



# ETHOS WATER

How did **Peter Thum** transform Ethos Water from an idea to improve sanitation and hygiene into a seminal social movement? Getting to know the folks at eBay and Starbucks sure didn't hurt.

By Victoria Scrozzo  
Photography by Moises Saman

THUM WALKING WITH SOLDIERS IN SOUTH KIVU PROVINCE NEAR UVIRA, DEMOCRATIC REPUBLIC OF THE CONGO.

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eter Thum was simply trying to solve a problem.

On a trip to South Africa in 2000, Thum, then a consultant at McKinsey & Company, was exposed to the country's water crisis firsthand. He noticed the amount of time women and girls were devoting to looking for water, gathering it, and carrying it home. "One day, I was driving down a road where this woman was struggling to carry this large pot of water, and it occurred to me that if nothing happened, her life would never change," recalls Thum.

Haunted by the experience, Thum decided to develop a solution to bring clean, safe drinking water to people in need. The solution was Ethos Water, a bottled water company whose profits supported water, sanitation, and hygiene education programs.

"Ethos was really a turning point in my life where I saw that I could use the experience and talent I had



in a very specific way," says Thum.

Since then, Thum's personal experiences have been the impetus for several social ventures, each one building upon the work of the last, the results of which have created a ripple effect. "It's not so much the first drop, but what happens to the waves that move out from that droplet," says Thum. As founder and former CEO of Ethos Water, founder and CEO of Giving Water, and co-founder of Fonderie47, Thum has focused both on the water crisis in the developing world and maintaining stability by preventing the proliferation of assault rifles in the regions of Africa where his projects are based.

Friends encouraged Thum to create a charity to combat the crisis, but he recognized that "starting another nonprofit to raise money from people who give away 2 percent of their income wasn't going to solve the problem; it was really a marketing problem. More people in the developed world needed to understand the problem and become connected to it. I thought starting a company that would inspire people and make it easy for them to support change would make more sense than starting a new charity," explains the 44-year-old entrepreneur from his

home base in New York.

Working with a U.K.-based soft drink manufacturer inspired Thum to create a bottled water company that would rival other international high-end brands; he'd use the profits to combat the water crisis. Hoping consumers would respond to a fashionable brand with a social impact, Thum spent three years—and his personal savings—perfecting the product before Ethos Water officially launched in 2003. Along with his partner, Jonathan Greenblatt, Thum met with some 150 potential investors—each of whom turned down the chance to be involved with the company.

Despite the difficulty getting Ethos off the ground, he resisted the urge to return to the corporate world—and a salary—and focused on Ethos. "I felt obliged, a responsibility to make it work, because the people I was trying to help, they were all out there suffering, and some of them dying, every day," says Thum. "If I quit, what would it say about the importance of what I was doing?"

It was a chance meeting with eBay founder Pierre Omidyar that led to the Omidyar Network's investment in Ethos and an introduction to Starbucks CEO Howard Schultz in 2005. Within months, Starbucks purchased Ethos Water.

The impact was immediate. Distribution rose from 1,000 stores to 10,000 within a year and spread to Starbucks outlets beyond the United States; donations per bottle purchased went from \$0.019 to 5 cents; and the scale of projects funded by Ethos was extended from \$10,000 to \$1 million per project. To date, Ethos Water has generated more than \$6.2 million for water programs around the world, helping more than 420,000 people. Thum continued to manage Ethos and became director of the Starbucks Foundation, a post he held until 2008.

Ethos Water was the game changer that marked Thum's birth as a social entrepreneur. And it would directly provide the impetus for his next venture.

THUM IS PART OF THE growing world of social entrepreneurs—individuals who have identified a specific problem in society and are using traditional entrepreneurial principles to create social change, with the goal of finding a solution. "When I went to business school, *social entrepreneurship* wasn't even a term used," says Thum, who holds an M.B.A. from the Kellogg School of Management at Northwestern University. Today, schools have entire programs dedicated to the field and Thum

applies his expertise as a social venture consultant. He is also a board director of USA for UNHCR (The Office of the United Nations High Commissioner for Refugees) and of the Fund for Global Human Rights, and an adviser to Lauren Bush's FEED Foundation and to the dean of NYU's Robert F. Wagner Graduate School of Public Service.

Securing venture capital for start-ups like Ethos Water was incredibly difficult, Thum recalls, whereas, today, individuals can wholly fund a project they believe in through websites that allow crowdsourced fundraising. "That didn't exist when I wanted to start Ethos. I think Ethos would have grown in an entirely different way had that been available," says Thum. "One of the biggest difficulties for social ventures is that you don't have an organized market to fund what you do, like in Silicon Valley. You have to go out and find individual angel investors who are interested in investing, and that's a lot of work."

