



## **How humility and moral leadership lead to extraordinary decisions.**

Interview transcript

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## How humility and moral leadership lead to extraordinary decisions.

Felipe Chajín from Soluna Energía by Andrés Neira and María Angélica Latorre.

(intro)

**Andres:** Hi, everyone. I am Andres Neira and welcome to the impACTivist podcast. Today, we will be talking about the lack of access to electricity and sources of clean energy. According to the World Bank, 940 million people do not have access to electricity and 3 billion, approximately 40 percent of the world population, do not have access to clean energy sources. This problem comes at a high health cost for indoor pollution. This is especially true for women and children who are typically the primary users of household energy. According to the United Nations, the solution lies in transitioning to cleaner fuels and technologies, like gas and electricity, and improvements in stove efficiency. Granting access to electricity through clean and cheaper alternative sources is a crucial issue for addressing this problem. Today, we have a special guest, Felipe Chajín, General Manager of Soluna in Colombia. He's working to bring electricity to the non-connected zones in rural regions in Colombia through a pay-as-you-go system. This model is based on an innovative technology that combines solar energy, a pay-as-you-go model, last-mile service, and remote monitoring. In the conversation with Felipe, we also had the opportunity to talk about family business, the influence of women in leadership, change management, technology, and how important are alliances.

(interview)

**Maria:** Felipe, thank you for spending some time with us today. We met more than a year ago after reading the book, *Manifesto for a Moral Revolution*, and we actually joined an online course on moral leadership by Jacqueline Novogratz. We had some team discussions and I was very, very much attracted to you as a leader, a leader that has some Lebanese heritage, German education, entrepreneur spirit that comes from your parents, but also very strong values for social impact that is probably attached to your grandmother as well to your family. To set the scene, can you please tell us your story?

**Felipe:** So, thank you, Maria and Andres, for having me. Very happy to be here with you today. So, yeah, I was born in 1981 to very young parents at the moment. My father was 23 years old and my mother was 20 years old. They were very entrepreneurial. My father has a very peculiar story. When he finished high school, he had a complicated relationship with my grandfather and he was told he was on his own by then so he started working with some of his friends at the Italian school in Colombia, first managing a frames company, the production site for them, and then working at a contact lens company. There, he met my mother and, after a couple of months, they decided to start a new business. The business started almost at the same time I was born in 1982 when I was six months old, probably, and I saw this business develop first from our kitchen literally, it was an ophthalmic laboratory, but then it was a part of our family life for many, many years. It still is for a little bit. So, I come, as you explained, from a strange or special cultural mix. I have Lebanese heritage on my father's side, Santanderiano heritage on my mother's side. For the people that don't know the Colombian region, it's a very strong character, tough region, especially the women from Santander are famous for being strong and strict. And then, both my mother and I studied at the German school in Bogota so even more discipline and hardworking and strict upbringing, but I have to say it was also a very loving upbringing. The first of two children. My sister, Ana Maria, is three years younger than me. What else can I say? I was pretty much into sports since I can remember. I was part of all the teams at my school. I played tennis competitively from 12 to 16 years old and then, later in life, I became an ultra-marathoner, I did some long-distance triathlons but now I'm back again to tennis and some short-distance field running. As you said also, a strong presence in my early life was my grandmother on my mother's side. She was a very tough woman but she had a soft spot for me, okay? So, she had a very hard second stage in life. Her husband died when two of her kids were still attending school. She had taken care of the household until then but had to start working for the first time. At the time, she did it at the central bank's library here in Bogota. And both her and my parents had a very strong sense of social responsibility related to helping less fortunate people and I experienced this through all my childhood and while growing up.

**Maria:** Can I just — just one second here, because there's something that comes from what you said in that first introduction and is women, right? It seems you've been very much inspired by those women. Can you please tell us a bit about that?

**Felipe:** I don't know if it's so much as inspired or scared by women. No, just kidding. But, yeah, I've been surrounded by very strong women since early childhood so they were a great influence for me. I'm pretty much an admirer of, let's say, women's approach to leadership. I think it's more balanced, more holistic, than, well, in general, than men's approach to leadership. So, this certainly affected me from my early years.

