



HOW DOES MATURITY AFFECT financing needs

Train the trainers

The RESIST project is co-financed by the European Union (European Regional Development Fund) under the Interreg Baltic Sea Region Programme.





- 01. DIFFERENT NEEDS FOR SOCIAL ENTERPRISE
- 02. HOW TO CHOOSE THE RIGHT TYPE OF FUNDING?
- 03. INFLUENCIAL FACTORS
- 04. BREAK DOWN BARRIERS

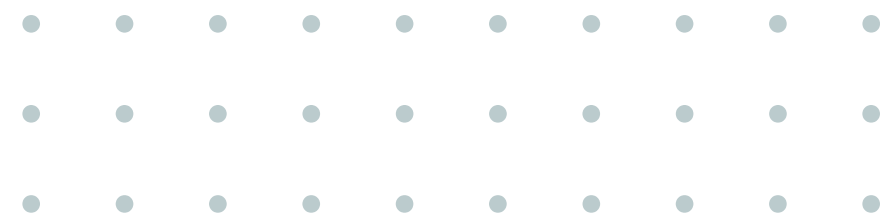


TABLE OF CONTENTS

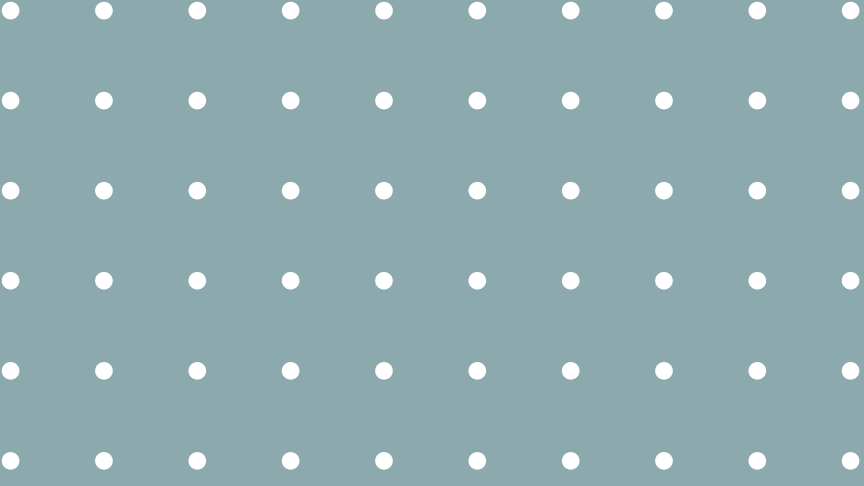
01.

DIFFERENT NEEDS FOR A SOCIAL ENTERPRISE



The financial needs of social enterprises are diverse and context-specific, reflecting the unique challenges and opportunities connected to their missions and operating environments.





Effective financial planning and management are essential for addressing varying needs and maximizing the social impact of the enterprise.



What is the difference?

01
Level of maturity

02
Different sectors and industries

03
Different target communities

04
Stage of development and legal
structure



Who are the main actors that provide finance to social enterprises?



Are there any intermediaries that help to match the needs of social enterprises with the available financial resources?



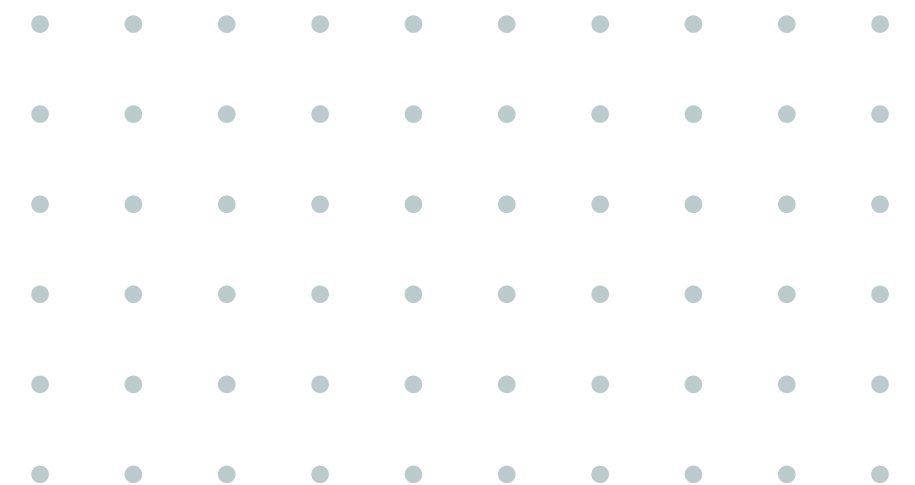


SUPPLY

A narrow-mindedness and engrained risk-return attitude among many investors.

