



EntirelySo!



High Mission Impact
Low Profitability



High Mission Impact
High Profitability

Impact ↑

Profitability →



Low Mission Impact
Low Profitability



Low Mission Impact
High Profitability

SOCIAL VENTURE IN PURSUIT OF PURPOSE

Capital Management
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| | Investment vehicle | Purpose of Finance | Type of Finance | Social investor types | Examples of funders/investors |
|----------------------|--|---|--|--|---|
| No returns | Grant | Fulfilling mission Capacity building Specific projects | PRI MRI | Foundation Venture philanthropist Government | <ul style="list-style-type: none"> • Impetus Trust • LGT Venture Philanthropy • Skoll Foundation |
| Below-market returns | Sub-market Debt | Economic & social development Capacity building Growth capital Working capital | Microfinance SME loans Patient loans | Foundation Venture philanthropist Government Social VC fund Development bank | <ul style="list-style-type: none"> • Grassroots Business Fund • OikoCredit • IFAD |
| | Sub-market (also called "blended return") Equity | Capacity building Growth capital | Share of ownership with lower financial expectations | Foundation Venture philanthropist Social VC fund | <ul style="list-style-type: none"> • Gray Matters Capital • Individuals buying ethical shares |
| Market-rate returns | Commercial Debt | Growth Capital Working Capital | Loans | Venture philanthropist Bank | <ul style="list-style-type: none"> • Commercial Banks |
| | Commercial Equity | Growth Capital | Ownership | Venture philanthropist Bank Commercial VC Commercial "angel" | <ul style="list-style-type: none"> • Aavishkar • Bamboo Finance • Intellectap |

SOCIAL CAPITAL

IN PURSUIT OF PURPOSE

Fuel for the Journey

How can we find an affordable source of capital for business sustainability?



| Organization type | Activities | Profits | Potential investment vehicles | What social investors look for |
|--|---|---|--|---|
| Non-profit or NGO, with no enterprise activity | No income-generating activity, engaged in innovative and market-based social impact | No profits; income through grants only | <ul style="list-style-type: none"> Investment-style grants | <ul style="list-style-type: none"> Innovation Plans for growth Sustainable impact |
| Non-profit or NGO, with some enterprise activity | Range of activities, including some enterprise activity and market interventions | Profit possible at enterprise level, but usually not enough to cover NGO budget | <ul style="list-style-type: none"> Investment-style grants Sub-market debt | <ul style="list-style-type: none"> As above Clear business thinking Good financial models for enterprise activity |
| Social enterprise offering below-market returns ⁹ | Operates as a business or enterprise, but primary motivation is social impact | If profits are made, they are low and/or most or all go back into the enterprise and social mission | <ul style="list-style-type: none"> Investment-style grants Sub-market debt Commercial debt Sub-market equity | <ul style="list-style-type: none"> Proof of concept Strong planning Good financials Social impact Experienced management Risk analysis |
| Social enterprise taking fully commercial approach ¹⁰ | Operates as commercial business that has significant social impact embedded in business model | Able to provide investors with commercial returns | <ul style="list-style-type: none"> Grants & Sub-market debt (in early stages) Commercial debt Commercial equity | <ul style="list-style-type: none"> Proof of concept Business thinking Good financials Experienced team Social impact embedded in the business Risk analysis |