**Maria:** Yeah, absolutely. And so you were very much sort of inspired by your entrepreneur parents and then they created this company and it started to be very, very successful. So, what happens next? There's Servioptica, so the company your parents create. What happens next with you?

**Felipe:** Well, first, I decided to study industrial engineering and also, coming from a German school, mathematics and physics was what they cared about and, fortunately, I was good at it and I liked it so I decided to go for industrial engineering but in a university that's pretty much focused on organizations and finance. It's Los Andes University here in Bogota. So, I didn't care so much about the production side of industrial engineering or the models for projecting, yeah, lines and so on and so forth. So, I decided to go to industrial engineering. This was 2000. And, at the end of my career, I had like a dilemma. I didn't know if I wanted to join the family business because I'm very wary of this, we call them in Colombia "dolphins," the sons of the owners who just arrive one day at a family business and want to change everything and think they are the best of the best so I was wary of taking that path so I even did a recruiting process with P&G and when I was at the last stage, I had a good conversation with my father and, finally, I decided I would indeed join the family business but we did it on a special way, I would say. We decided I would start at the bottom of the company doing work at the factory and we decided I should do a two-year rotation at the bottom of the company and this was very interesting. This allowed me to know the business from the inside out and also this made a lot of the workers to respect me because they saw I was a hardworking, humble, creative person that could bring value to the table. So, at the end of the day, this was the best decision we both made to start my career at the family business. I was also very lucky because I was able to find, I think, a balance with my father that is usually very difficult to find with the founders. On one side, I was respectful of history. I didn't want to change everything from the first day. But, on the same time, my father was kind and generous enough to give me enough space for me not to get bored or become frustrated. So, we found this balance and, truly, from the first couple of years, I was able to make some important changes in the company and we became very good

partners with my father. Very fast, after three or four years, I would say, we were co-managing the company and doing the strategy together, both of us.

**Andres:** Felipe, this is an interesting point because, in my experience, working with family businesses, the transition between generations sometimes is very complex. This is something that I call the family dilemma for change because it's entering that zone between the first generation, the second generation, and I understand that you have been successful during that transition. So, what do you think that are the takeaways about your experience that you can recommend in that kind of experience during that transition?

**Felipe:** Well, most of the credit certainly has to go to my father and to my mother. At the time, she used to work at the company and they were very humble and very open to change so I think this has to be the first step. If the founders are not open to change, then we have a recipe for disaster. Probably second and third generations will get frustrated very easily. But then, also, the second and third generations have to be respectful and humble because if you think that just because you graduated from a good university and you have many ideas that you can "fix everything" or make things better or just scratch what has made the company successful and choose better ways. I think that's why also many companies go broke after the second or third generations take over because there has to be a balance. On the one side, the newcomers need to appreciate everything that has been done and find ways to improve from there but without destroying all the value that's sitting there and then, the founders need to be open and realize that times change and change every time faster and faster and maybe the best values that we need on the table are respect and communication because, without them, you won't be able to manage difficult transitions because it will never be easy to go from generation to generation. It's not even easy in multinational companies when you are doing leadership transitions, but when you're mixing the family, everything becomes much, much more complex. So, I think communication and respect are the basis for this success story.

**Andres:** And, Felipe, do you think that the foundation and the family proposed because what I understand is that finally you are an impact family has been part of that key success for the transition because maybe it could be interesting to be part of a family that is not just thinking in the business but also is linking with some values regarding the social responsibility and the impact with the people and the employees. Do you think that has been important, the foundation, for planning that long-term success?

**Felipe:** That's a great point, Andres, and I will say absolutely. We were very aligned on our business philosophy, on our values, on our social responsibility mindset so I think that's also a very good point because if the founders are very social, responsible driven but the second generation only wants to make money, you definitely clash there but, in our case, we both knew that we were, let's say, putting all this energy into this project not because we wanted to make money but because we wanted to make change. Change for the hundreds of families that work with us, change for our customers, and change for society as a whole. So, when you have a higher purpose, it's much easier to manage conflict, it's much easier to resolve difference, because, at the end of the day, you know you're working for something bigger than yourself and that's the biggest motivation to surpass any difficulties that you might have during these, let's say, transitions and negotiations with other family members.

