
Social Profit Network



Greg Steltenpohl

Cofounder of Odwalla Inc.

Greg and his advisor Dee Hock, founder of Visa International, are working with a team of visionary leaders to combine the best of social networking and commerce technology. They are creating an international system that works at the grassroots level to shift consumer dollars toward products and services that support the social, economic, and ecological health of local communities.

Interra, the code name for Greg's new venture, is designed to be a mechanism for culture change. He hopes Interra will help reverse the negative impact of "big-box" retail—huge retailers, such as Wal-Mart and Home Depot, that are not locally owned—as well as the apparent disconnect consumers have between their purchasing decisions and the health of their community, the environment, and themselves.

Using commerce and social networking technologies, Greg hopes Interra can give consumers the information and incentives they need to shift their purchasing habits toward behaviors that support the cultural and environmental health of their local communities. To do that, Interra provides a set of empowerment tools that, among other things, enables community alliances between individual consumers, local businesses, and social benefit organizations that share values, interests, and location. The core driver of these alliances is the same thing that drives Western civilization: commerce.

Greg believes that the principal force for cultural change will come from the consumer. Interra's suite of tools comprises a payment card, a directory of like-minded people and merchants, and an online network that allows such people to find one another and form alliances. This suite:

- Provides consumers with the knowledge they need to connect their values to their purchases
- Rewards consumers economically for "good behavior"—purchasing from local businesses that support the surrounding communities and are committed to environmental sustainability
- Enables consumers to automatically donate to nonprofit community organizations
- Helps like-minded members create their own organization within communities
- Makes it easy for local merchants to give back to the community
- Redistributes the power and economic value of commerce by creating new relationships between consumers, local merchants, and sustainable manufacturers

Big-box retailers, such as Wal-Mart, derive 84 percent of their revenue from attracting the customers of pre-existing businesses within the community. This puts local merchants out of work and often adds to the deterioration of downtown areas. Out of \$100 spent at a big-box store, only \$13 stays within the local economy.



Greg's background

- Cofounder, former CEO, and chair emeritus of Odwalla Inc., the leading U.S. supplier of fresh juice and nourishing beverages
- Founding trustee, along with Visa International Chairman Dee Hock, of Chaordic Commons, which is dedicated to developing new forms of purposeful organization compatible with the human spirit
- Board director of Frontier Natural Products Cooperative
- Advisory board member of the Social Venture Network, which is committed to building a just and sustainable world through business
- Holds a B.S. degree in environmental studies from Stanford University



Why Interra was created

Interra's creation was motivated by a deep concern about our future and the increasingly apparent disconnect between the values of our society and the actions of the large institutions that are shaping our world. While consumer spending makes up 70 percent of the U.S. gross national product, consumers do not wield that power in ways that positively impact their communities.



Greg argues that, through our lack of civic engagement and daily purchase decisions, we have supported the growing dominance of large, centralized institutions and an economy that is neither economically or environmentally sustainable. As a result, we are living with the consequences of absentee ownership, where big businesses are disconnected from local communities and are not accountable for practices that undermine their economic, social, and environmental stability.



These trends have created serious consequences for local communities:

- Job losses mount as communities lose economic diversity
- The diverted cash flow shrinks the local economy's capital base and the ability to generate new wealth
- The local tax base shrinks, affecting a wide variety of public services (e.g., schools, hospitals, social services)

How Interra works

Interra is a consumer-focused technology platform and set of networking tools that aggregate the power of individual choice into a social movement that benefits social, economic, and ecological systems. There are three elements:

1. *A payment-card system.* Consumers are rewarded with “loyalty points” for making purchases at values-based merchants, who support the local community and environmentally sustainable business practices. Also, as part of their purchase, they can donate directly to their choice of nonprofit organizations. Interra will issue credit and stored-value cards through local banks, or members can register existing credit or debit cards to participate.
2. *An easy-access directory of values-based merchants and products.* This helps empower consumers with the information they need to make personal purchasing decisions.
3. *An online network of like-minded people—manufacturers, merchants, and consumers.* To join, members complete an online profile that captures areas of personal interest—they control how much of their information is made public. Members can then connect and organize with other local members, post notices of events to the local Interra community, and receive notices of local events that match their interests. Interra also enables individuals to link into other Interra communities. For example, a business traveler on the Interra network might go to another Interra-networked city. This traveler can tap into that city’s Interra network to find restaurants, entertainment, and shops that are similar to his or her home-based Interra network.