Conferences where social entrepreneurship and ideas are celebrated have also made a difference. It was at TED that Thum originally met angel investor, LinkedIn co-founder, and now personal friend, Reid Hoffman. "Peter immediately impressed me

by his gravity, a combination of mind and heart. He conversed with both intelligence and empathy," recalls Hoffman of their first meeting. Calling Thum a "great entrepreneur," Hoffman stresses his friend's ability to "keep things simple and effective." Thum's success as a social entrepreneur, says Hoffman, has come from designing businesses based on key criteria. "First, the product is a proven product—something that people have already demonstrated that they will buy at that same price. Second, the product deploys a social contract—that buying this product has a change in the world that the customer would want to see. Third, the social contract allows a compelling brand to be established easily—thereby creating a competitive product. Fourth, the system design is scalable—that the social good created scales to the capacity of the product design."

ON A TRIP TO KENYA IN 2008, while visiting Ethos Water projects, Thum once again witnessed the grand scale of the water crisis in Africa. Ethos had invested \$1 million to bring clean water programs to towns and villages in central Kenya; however, students at one school were still too far away—over 1.5 miles—to benefit from the well that



THUM HOLDING AN AK-47 FROM A CAPTURED CACHE OF ARMS AT AN ARMY BASE IN SOUTH KIVU PROVINCE, DEMOCRATIC REPUBLIC OF THE CONGO.



THUM AT A MÉDICINS SANS FRONTIÈRES FIELD HOSPITAL IN NORTH KIVU PROVINCE, DEMOCRATIC REPUBLIC OF THE CONGO.



THUM AT A REFUGEE CAMP IN NORTH KIVU PROVINCE, DEMOCRATIC REPUBLIC OF THE CONGO.



Ethos had built in their village.

“I saw the kids in the school—there were probably around 400—going over to get water out of this dry riverbed,” says Thum, explaining how students were digging into the riverbed to collect underground water, dirty and contaminated by cattle, for drinking. The school didn’t have the rights to build a well on the land, but if they could secure the rights, Thum resolved to find funding. It became the first project taken on by Giving Water, which eventually grew into a side project for Thum—he raised money from friends and colleagues to help in circumstances where the Ethos Foundation could not.

With a focus on schools in the Samburu region of the Rift Valley in Kenya, Giving Water funds projects implemented by the International Medical Corps and has benefited 1,300 schoolchildren thus far. What sets Giving Water apart, says Thum, is “that we’re very focused on fundamentals. On the one hand, we’re concerned about trying to translate the money into helping as many people as possible, but we also really want people to see the connection between the donor and the outcome...I want them to understand what they have done to change lives.”

The 2008 trip to Kenya also provided the impetus for Thum’s latest venture, Fonderie47.

A year prior, Kenya was racked with election violence, the effects of which were still evident in many places when Thum arrived. Traveling with his girlfriend, Thum told her to “get vaccinations and take malaria pills and you’ll be fine,” he recalls. “And then we met these guys with assault rifles, and it was unnerving.”

The teenagers they met carrying AK-47s—of which there are an estimated 20 million in Africa—were ordinary people, some no older than 12. Concerned with their personal safety, Thum realized the instability created by the availability of assault rifles in Kenya and across the continent, and how it affected the infrastructure he was working to create. “We’re doing work on [the water crisis] but can we collectively ignore the arms trade in Africa?” he asks. “How does it work? Why do these kids have weapons? How do they get them? What impact does it have on the kind of work we’re doing and the potential to help people?”

Disturbed by the experience, Thum partnered with John

Zapolski, who had similar experiences while working in Tanzania, and decided to reduce the availability and impact of assault rifles by destroying the weapons and making “beautiful things.” The result was Fonderie47, a social venture that transforms AK-47s collected in African war zones into rare jewelry, the sales of which directly fund disarmament across the continent.

Fonderie47 is both a for-profit company and a nonprofit organization, explains Thum. Using steel from the destruction of assault rifles along with traditional jewelry materials, leading designers such as Roland Iten of Switzerland and Philip Crangi of New York have created custom, limited-edition pieces for Fonderie47. Ranging from men’s cuff links and signet rings to women’s earrings, the sale of each item funds the destruction of a specific number of assault rifles. Revenue from the sales is donated by the company to the nonprofit, which in turn makes grants to U.K.-based Mines Advisory Group, which destroys weapons collected by governments and the United Nations post-conflict. To date, Fonderie47 has funded programs in the Democratic Republic of the Congo and Burundi and destroyed 11,000 guns. Once the weapons are destroyed, the scrap metal is recycled locally by the government.

“The amount of material in any specific piece [of jewelry] depends on the designer’s creation. It is not connected to the number of weapons we destroy,” explains Thum. “There might be a gram of material in a piece of jewelry, but that piece can destroy 400 pounds of guns.” **LM**

For more information on Giving Water, visit [givingwater.org](http://givingwater.org).

For information on Fonderie47, visit [fonderie47.com](http://fonderie47.com) or [foundry47.org](http://foundry47.org).