AGENDA

• UNDERSTANDING THE SOCIAL TO FINANCIAL RETURN SPECTRUM
• SOCIAL INVESTMENT MOVEMENTS EXAMPLES
• WHAT STRUCTURE IS BEST FOR YOU
• CLARIFYING YOUR THEORY OF CHANGE
• CAN SELF-GENERATED REVENUE FIT INTO YOUR IMPACT MODEL?
• ARTICULATING YOUR SOCIAL BUSINESS MODEL
• WHAT FORMS OF FINANCING ARE AVAILABLE?
• FINAL ADVICE
Social and Creative Enterprises often occupy the space between old-school commerce and old-school charity. What does that mean?

- Have a clear social, cultural and/or artistic mission
- Generate the majority of their income through trade;
- Reinvest the majority of their profits;
- Autonomous of the state;
- Majority controlled in the interests of the social mission;
- Accountable and transparent.
• NGOs create **social value only**, while social and creative enterprises will normally aim for sustainability in the financial, social and/or environmental sense.

• Social Enterprises differ from traditional business in that they often respond to **market failures** versus **market opportunities**
THE ENTERPRISE SPECTRUM

Social Purpose Organisations (SPO's)

Charities
- Grants only: no trading
- Trading revenue and grants

Revenue Generating Social Enterprises
- Potentially sustainable >75% trading revenue
- Breakeven all income from trading
- Profitable surplus reinvested

Socially Driven Business
- Profit distributing socially driven

Traditional Business
- CSR Company
- Company allocating percentage to charity

Impact Only
- Grant making

Impact First
- Social investment

Venture Philanthropy

Primary driver is to create societal value

'Blended' societal and financial value

Primary driver is to create financial value
EXAMPLES OF SOCIAL ENTERPRISES IN THE CREATIVE INDUSTRIES

Earthen Symphony (India) - a decorative art and design studio in Bangalore, India, provides untrained women with employment opportunities as designers, artisans, and craftsmen.

Yadawee Handicrafts (Egypt) - trains local artisans, showcases their work, and sell their traditional handicraft goods nationally and internationally.

Think.Web (Indonesia) - Creates meaningful impact for brand & social through technology & creative innovation.

Ketemu Project (Indonesia) is a transnational art collective and social enterprise hybrid based in Singapore.

Indigo Africa (Uganda) - A social enterprise that partners with groups of artisan women in Rwanda & Ghana to create a range of handcrafted products.

Theatre for Life (UK) - a social enterprise theatre group that raises the aspirations of young people through live theatre.

LEXI Cinema (UK) - a social enterprise cinema that works with the local community and provides all its profits to charities.

The Darb Al Ahmar Arts School, educating children and youth between the ages of 6-18 in Cairo’s Darb Al-Ahmar district in percussion, circus arts, and brass instruments.

BrainJuice (Singapore) - A social enterprise design agency that reinvests into the community.

PR:EPARe, a video game developed by the Serious Games Institute designed to help teenagers deal with sexual coercion during adolescence.

FACE - the Foundation for Arts Culture and Education (Pakistan) an organization whose mission is to strengthen, empower, and educate communities through the arts and through cultural interactions.

The Darb Al Ahmar Arts School, educating children and youth between the ages of 6-18 in Cairo’s Darb Al-Ahmar district in percussion, circus arts, and brass instruments.

Theatre for Life (UK) - a social enterprise theatre group that raises the aspirations of young people through live theatre.

Indigo Africa (Uganda) - A social enterprise that partners with groups of artisan women in Rwanda & Ghana to create a range of handcrafted products.

Yadawee Handicrafts (Egypt) - trains local artisans, showcases their work, and sell their traditional handicraft goods nationally and internationally.

Think.Web (Indonesia) - Creates meaningful impact for brand & social through technology & creative innovation.

Ketemu Project (Indonesia) is a transnational art collective and social enterprise hybrid based in Singapore.

