

Frank Water



Background

Before going to university Katie Alcott spent some time working in Kashmir, India, where she experienced first hand the issues surrounding the availability of clean water when she herself contracted a water-borne illness.

On returning to the UK her interest in the area grew and she spent almost every holiday travelling to places which seemed to have similar issues with the quality of water, especially when compared with the UK where clean tap water was taken for granted. With her degree behind her she started working in a commercial organisation but was always thinking about how to develop her ideas around water. She considered getting involved in development work with Water Aid and similar organisations, but a close friend suggested that she might be able to have a greater impact if she stayed in the UK and developed a larger scale idea that could effect much more change in those developing countries.

Start-up and Growth

So with that in mind she started researching the Social Enterprise world which was just taking hold in the UK, and hooked up with a local agency in Bristol called Social Enterprise Works which gave her advice and support. At that time the bottled water industry was in a boom phase and so there was a great market opportunity in the UK. So despite her lack of experience she determined it was better to save one life than not to try at all and she decided that Frank would be born.

With little money to start with she realised that she would have to get people to volunteer their help and pretty quickly she had gathered together a designer who offered to design the Frank brand, a web designer who would develop and host the website for free and about £8,000 from friends and family. Working from a desk under the stairs in her house she started with 2 days a week, working in her husband's firm to keep the money coming in.

With the £8,000 she negotiated her first pallet of bottles which were then tested out at a local festival with such success that festivals became the focus of the initial sales campaign. At each festival she and her team of dedicated volunteers gathered feedback from customers and by using the sales from one pallet bought two and so the enterprise grew.

The concept of Frank was communicated primarily on the bottles themselves and by keeping it simple the message started to spread by word of mouth and through the website which had details of the water projects that Frank had started to develop in developing countries with the profits generated in the first year. A regular newsletter and quirky postcards began to cement support in the local and wider community.

The process of capturing and bottling the water was completely outsourced to a local organisation which Katie and the team chose after a very lengthy process involving the partner passing a strict set of criteria. These included a local source to minimise transport, a sustainable source that used an Artesian (natural) spring rather than a man-made one, and one that had enough capacity so that bottling the water did not effect its natural cycle.

With the production sorted Katie then looked at distribution and found the most efficient partners she could which used multi-hub operations with a focus on minimising the number of empty trips and which were carbon neutral.

Frank was established as a limited company from the start and also set up a charity arm to facilitate effective giving from the trading arm.

Milestones

Katie identifies the main milestones as being:

- The first festival in March 2005 where they were amazed to sell 300 bottles
- The last festival they attended in September that same year when, equally amazed, they sold 7,000 bottles
- Getting the first stockist – Katie and a volunteer packed their bikes full of bottles and armed with a review from the BBC cycles round all the cafes and whole food restaurants they could find in Bristol and ended the day with 5 stockists
- Getting the first distributor – Katie realised that she was spending up to 3 days a week driving the company van around Bristol and Bath and so took the plunge and recruited a distributor.

Frank Today

So where is Frank today? Katie reports that they are now selling over 500,000 bottles a year with 80% of them sold in the Bristol and Bath area. An arrangement with a partner has recently allowed them to branch out into water coolers.

With 4 water projects (approx. £6,700 each) now established in India and 4 on the way with a pilot in Ghana the results of the business have been dramatic. The business generates 30% net profits (with no debt) all of which is directed towards sustainable water projects in developing countries.

From the outset Katie was determined to make sure that the company could be sustainable within 3 years which has been achieved. The business is driven by a core set of values which revolve around running it on an ethical but profitable basis. CSR is not something that FRANK does, it's what FRANK is.

The Challenge

So the challenge is to ensure that the company grows at an appropriate rate with the focus on two core outcomes:

1. Changing people's attitudes to water and specifically the bottled water industry. The company has looked at bio-degradable bottles but has not been convinced mostly because of the processes involved in their manufacture.
2. Having as much impact on water quality in developing countries as possible thereby improving the standard of health in those countries as a result. The aim is to double the number of projects implemented year on year.