

INVESTMENT
READY
PROGRAM

because impact matters!

Defining Social Entrepreneurship & Impact Investment

Entrepreneurship: a mindset to take advantage of uncertainty – to go after opportunity irrespective of the resources at hand

Social Entrepreneurship: Entrepreneurship applied to important social and/or environmental issues

Impact Investing: a for-profit investment activity to create intended, measurable, positive benefit for society and/or the environment

Source: Grabenwarter & Liechtenstein „In search of gamma“, IESE 2011; Ronald Cohen „Second Bounce of the Ball“



DEFINITIONS

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Impact Investment and Social Entrepreneurship

Old Wine in New Barrels, or Real Innovation?



FRAMING

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A New Paradigm is emerging...

Social Entrepreneurs are transforming social and environmental challenges into business opportunities

- Sustainability
- Climate Change
- Poverty
- Sanitation
- Healthcare
- Education
- Etc.

The Impact Opportunity

Impact Investors are mobilising significant resources to address these challenges

- Impact Investment growing from **\$50bn today to \$650bn** in 3-4 years (GIIN)
- EIF raising a **€500m Impact Investment FoF**
- Toniic investors invested in **25 deals** totalling **>\$10m** in 24 months!
- Big Society Capital being **capitalised with GBP600m**
- Impact Base lists **125 Impact Investment Funds**



THE OPPORTUNITY

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What is Impact, and why it matters

Impact: To affect reality in a certain way

Social Impact: A positive benefit for society and/or the environment

Why it matters

Intention to Action

You want to affect reality, and make a difference for the better

Effectiveness

ARE you really making a difference? How do you know?

Efficiency

Every activity uses resources, do yours create more benefit than they cost? How to improve?

What can help

Focus

Measure

Optimise



DEFINITIONS

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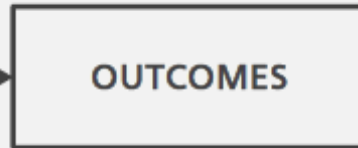
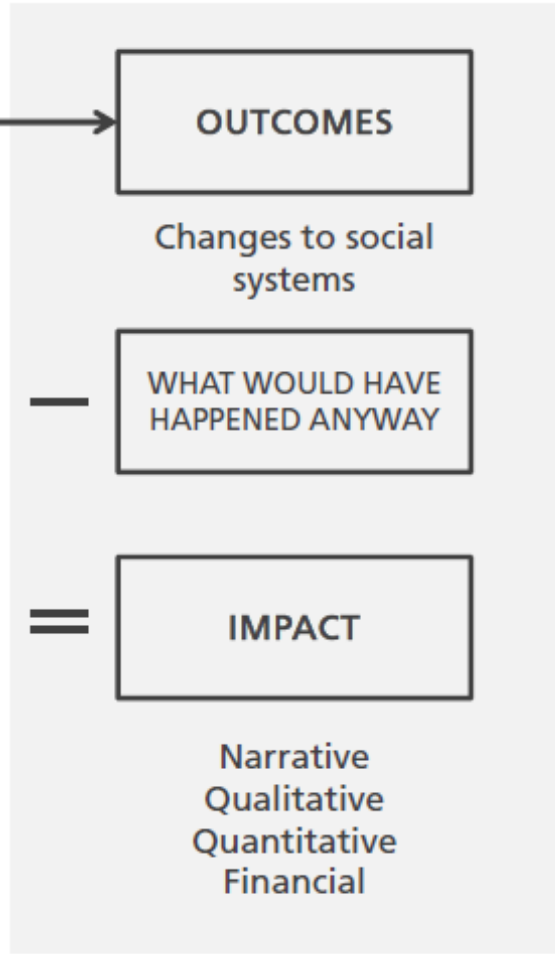
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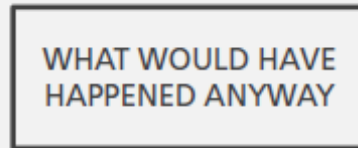
What is put into the venture



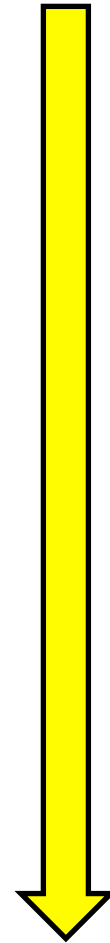
Results that can be measured



Changes to social systems



Narrative
Qualitative
Quantitative
Financial



KACHING-KACHING

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IRP Warm Ups 2013

Specifying Impact

Narrative

Stories, Examples: How is the situation before your intervention, how is it after?

Qualitative

What difference do you make? Can you qualify it? (better, more, less burdensome...?)

Quantitative

Can you measure the change? Better by how much?

Financial

Is it possible to put a price on the change? How much did it cost? How much is it worth? Willingness to pay?



„The best chance to get funding is not to need any“

Investment Readiness defined for IRP

A higher than 50% chance to attract the financial capital required to reach the next major milestone within 18 months after IRP

IRP Focus

Impact: Can it change the World?

Viability: Can it work?

People: Can you pull it off ?

ACP Model

Attractiveness

Competitiveness

Proof



Investment Readiness

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IRP Warm Ups 2013



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THANK YOU VERY MUCH!

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