DEMAND

To become investment-ready and develop capacity. To better communicate with potential funders and finance providers.



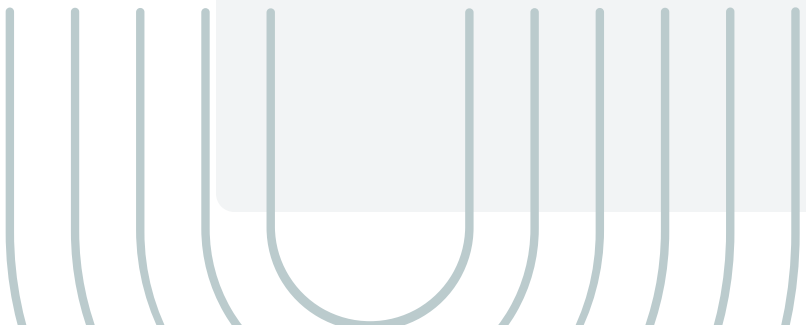
Value-driven demand

Consumers more often are incorporating values-driven considerations into their purchasing and investment decisions, leading to investment opportunities in areas with increased demand such as organic, fair trade, and green products. And like consumers, investors are also seeking to make investments that are aligned with their values.



Stage of maturity

The stage of maturity of a social enterprise can significantly influence its financial needs. As a social enterprise evolves and grows, its financial requirements typically change in response to various factors.



Different financing needs

01



Cooperative



02

03



Start-up phase ☆☆☆
Scale-up phase



04

02.

HOW TO CHOOSE THE RIGHT TYPE OF FUNDING?





HOW TO CHOOSE THE RIGHT TYPE OF FUNDING?



BEGINNER

The financial needs for a newly created social enterprise are quite similar to those of any other newly established business but with an additional focus on achieving social impact alongside financial sustainability.

Funding for Social Programs or Services

Financial resources are needed to develop, implement, and scale social programs or services that directly address the identified social problem or support the enterprise's mission.

Operational Expenses

Costs associated with day-to-day operations such as rent, utilities, salaries, office supplies, and technology infrastructure.

Revenue Diversification

Developing diverse revenue streams of earned income, grants, donations, and impact investment to fund enterprise activities

NEW SOCIAL ENTERPRISE

Choosing the right type of funding for a new social enterprise is crucial for its success and sustainability.

Assess Funding Needs

Conduct a thorough assessment of the financial needs, including startup costs, operational expenses, and investment required for social programs or services.

Understand Funding Options

Explore different funding sources available to social enterprises, including grants, donations, impact investments, loans, crowdfunding, and revenue-generating activities.

Diversify Funding Streams

Avoid relying on a single source of funding to mitigate financial risks and increase financial sustainability.

EXPERIENCED SOCIAL ENTERPRISE

Remain flexible and adaptable in the approach to choose the right type of funding that aligns with the social enterprise's mission, values, and long-term goals.

Develop a Funding Strategy

Develop a comprehensive funding strategy that outlines your fundraising goals, target funders, funding timeline, and strategies for approaching and securing funding.

Demonstrate Social Impact

Provide evidence of your organization's social impact through data, stories, testimonials, and outcomes measurement.

Be Transparent and Accountable

Maintain transparency and accountability in your financial management and reporting practices. Build trust with funders by providing regular updates on your progress, financial performance, and social impact achievements.

SOCIAL IMPACT TO EXISTING BUSINESS

By demonstrating a genuine commitment to social responsibility, existing businesses can attract funding from investors and partners who share the same vision.