**Maria:** Thank you, Felipe. So, these are great lessons for a family business. Now, let's dig into, once you entered that sort of social impact space, managing this association inside of Servioptica, can you tell us a little bit about that?

**Felipe:** Yeah, so by 2011, I was already the Business Development Director for Servioptica, the family business, and we were discussing for a while now with our parents that we wanted to do a social project, pure social-driven project, but after a couple of years, we hadn't done anything and I was growing a little bit frustrated. So, actually, at a sales convention in Villa de Leyva here in Colombia, when we were having like a ceremony making some commitments for next year, I took the opportunity to tell all my sales team that, by next year, I committed to having a foundation running and so I came back to Bogota and I had to get to work. That's how Volver Foundation was created and I can say happily that, almost 10 years later now, we have serviced more than 150,000 people in eye care and we have serviced the most vulnerable communities in the most forgotten and faraway regions in the country. So, this has been a great experience for me. It was recognized by Semana Sostenible as one of Colombia's top 100 foundations making impact in Colombia. We have given more than 100,000 donations in the country and the beautiful thing is that, although I'm not involved in the organization anymore, I was — or we were able to make it part of the multinational group that we later sold the family business to so that was my first step, let's say, in a big impact project. Then, I became a member of the — I was asked to join the member of Special Olympics Colombia and I was there for two years and then the next big step was maybe related to the B Corporation

movement. By chance, also in a meeting with the *Semana* magazine, I was told about the B Corp movement. After the meeting ended, I downloaded their audiobook on their webpage and I was completely taken by the philosophy. By the time, we have done many, let's say, social impact projects in the company, like an inclusion program for people with disabilities or every material we use for our packaging was either recycled material or biodegradable, just to name a few, but I felt that we were doing it somewhat unorganized or uncoordinated way so, in the B Corp movement, I found a way to put all this energy in a coordinated and more powerful way. So, after that, and by the time, in 2018, I was already the General Manager for Servioptica, it was one of Colombia's top 1,000 businesses by revenue then, almost 1,000 people working at the company at the time, I decided to start the transitions for Servioptica to become a B Corp and we achieved it very fast for such a big company. Well, big for Colombian standards, at least. We did it in four months and this was my start of my involvement with the B Corp movement. After that, we became a member of the corporate council where I shared the seats with big companies like Alquería, Juan Valdez, Crêpes & Waffles, or even Bancolombia is there. And, last year, I also became a member of the Board of Directors here in the company. So, I'm very involved in the movement and very happy to see it advancing here in Colombia.

**Maria:** Okay, so take us to Soluna. So, Soluna is also a B Corp, or at least the founders have their two B Corps as well. Tell us about that pivot. You are in the corporate world, very much comfortable in your role, and you decide to take another role in another industry but probably with much more impact. Tell us about that.

**Felipe:** Yeah, so when we sold the family business to Essilor in 2018, I was offered to become the Country Manager for Colombia and I accepted the challenge. I managed five business units and the foundation for two years. Then I became the Business Development Leader for Latin America for a while, since June 2020 to October 2020. But then, as you said, I decided to leave the company. Basically, for a long time, I wanted to dedicate my work to a project where I could make a bigger difference maybe and that was 100 percent directly linked to social impact. At the time, I didn't know what it was going to be but, luckily, exactly four weeks later, I was approached by a headhunter to join the selection process for the General Director for Soluna, a social business here in Colombia, and, happily, in January 2021, just two months ago, I started this new challenge. Certainly, it was a risk. I have a saying I use a lot, I like it better in Spanish, it's *Bruto, pero decidido*, it translates to something like "stupid but committed" or something like that and

that has been my motto a lot of times during my life where I'm not certain where I'm going to land but I just go with my gut and with my principle and I have taken some, like three or four, such chances in my life and, luckily, they all have very good endings so far. So, yeah, I did it just following my heart and without thinking too much about it. I was also, and I have to say it, in, let's say, in a secure place financially so this was part of me being able to take this risk but, at the end of the day, yeah, a lot of uncertainty and starting to navigate a very different world in a new project, in a startup, in a new industry that I knew nothing about. But, at the end of the day, many things clicked at the backend, like what you mentioned, the founders, two B Corporations. This is a joint venture of Hybrytec and Iluméxico. So, we share the same philosophy. Two great founders, Manuel and Camilo, are young, energetic, passionate, and very intelligent people and I felt an immediate connection to them and then very strong mission and that was the main thing I was looking for and, finally, I would say another thing that was very attractive to me was that we were going to benefit the rural population in Colombia. So, I've been working in Colombia a long time but here we have two different countries, the big cities where you feel like you're in a, I wouldn't say a first world country but maybe a second world country, but then you have the rural reality that's like one century behind so I was really interested in being able to get to know this other Colombia, this other reality that sometimes we forget in our daily lives here.

