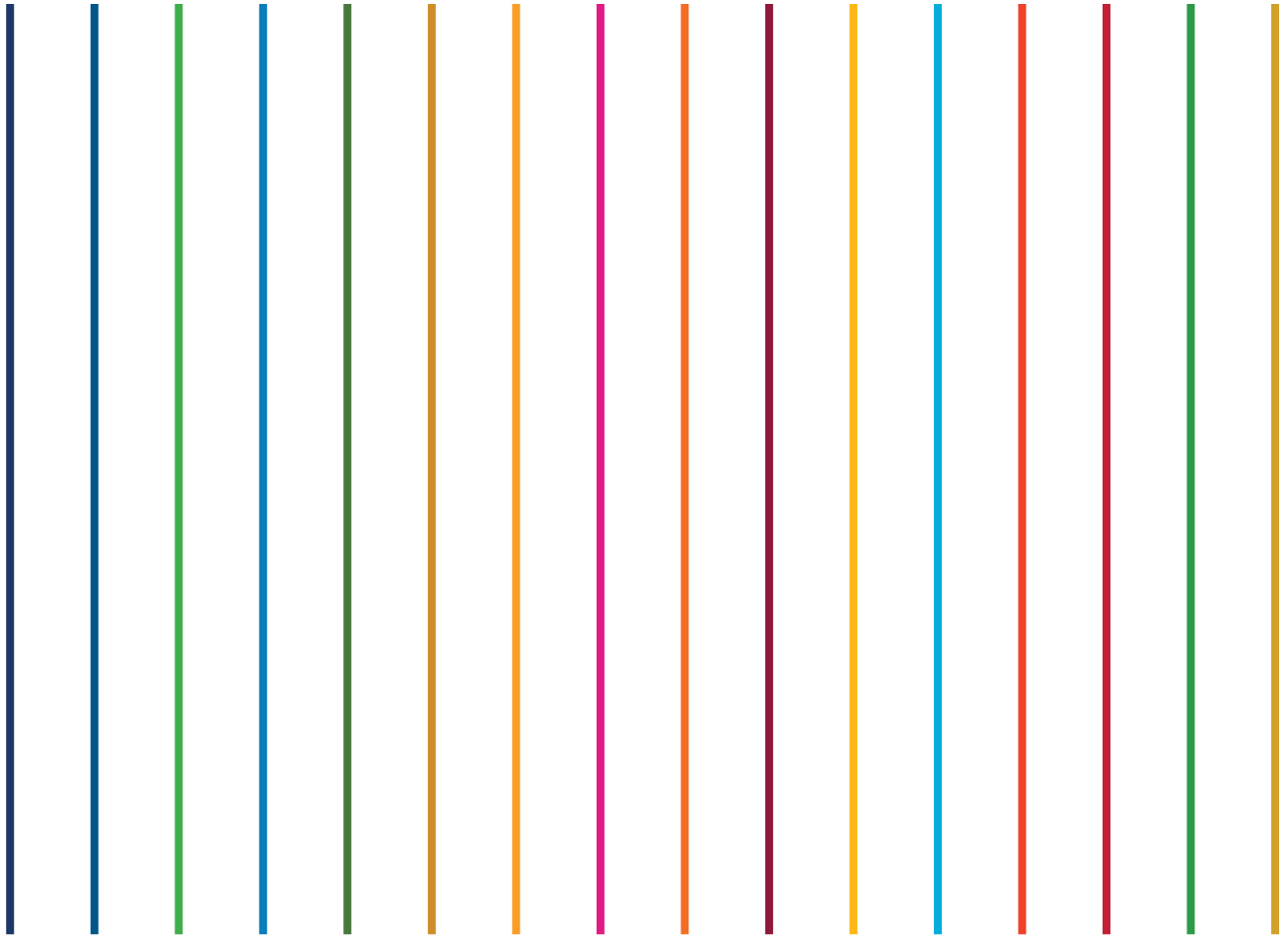




ევროკავშირი
საქართველოსთვის
The European Union for Georgia



FUNDRAISING & NETWORKS



Introduction

Hello and welcome to this online do-it-yourself toolbox, full of practical tips and materials around starting your social business.

In this edition, you will be able to get to know social impact ideas, social businesses, and social connectors from different corners of the world and we hope that by sharing those, we will inspire different people, especially youngsters, to launch their social ventures.