SOCIAL CAPITAL

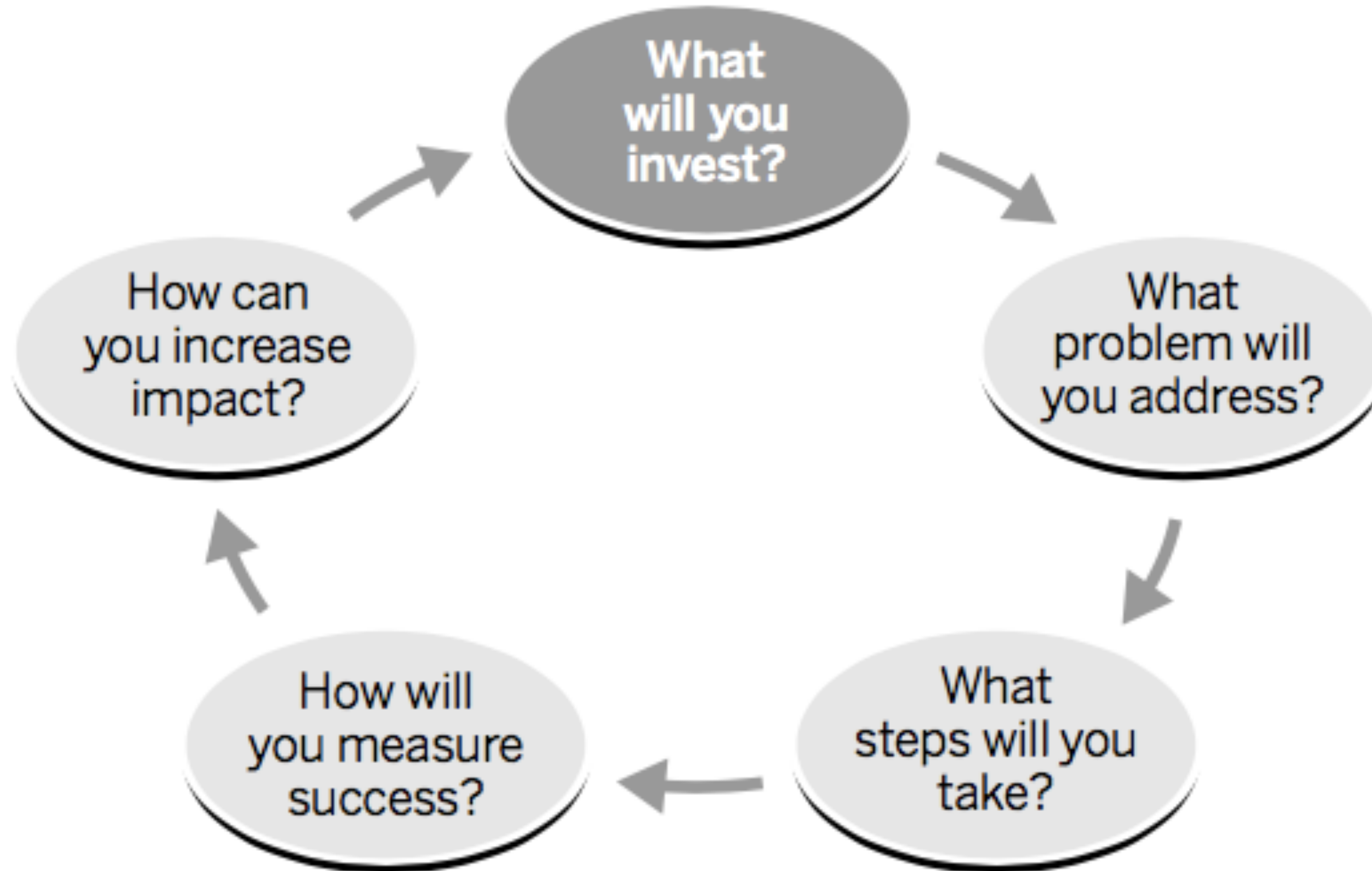
IN PURSUIT OF FITMENT

Vehicle for the Journey

How can we find and align sources with our own purpose of Social Venture?



How to Elicit?



CAPITAL APPEAL IN PURSUIT OF PARTNERSHIP

Narrative for Investment

How can we attract like-minded investment partner for business sustainability?



UBUNTU Social Enterprise: Executive Summary

Background: UBUNTU was set up in Namibia in 2000 as a social enterprise to market organic honey and provide training and employment opportunities for women and adolescent girls in beekeeping and honey production. UBUNTU markets honey domestically and across Africa, with steady year-on-year growth in sales.

