

## Meet Nikolai Schwarz, ATEC

Nikolai, you joined [ATEC](#) as a country director for Cambodia in 2020. With your background in business administration and consulting, what exactly drew you to the impact space?



*Nikolai Schwarz*

At some point in my career, I wanted to make a change and became intrigued by social entrepreneurship. I had a great time with exciting consulting projects around the world, but I felt that I needed to leave at the peak and make the jump. First, I bought a round-the-world ticket and enjoyed a mix of traveling and doing pro bono work for various microfinance and social organisations. It was important for me not to have a plan but go with the flow, which gave me the exact experience and fresh mind-set that I needed to make my transition. Then I came to Cambodia and combined my two passions for business and impact in an NGO-type of environment by joining Friends-International. They work with street kids in various Southeast Asian countries and integrate youth into the job market. I took care of the social business portfolio and was the only business guy in the entire organisation. Bringing in my business mind-set was as thrilling as it was tedious.

[And how come you joined ATEC?](#)

For the next step of my journey, I wanted to be closer to entrepreneurship again. I didn't intend to go back to the corporate world or leave Cambodia, so when I stumbled upon the opportunity to become a country director at ATEC, this was a perfect match. They were searching for someone who has close ties to Cambodia, understands the culture but also brings an international perspective. I was happy to join a company with a strong impact mission and an entrepreneurial, agile, and professional approach. To be honest, what drives me personally are primarily people. Tackling social challenges such as providing clean and healthier cooking solutions to women and children who are exposed to smoke is so-to-speak the fuel that makes me burn.

[Speaking of people: When you started working for ATEC, did you encounter some 'aha moments' when coming in touch with your customers?](#)

*An ATEC customer*

Absolutely. I remember that based on my knowledge of farming in Germany, I expected that we would need to approach our customers in the old-fashioned way: You visit the farmer, explain your solution, and maybe show something on your tablet. In reality, our Cambodian customers are far more advanced. I was really surprised by the level of digitization: Everyone has a smartphone, everyone knows how to handle it, and even if they can't read, they know how the button looks



like to play a video. It is astonishing to which extent you can reach your customers and do e-commerce via Facebook. Both Cambodia and our new market Bangladesh have really high rates of electrification. Also, my expectations with mobile payments were much lower than what the pandemic has shown is possible. Paying contactless has taken off massively all over Cambodia.

How would you describe the main pain points that you solve for your customers?

Clean cooking is definitely a pain point, but it takes some time until people become fully aware of the health benefits of our cookstoves. Our biodigester product provides great value but still needs some explanation up-front. Also, it must be firmly integrated into a



customer's daily routine and regularly filled with animal manure. If people move for a few weeks to the big city to earn money as a taxi driver or construction worker, there is often not enough biogas available once they return to their farms.

You already highlighted an important part of your diverse product range. What would you say is the overarching mission that ATEC strives to achieve?

Our bold vision is to solve clean cooking until 2030 on a global scale. How far we can achieve this massive growth remains to be seen, but in theory, we have all the solutions to move customers at the base of the pyramid from burning fossil fuels to clean cooking. Of course, this will also have an impact on climate change. However, we certainly can't solve this huge and complex issue all by ourselves.

With respect to your scaling plans, where do you see the biggest bottlenecks right now?

Our biodigester is still relatively expensive, even if you break it down to USD 30 per month with our paygo scheme. Therefore, we need to reduce cost so that the scaling can really take off exponentially. Our customer acquisition process is already quite lean, since we mainly use telemarketing, but the same needs to happen for our distribution process. What we have in mind is something similar to the Ikea model: put the components into a box, ship them to the customers and let them assemble the product themselves. We already tried this on Tuvalu Island northeast of Australia, and it worked very well. We can use this approach to access regions that would otherwise be quite expensive for us to reach.

Let's look closer at your impact: How do you measure it?

For our e-cookstoves, it's relatively simple and very focused on the number of customers we convert from unclean to clean cooking, including family sizes and geographic reach. We also collect income data, primarily to assess creditworthiness for our paygo scheme, but also to inform our impact. Then we translate this information into tons of CO<sub>2</sub> savings. For our e-cookstoves, we can collect precise usage data



through an integrated SIM card. For our biodigester, this is a bit more complicated since embedding a measurement device would make the product too expensive. Our long-term goal is to have it as affordable as possible to reach a large number of low-income customers. Receiving carbon credits would be a big leap forward in achieving this price level.

[How can the Social Impact Incentives for Water, Sanitation and Hygiene \(SIINC for WASH\) programme help you on this journey?](#)

There have been longer discussions with Aqua for All and Roots of Impact until we found the best impact angle to boost. One question was whether we could expand the impact of our biodigester by using human waste, which we had already tried by connecting it to toilets. The problem is that the toilet infrastructure in Cambodia is already built out very well and integrating our product with existing sanitation solutions is challenging. This is why we didn't pursue this direction until the SIINC for WASH team inspired us to pilot this novel approach. For this, the SIINC incentives and the technical assistance are truly essential.

*The ATEC Cambodia team*



[And how do your investors and your team view the SIINC transaction?](#)

The reactions were very positive. For us, it's a quality seal and a way to clearly steer us towards impact. It also demonstrates that we are able to make use of highly innovative impact finance mechanisms and get out of our comfort zone by trying something new. Another important result of our baseline assessment with the SIINC for WASH team is our need to massively boost our "customer happiness", as I call it. We have some gaps to fill, and this is where the SIINC metric on the Net Promoter Score comes in to support us.

[How would you describe what SIINC can do for an impact enterprise such as ATEC?](#)

SIINC is a fantastic tool to make harder to reach market segments commercially attractive and more accessible. Building the SIINC metrics into our financial modelling definitely reduces our risk profile and positively impacts our access to and interactions with current and future investors.

[SIINC payments come for a limited time. Which longer-term effects do you expect for ATEC beyond SIINC?](#)

I believe that the biggest financial and impact push will come from the increased customer satisfaction. The Net Promoter Score is an aggregate for so many aspects of our solutions. Due to the SIINC for WASH program and metrics, we were challenged to make a reality check, get out of our comfort zone, and improve.

*Interview by Christina Moehrle, Roots of Impact / Pictures by ATEC*