In general, this toolbox is developed in order to help increase the capacities of the youth organizations from Armenia and Georgia to embrace socio-political and economic diversity. It is meant to help increase the knowledge, expertise, leadership, and sustainability of individual entrepreneurs or organizations working in the social entrepreneurship field.

By the time you check and use all elements of this toolbox, you will be comfortable in:

- Understanding of the value and purpose of social enterprise models;
- Learning from real examples of social enterprises;
- Identifying possible fundraising models and revenue models;
- Understanding the need for a mindset shift to enable the successful transition to income generation models;
- Learning the importance of community building
- Take practical steps to use storytelling and branding for your organization or social enterprise
- Learning and implementing the basics of impact measurement.

Additionally, the toolkit will provide you with inspiration to improve, adjust or change your organization or social business towards long-term sustainability.

WELCOME AND HAVE FUN!

FUNDRAISING & NETWORKS

TYPES OF FINANCING

For-profit startup	Small business	NGO
Equity-based financing (VC, angels, etc)	loans	grants
Crowdfunding (equity or not)	Non-equity crowdfunding	Project pre-financing loans
grants	Dividend-based investment	revenues
revenues	revenues	

ACTION PLAN: HOW TO PREPARE?

- **EDUCATE YOURSELF** about your investment market: who is investing in what, at what terms?
- **LEARN HOW INVESTMENT WORKS:** there are many tutorials online;
- **BUILD, BUILD, BUILD:** spend less time talking, more time working;
- **WHEN TALKING TO INVESTORS,** research them first and **ASK THEM FOR INSIGHTS** and advice. Send thank you emails. Update them occasionally.
- **NETWORK WISELY:** be selective about the events you attend and allocate your time carefully
- **PRACTICE AND IMPROVE YOUR COMMUNICATION,** pitching, and negotiation skills on an ongoing basis;
- **PREPARE YOUR ELEVATOR PITCH:** a short description of an idea, project, or organization/ a company that explains the concept in a way such that any listener can understand it in a short period of time.

Crowdfunding is a very common practice for nonprofits and social businesses. It's a way of funding a project or venture by raising small amounts of money from a large number of people, typically online, via social media (when friends and acquaintances typically share campaigns that they're trying to support) or crowdfunding platforms.

Some examples of well-known crowdfunding platforms include:

1. **Fundable** (business crowdfunding)
2. **Indiegogo** (product crowdfunding)
3. **Kickstarter** (project crowdfunding)
4. **GoFundMe** (cause crowdfunding)

What are the benefits of it?

- Generate a **large amount of free publicity**;
- **Recruit many advocates** for the venture;
- Provide founders with rich **market feedback** on their product or service.

The three primary types are **donation-based, rewards-based, and equity crowdfunding**.

PRACTICAL EXERCISES:

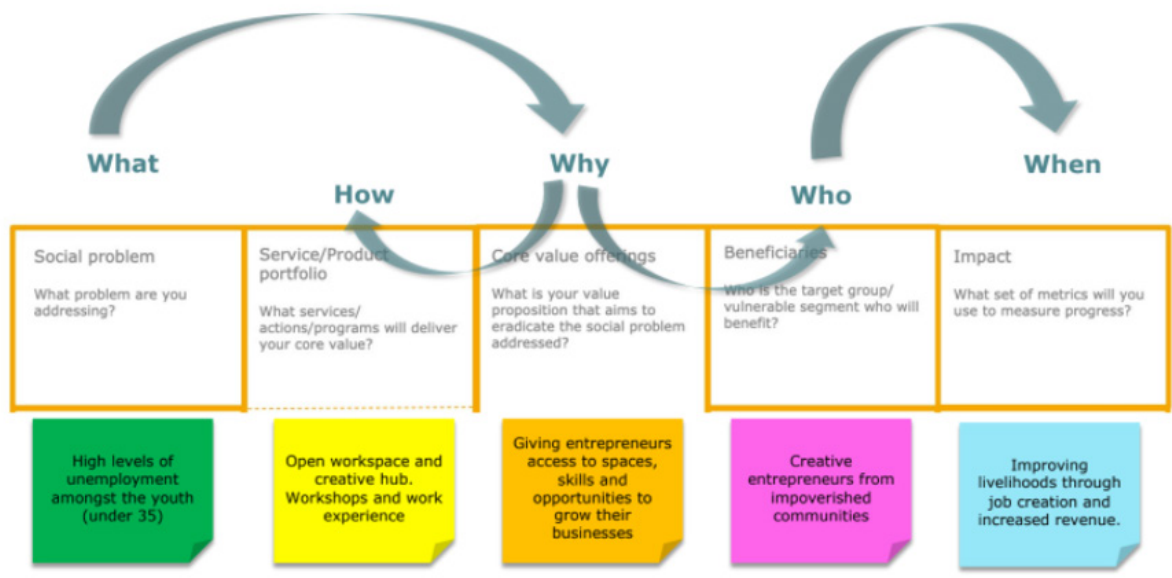
- Defining your business: What is your organization/ social business model? What are your long-term goals with the organization/ social business?