In essence, Interra is a “voting tool” that empowers consumers with information and choice, turning purchasing decisions into contributions to the community, the local economy, and the environment. In aggregate, the system becomes an enabler of a social movement toward a sustainable economy and values-based culture.

Interra, by its very nature, becomes a self-proliferating system. As more and more individuals and merchants join, benefits within communities will only improve with time, encouraging more and more people and businesses to get involved. And with the launch of each Interra community—they’re launching region by region—a whole new set of resources becomes available to the whole system. Within five years, Interra expects to be in 100 communities and to have five million active members, capable of generating over \$10 billion of Interra-related commerce.

Interra supports a new consumer movement around connecting our values to our purchases

Interra addresses this unseen disconnect and provides the integral system that is necessary to reverse its effects. Interra supports—and will fuel—a number of positive trends happening in the marketplace:

Local governments supporting local businesses

Municipal governments are commissioning economic studies to find methods of improving local economic vitality, by supporting locally owned businesses. Forward-thinking communities like Philadelphia, Boulder, and Portland are already attempting their own “buy local” programs.

Cultural movements

The LOHAS (Lifestyles of Health and Sustainability) and Cultural Creative movements are strong and growing fast. There are an estimated 50 million Cultural Creatives in the United States, while the LOHAS market is estimated at \$230 billion per year. Both consumer segments support locally based economies grounded in environmental sustainability and a well-developed social conscience.

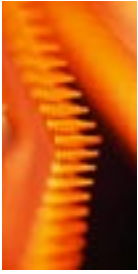
Consumer desires

There is a growing movement amongst consumers to want to connect purchases with their values, according to research within the general U.S. population. A U.S. Department of Commerce survey found:

- 78% of consumers would more likely buy a product related to a cause
- 62% would switch retail stores to support a cause
- 67% rated rebate from local merchants as a primary reason to participate in a loyalty program
- 55% indicated that local issues are more important than national (30%) or global (10%)

How a typical Interra transaction works:

1. Customer purchases a \$100 item from a participating merchant
2. \$100 is charged to the cardholder’s account
3. Merchant rebates \$5 (or an average 5%), divided three ways:
 - \$2 donation to cardholder-designated nonprofit
 - \$2 Interra points to cardholder’s account
 - \$1 system fee for marketing and account management



Community

- A tool kit for mapping resources and identifying assets
- A simple way to form multi-stakeholder community alliances
- A reinvigorated local economy through increased local spending, increased recirculation of dollars, and greater tax base
- A peer-to-peer connection tool that enables sub-communities to form around shared interests and active community engagement

Consumer

- A tool that enables consumers to “vote” with their dollars
- The ability to automatically donate to favorite causes
- Rewards for contributing to local businesses and thus to community vitality
- Easy-access directory of sustainable products and services
- Connection to like-minded individuals, groups, and merchants
- Direct local impact
- 67% rated rebate from local merchants as a primary reason to participate in a loyalty program

Interra benefits

Nonprofits

- New source of direct contributions
- Low-cost management for ongoing funding
- Access to large database of resources and contacts
- Increased identity and brand recognition

Merchant

- A cost-effective way to increase traffic and sales
- A low-cost loyalty program and management tool to identify and reward desired customers
- An opt-in, cause-related marketing tool that helps develop a positive image
- An easy way to give back to the community
- Access to database that provides valuable information about trends and opportunities



Interra is ready to launch

Interra’s technology infrastructure is designed and ready for build-out.

Go-to-market strategies are ready for five markets—businesses and nonprofits have been mapped, market research has been done, and sales and marketing plans are ready to be executed.



Greg and SPN

- Greg was introduced to SPN by both Jim Fruchterman and David Green in April 2004
- SPN immediately recognized Interra’s potential as a mechanism for enabling self-proliferating, positive social change and included Greg in a core group of social entrepreneurs that SPN is supporting
- We hope you’ll join us in bringing Interra to life