LEXI Cinema (UK) - a social enterprise cinema that works with the local community and provides all its profits to charities.

BrainJuice (Singapore) - A social enterprise design agency that reinvests into the community.

PR:EPARe, a video game developed by the Serious Games Institute designed to help teenagers deal with sexual coercion during adolescence.

FACE - the Foundation for Arts Culture and Education (Pakistan) an organization whose mission is to strengthen, empower, and educate communities through the arts and through cultural interactions.
HOW CAN ENTERPRISES BE STRUCTURED?

- The Profit Generator Model
- The Trade-Off Model
- The Lock-Step Model
THE PROFIT GENERATOR MODEL

Enterprise focuses solely on achieving a financial return that has no specific or direct social impact. Profits from the endeavour are then reinvested into a separate social impact initiative.
Enterprise’s trading activity is focused on generating a financial return AND creating social impact. The enterprise could increase its social impact by decreasing financial returns, or vice versa. In other words, there is a trade-off.
Social impact and the financial return are inextricably linked. If you increase your financial return, you automatically increase your social impact, as they move in parallel.
BREAKOUT SESSION 1

• Identify where you are now on the spectrum and think about where you want to be.
• Which model best describes your organisation
TIME FOR A BREAK

TAKE 10 MINUTES

BACK AT 16:05
THEORY OF CHANGE

• WHAT IS THE PROBLEM THAT YOU ARE ADDRESSING?

• WHAT IS YOUR VISION FOR THE FUTURE?
BREAKOUT SESSION 2

NAME 5 ORGANISATIONS OR ENTERPRISES THAT ARE SUCCESSFUL IN YOUR EYES

WHAT DO THEY HAVE IN COMMON?
Imagine if you were going to describe, in 20 words or fewer, what your organisation does, but only have twenty seconds with which to do it, what would you say?
OTHER KEY T.O.C. QUESTIONS

• What impact do you want to achieve?

Who/what would be impacted?

How could you reach/influence/impact the identified groups?
VISUALIZING OUTCOMES & SUCCESS

What indicators will you use to measure achievements?

How will you know when you have succeeded?
MOVING FROM VISION TO VALUE:

• The Business Model Canvas is a strategic management and lean start-up template for developing new or explaining and visualising existing business models.

• This is perfect for prototyping new endeavours

• Allows you to try out new ideas as a group on paper before investing more time and money into it.
FINANCING OPTIONS

• Understanding the options available and the right chance to take when talking about financing is an important step on your journey towards growth and scale

• There is rarely a one size fits all approach and a lot depends on your organisation, your registration, your market, your financial model, your geography, and your ambitions for the future.
FINANCING OPTIONS

Your choice of what financing to consider can be helped by understanding where you are on your path to scale:

• **Idea/Early Stage**
  
  • *Best placed applying for grant funding, that is often available through accelerator programmes, trusts and foundations*
FINANCING OPTIONS

• **Growth Stage**
  
  - Can also apply for grants from trusts and foundations. The grant size will normally go up based on greater requirements and a stronger track record.
  
  - 0% interest loans (normally from trusts/foundations/VPO/etc)
  
  - Impact/Angel investors can be approached at this stage but be careful as you really need to know your business, your market and your potential

• **Scale Stage**
  
  - Impact/Angel investors, either willing to provide funding in the form of low-interest loans, equity, or other forms of capital funding
  
  - Potentially limit them to asking for a return OF investment instead of a return ON investment
  
  - You can also consider approaching banks for business loans
FINAL ADVICE

STICK TO YOUR VISION – be stubborn about why you’re doing what you’re doing

AIM HIGH – It’s important to be realistic, to be smart, to set milestones - but no one achieves anything great by dreaming small

FAIL QUICKLY – There’s no shame in failure, but be ready to admit it and pivot quickly.

VALUE YOURSELF – Your time is not limitless, and you can’t run a business on goodwill alone.