This is a great mindset for us to have as a company, and we keep this at our core.

By procuring the advice of outside experts, and considering cautiously the basis for these connections, Sreshta and Stork have ensured a steady and reliable level of growth.

When asked about LuminAID’s plans for the future, Sreshta’s focus is, characteristically, on innovation in the design of their product offering, ‘we’d like to continue to innovate and push the envelope when it comes to well-designed solar lanterns both for humanitarian aid and everyday use. We will continue to grow our mission to make safe, sustainable solar lighting more accessible to all’. By drawing on a rich Design Thinking approach in order to create ever-more-effective products, and managing carefully the progression of their enterprise with the assistance of considered experts, Sreshta and Stork have laid the groundwork for long-term viability. Combined with a product offering that contains within it the promise of improving the life chances of a significant number of individuals around the world, LumidAID is an example of the profound power of social innovation.

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## Helpful Links

<https://impakter.com/luminaid/>

<https://www.crunchbase.com/organization/luminaid#section-interest-signals-by-bombora>

<https://www.businessinsider.com/sc/how-luminaid-combines-success-and-social-good?r=US&IR=T>

<https://www.cnn.com/2019/05/09/mark-cuban-backed-start-up-luminaid-helps-first-responders-in-an-innovative-way.html>

<https://aim2flourish.com/innovations/luminas-story>

<https://www.bizjournals.com/dallas/news/2018/08/15/shark-tank-shines-light-on-solar-company-built-on.html>

<https://www.forbes.com/sites/devinthorpe/2015/05/19/these-women-wow-shark-tank-get-cash-light-up-the-world/#23df12351652>

<https://entrepreneurship.columbia.edu/startup/luminaid/>

<https://www.ft.com/content/a5f5406e-109d-11e3-b291-00144feabdc0#axzz2frruGJ3w>

<https://www.forbes.com/30-under-30-2016/social-entrepreneurs/#4cd06c6c4a32>

Tim Brown's TED Talk – 'Tim Brown urges designers to think big' -

[https://www.youtube.com/watch?v=UAinLaT42xY&feature=emb\\_title](https://www.youtube.com/watch?v=UAinLaT42xY&feature=emb_title)

Extract from 'Creativity for Innovation Management' – I. Goller and J. Bessant

[https://ae44e96f-9228-4cfc-8b1a-cc1349890204.filesusr.com/ugd/6ba33a\\_5eba34259e8548578b738bf6753292ac.pdf](https://ae44e96f-9228-4cfc-8b1a-cc1349890204.filesusr.com/ugd/6ba33a_5eba34259e8548578b738bf6753292ac.pdf)

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## Questions for Discussion

- Read [Chapter 13](#) of Creativity for Innovation Management. Prepare a short presentation/compile a list of the particular ways in which a Design Thinking methodology can help entrepreneurs to create value.
- Compile a list of other social innovation entrepreneurs. In what ways have their strategies for growth differed from LuminAID's?
- Consider other innovative entrepreneurs that have incorporated a lean approach within their business model by releasing a minimum viable product and making incremental improvements upon it. In what ways do you think this approach has been to their advantage/disadvantage?