**Maria:** Tell us about that community. I mean, your customers, when you go see them, what do you see? Take us there.

**Felipe:** Well, I just spent three weeks ago one week in Vichada. Vichada is one of the poorest states in the country. It borders with Venezuela. It's a very flat state, very hot. It was the beginning of summer and we were already 38 degrees Celsius temperature, and it's a very poor state. It was affected by violence, like most of these marginal states, for many years. A lot of coca was dealt or maybe transported to Venezuela through this state. Nowadays, the security situation is much better but there has never been a real development plan for the state. It was supposed to become the food production state for Colombia and many presidents have talked about it for a while but this has never happened. Now, it's becoming the cashew capital of the country. A lot of different projects starting to develop cashew plantations and also some, let's say, CO2 bond selling plantation so this is good, but we are still talking about a poor state. Almost half of the population is indigenous population so this is very particular for the country. I think it's just on the second spot for this in the country. And, well, we're talking about poor rural population. It's not very well



connected but, fortunately, they have two rivers, the Orinoco and the Meta River so they can communicate to the inland and also to Venezuela through these rivers and also they have some livelihood opportunities coming from the rivers and fishing and so on and so forth. But, yeah, it's very poor communities in a very hot place and many of them don't have access to energy solutions. So, that's why we chose to start our project in Vichada. We wanted a place where we could benefit very needing population that presented also some logistic challenges so we could fine tune our model and, let's say, take the hardest bet at the early stages and learn from that. And, yeah, I was there. These very kind people in Colombia. The rural population, in general, is very kind, is very open. We stayed with them at their homes in their communities because, to some of them, you have to travel eight hours by dirt roads so you just take a hammock, you hang it up in their homes, you buy food from the local communities and they are very open and very nice people. Indigenous communities, it's another story. They are much more reserved but they also welcomed us very kindly. They are a little bit more distrustful, maybe because they have dealt with many complexities and false promises in the past. But, all in all, my first experience with the population in Vichada was really, really great.

**Andres:** Felipe, please help us to understand what is behind the problematic. How, why we have those problems to ensuring the supply of electricity in those communities? What is behind of?

**Felipe:** Well, first, we're talking about a developing country so I would say in the last hundreds of years, we've had to choose our battles and it's a logistically very complex country because you have the mountains, you have the jungle. We had the drug-related war for many, many years or not only drugs because it started as a social process war as well so the guerillas then the paramilitary so when you take all these mix into account, it's a miracle we even are where we are. I think Colombians, in general, are very proactive and resilient and, yeah, this is the reason we are not in a better place. But there's many advances actually and the actual government, without wanting to go into politics, has many ambitious plans in place and, yeah, nowadays, the problem is still huge. We have something like 700,000 families that either don't have access, like almost half a million don't have access and 200 and something thousand have access to a, let's say, limited and damaging solution like these diesel or gasoline generators that not only pollute but also creates a lot of health problems. So, we're talking almost about 5 percent of the population that don't have access to energy and if we want to bring them to the development process of the country, we certainly have to take care of this and there's a big public push to

do this and also many startups like us and also some big companies looking on how to be part of the solution.

**Maria:** Can you just explain to us what exactly the technology is. You arrive to these families and what do you install? How is it?