Integrate Social
Impact into Your
Business Model

Develop a business model that integrates social impact into your core operations and value proposition.

Identify
Potential
Fundors

Research potential funders who are interested in supporting businesses with a social mission or impact-driven initiatives.

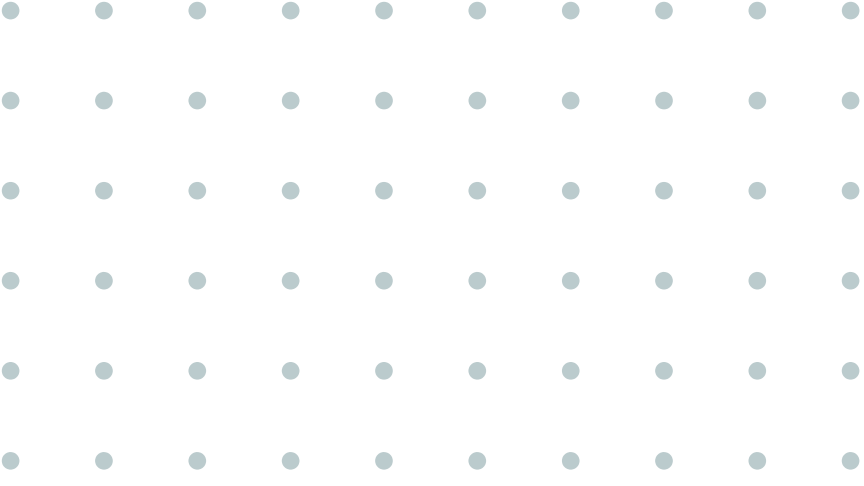
Seek Strategic
Partnerships

Collaborate with other businesses, nonprofits, government agencies, and academic institutions to amplify your social impact efforts and leverage additional resources and expertise.

03.

INFLUENCIAL FACTORS





SIZE AND SCALE

- A small community-based social enterprise may have relatively modest financial needs compared to a larger national or international organization aiming for a bigger impact.
- Larger social enterprises may require significant capital for scaling up operations, expanding into new markets, or reaching larger beneficiary populations.





THE PRODUCT OR SERVICE

- The financial needs of a social enterprise operating in sectors such as healthcare, education, or renewable energy may be higher due to the capital-intensive nature of these industries.
- Technology-focused social enterprises may require investment in research and development, technology infrastructure, and product innovation.





GEOGRAPHIC LOCATION

Geographic factors such as urban vs. rural settings can also influence the cost of operations and the types of funding needed.