UBUNTU has worked with over 1,500 women since inception, improving income and family livelihoods through fair wages, and education levels through training. UBUNTU also has an environmental impact; its work ensures the preservation of a biodiverse region of 7,000 hectares.

Growth: UBUNTU is launching a micro-franchising program which will allow workers to “graduate” from their employment with UBUNTU and set up their own operations to sell honey under the UBUNTU brand. UBUNTU has partnerships with local microfinance institutions to provide seed capital for micro-franchising entrepreneurs, and has developed a training program to equip franchise owners with the necessary skills to run a micro enterprise.

Over the next five years, XX women will set up UBUNTU micro-franchises, creating further reach of UBUNTU’s products into rural and urban areas, and empowering women to be micro-entrepreneurs.

Social benefits: Direct benefits for UBUNTU micro-franchise entrepreneurs are as follows:

- Increases income up to X%
- Allows women to build credit history
- Provides training in business management
- Empowers women to be business-owners

Business Model: UBUNTU has two main streams of income: Wholesale and retail sales of UBUNTU honey, and franchise fees from micro-entrepreneurs. UBUNTU also uses grant money to support its training programs.

Financial Requirement: UBUNTU is seeking USD \$500,000 in funding by the end of 2009. This funding will be broken down as follows:

1. Grants: \$100,000 to support business mentoring and training programs for new micro-entrepreneurs
2. Sub-market Debt: \$400,000 to invest in working capital and managerial capacity-building

| \$,000 | 2008 actual (pre-franchising) | 2009 | 2010 | 2011 | 2012 |
|--------------------------|-------------------------------|-------------|------------|----------|-----------|
| PROFIT & LOSS | | | | | |
| Sales | 83 | 125 | 160 | 181 | 204 |
| Sales Growth % | | 51% | 28% | 13% | 13% |
| Cost of Sales | 46 | 65 | 83 | 87 | 90 |
| Overheads | 72 | 85 | 85 | 86 | 90 |
| EBIT | (35) | (25) | (9) | 8 | 24 |

UBUNTU’s financial forecasts show breakeven by Year 3, after which principle and interest on debt can begin to be repaid.

Key Team Members:

- Jane Doe, Chief Executive Officer, founded UBUNTU after ten years of experience in the honey industry
- Henry Jones, CFO, is a financial expert with over 20 years experience in consumer foods businesses
- Deepa Patel, Operations Director, previously implemented a \$40 million project at CIDA; will be directly managing the franchising program
- Ntongi Smith, Marketing Director, MBA in marketing from XYZ school, and 12 years of industry experience

Contact Details:

XXX

How to Elicit?