**Felipe:** Yeah, so we install — these are called SHS, Solar Home Systems, so it's an individual photovoltaic solar system and we install it by the side of each home but we don't sell the system to them. What we start selling is the energy system, because most of these families don't have the capital to do an investment in a system and even if they would, they wouldn't be able to maintain it, sustain it, and then replace the batteries after a couple of years and so on. So, we decided to offer them an accessible, let's say, energy service. So, we install the system and then we have like four differentials that make our offer unique. The first one is that we work with midsized flexible solar systems with capacities ranging from 30 to 60 kilowatt hours per month. The second one is we have a unique pay-as-you-go prepaid model so our customers are able to charge their systems with whatever money they have on hand. It can be as low as 1,000 pesos or, I don't know, 25 cents of \$1, to whatever they want because these populations don't have a steady income so we knew we had to find a solution for this. The third is we have one of the best-in-class last-mile services so we have all the best technologies like Angaza, they're very particular for the segment, but, for instance, we have a promise where we visit our customers every six months to do maintenance. And if they have — if the system fails, we promise that we will fix it in less than 15 working days. We also have all kinds of digital tools to help them use the system the best way possible. And, finally, we have IoT monitoring. This allows us to manage the systems and know how they're being used without the need of WiFi or 4G. This was another reality I didn't mention when you asked me about these areas, but most of them don't even have cell coverage. If they have cell coverage, they don't have data coverage and not even WiFi or any other communications solutions.

**Maria:** It seems you really were able to do an optimal business model, which is one of the things that we see that social entrepreneurs have a lot of difficulty with, right? So, it seems that you guys have been able to leverage on the past experience of your founders to create the right model so that's awesome.

**Felipe:** Yeah, absolutely. We're very lucky in the sense that we have two great founders that made it possible for us to operate very efficiently from the start. Hybrytec is our partner for all our construction projects and Iluméxico has developed and perfected

the service model we already implemented in Colombia in more than 100 households in Vichada but they have done it for the last 10 years in Mexico and they service now more than 20,000 families there. So, we are a startup but we started many steps ahead because of the experience of our founders, definitely.

**Maria:** Felipe, I want to finish our conversation today to ask you about moral leadership and why that notion is more important than ever.

**Felipe:** Well, I knew you were going to ask me about that. I believe moral leadership is absolutely indispensable at the moment. I'm a believer in capitalism but I believe our current version of capitalism is damaged. It has left thousands of millions of people behind in unacceptable poverty conditions and then it's destroying the biosphere. So, I believe we need a second version of capitalism that is inclusive, sustainable, and even regenerative now. And, to achieve this, the only way we have to do that is moral leadership. We need a leadership that is courageous enough to challenge the status quo and to keep going when the bad gets tough, and this is almost always, but also a leadership that is humble enough to know that we, the "educated elites," don't have the answers and we need to build these answers with the affected communities that are left out and we also need to be humble enough to know that we won't make any relevant change happen by ourselves. We need to work interdependently within the private sector but also with the third and public sectors in these courageous ways. So, I love the book that we both read and also the course and, yeah, this is more or less my guiding light to also help me overcome the challenges these types of projects present, absolutely.

**Maria:** Yeah, and there's this quote from Jacqueline Novogratz, "Empathy without action reinforces the status quo," so that really — what you just said just took me to that quote. Thank you, Felipe, for this amazing conversation. Thank you for inspiring us and for everything you're doing.

**Felipe:** No, thank you, Andres and Maria, for inviting me to this space and thank you for helping us make our voices heard. This is part of the task we all have. There are many, many projects trying to make things better and trying to change things and challenging the status quo and having a platform like yours to share them and to educate us is great so thank you very much also for your efforts. Great to be here.

**Andres:** Thank you, Felipe.

**Maria:** All the best to Soluna.

**Felipe:** Thank you.

(outro)

**Andres:** Thank you, Felipe, for this enriching and inspirational conversation. Just let me recap some of the main ideas. The family values and leadership through example are a source of inspiration for future generations. Felipe shows us how he was inspired by family values such as discipline, entrepreneurship, social awareness, and the influence of women in leadership. Second, entrepreneurship requires dealing with uncertainty and resilience to stay out of the comfort zone. Felipe is using all the skills that he developed through his career in the construction of Soluna Colombia. And, finally, a lesson on moral leadership. We need to be humble enough to recognize that the private and public sectors are interdependent. We need to work together with affected communities to bring the answers. Creating solutions require listening and including all the actors. Soluna is more than providing electricity, Soluna is innovation, creativity, technology, and inclusion through the next-gen solar utility for off-grid communities. For more information on Soluna, you can find them in LinkedIn as Soluna Energía. Thank you for your precious time with us.

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