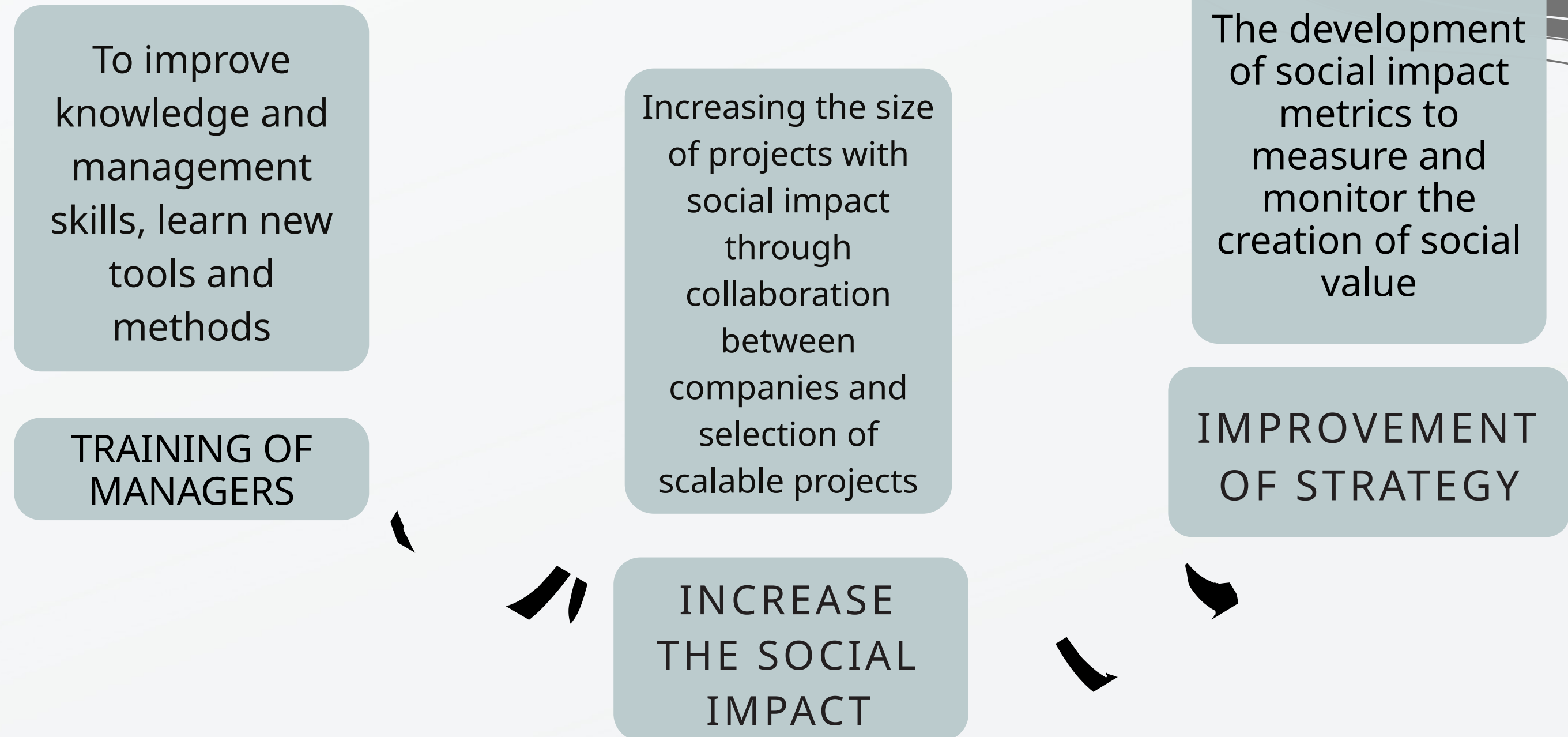


04.

BREAK DOWN BARRIERS



How to meet growing financial needs?





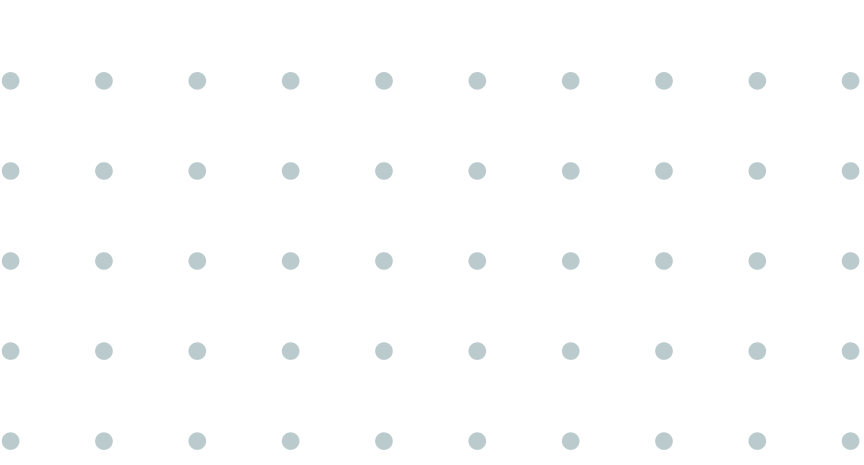
TRAINING

Training can be invaluable for social entrepreneurs looking to meet growing financial needs.

Financial Literacy: Many social entrepreneurs may not have a background in finance. Training in financial literacy can help them understand key financial concepts, such as budgeting, financial planning, cash flow management, and financial reporting.

Business Planning: Training in business planning can help social entrepreneurs develop comprehensive strategies for growth and sustainability. This includes identifying target markets, analyzing competitors, setting realistic financial goals, and creating actionable plans to achieve them.