CAPITAL APPEAL IN PURSUIT OF PARTNERSHIP

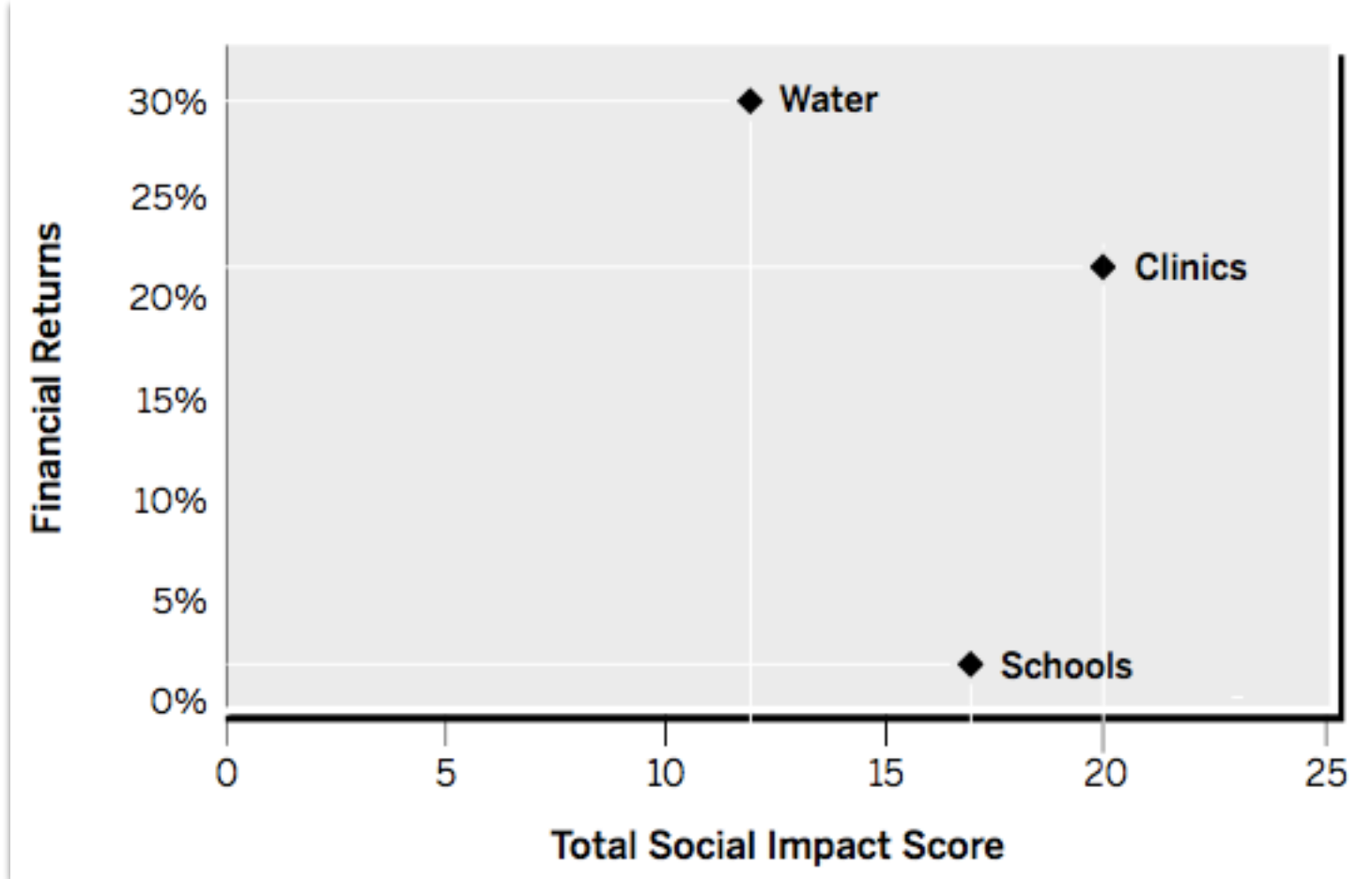
Narrative for Investment

How can we attract like-minded investment partner for business sustainability?



How to Invest?

| Expected Social Impact | Project 1 | Project 2 | Project 3 |
|--|----------------|---------------|--------------|
| <i>Criteria for this investment:</i> | <i>Clinics</i> | <i>School</i> | <i>Water</i> |
| Addresses difficult-to-serve clients in impoverished regions | 6 | 6 | 5 |
| Link between actions and outcomes has been evidenced | 7 | 4 | 7 |
| Capacity to continue program after our investment ends | 7 | 2 | 5 |
| Total Social Impact Score | 20 | 12 | 17 |



| Expected Financial Returns | Project 1 | Project 2 | Project 3 |
|----------------------------|----------------|---------------|--------------|
| | <i>Clinics</i> | <i>School</i> | <i>Water</i> |
| Return on investment | 20% | 2% | 30% |