Financial Management: As social enterprises grow, they face increasing complexity in financial management. Training can help entrepreneurs learn how to effectively manage finances, including budgeting, forecasting, financial risk management, and financial controls.



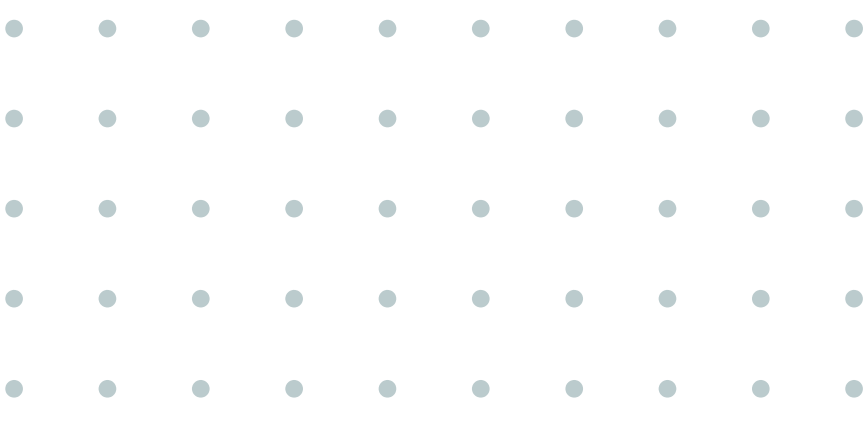
SOCIAL IMPACT

Increasing social impact can help social entrepreneurs increase their success by attracting funding and investment, and expanding market opportunities.

Attracting Funding and Investment. Social impact is a key factor that funders and investors consider when deciding where to allocate their resources.

Expanding Market Opportunities. Increasing social impact can open up new market opportunities for social entrepreneurs.

Building Community. Social impact initiatives often involve collaboration with communities, stakeholders, and partners.





IMPROVEMENT OF STRATEGY

Improving strategy can be beneficial in helping social entrepreneurs achieve greater success.

Clearer Direction and Focus. Lack of proper business strategy leading to non-competitive products. A well-defined business strategy provides a clear direction. By identifying the organization's mission, vision, and goals, social entrepreneurs can align their resources and efforts towards achieving meaningful impact.

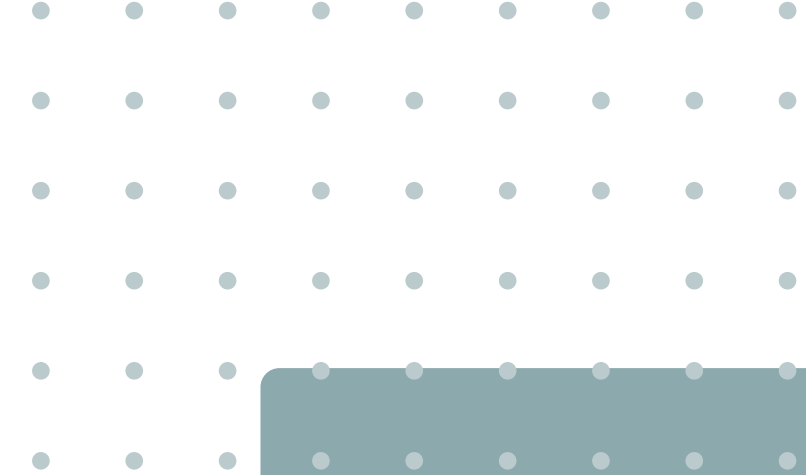
Optimized Resource Allocation. By conducting thorough market analysis and strategic planning, social entrepreneurs can identify the most promising opportunities for growth and prioritize resource allocation accordingly.

Measurable Impact. By implementing key performance indicators (KPIs) and monitoring progress against predetermined goals, social entrepreneurs can track the effectiveness of their strategies and make data-driven decisions.

The financial needs of a social enterprise evolve as it progresses through different stages of maturity.

Understanding these evolving needs and effectively managing financial resources are essential for the long-term success and sustainability of the enterprise's social mission.





THANK YOU