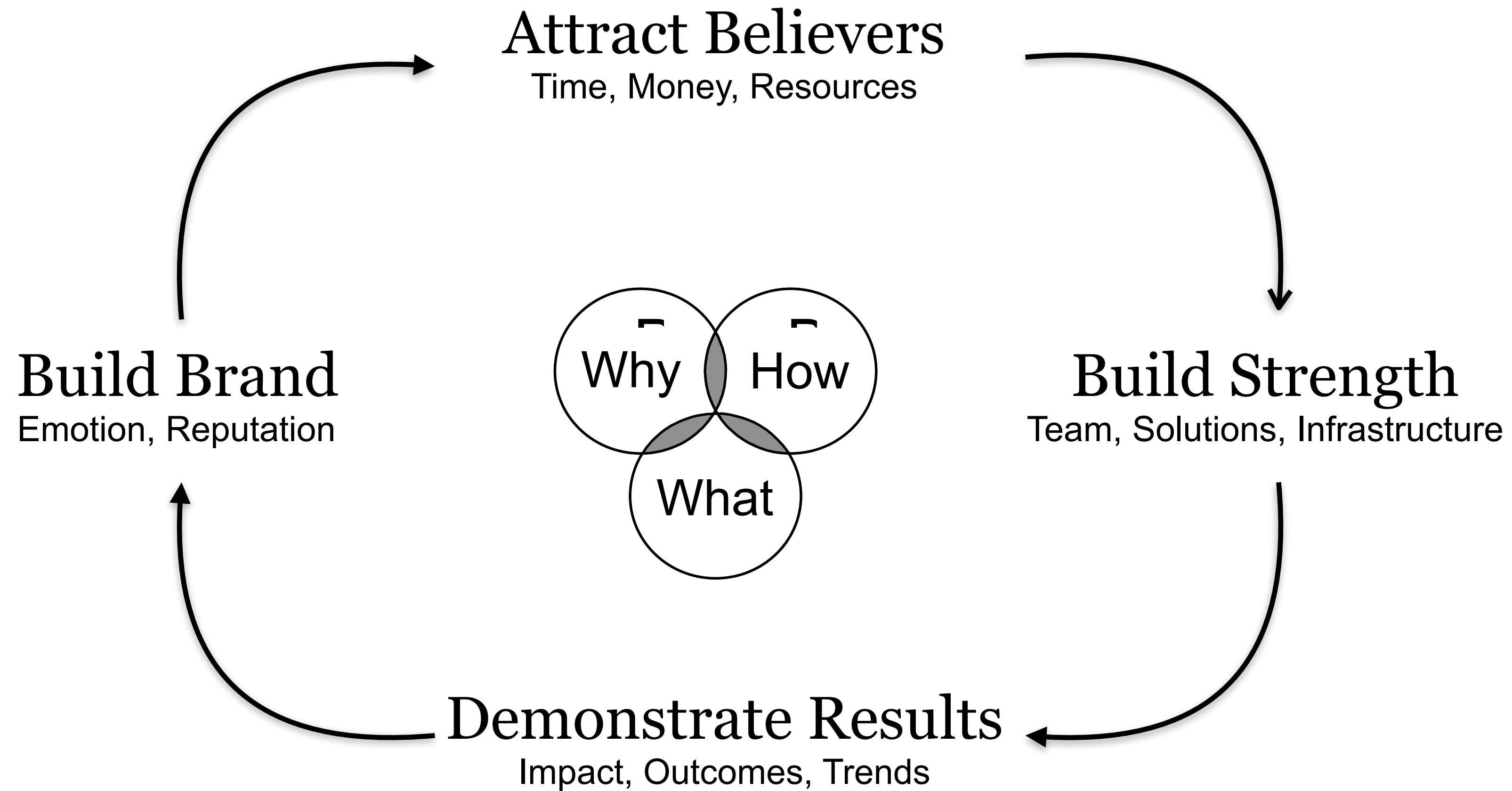
Narrative for Selection

How can we find and support initiative that has better return on both investment and impact?



EntirelySo!

Build a Flywheel with relentless focus on the core



**Make it simple and easy for people
to know you, to support you and to benefit from you**



No matter our age,
our circumstances,
or abilities, each
one of us can

create
SOMETHING
remarkable
with our lives.

-Joseph B. Wirthlin