Social business model canvas (SBMC)

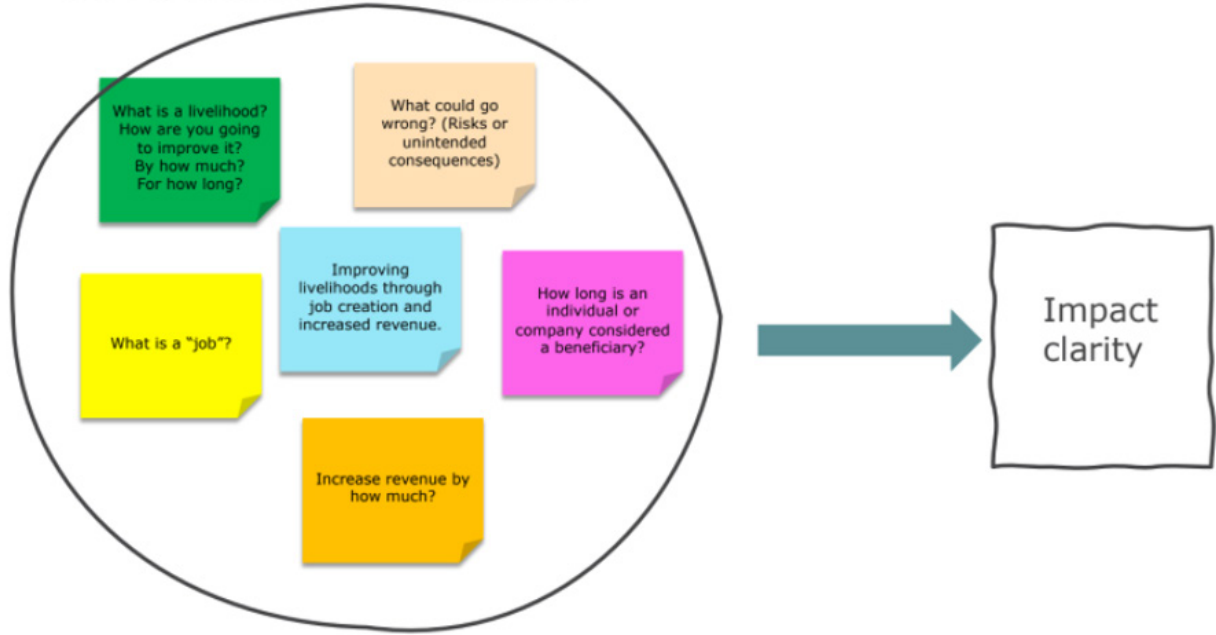
Social problem What problem are you addressing?	Service/Product portfolio What services/ actions/programs will deliver your core value?	Core value offerings What is your value proposition that aims to eradicate the social problem addressed?	Beneficiaries Who is the target group/ vulnerable segment who will benefit?	Impact What set of metrics will you use to measure progress?
Network partners What reference groups/peer-support networks are willing to join the cause?	Technology What technology can you use/create to support your organisation?		Target market Who is buying your services/product?	Channels What are the channels the services/product will be delivered? i.e. Online or offline
Costs What are your sources of expenditure, capital cost, operational costs?		Revenue streams What are the sources of earnings which will keep the venture sustainable?		

Example:

Using the SBMC to understand impact



More questions than answers...?



Source: www.whyeffect.com

NETWORKING

Networking is crucial for the activities of the NGOs/social businesses to reach the impact you like to see and in general for greater support of all the activities. Networking also facilitates linkages with other organizations in other sectors, including municipalities, schools, government agencies, etc.

Ultimately, networking enables NGOs/social businesses to develop more effective and innovative programs and projects.

ACTION PLAN in 2 steps: GET READY TO NETWORK!

1. SHORT AND SWEET: CREATE YOUR 2-MINUTE STORY

The human attention span is eight seconds today. It is reported that goldfish have a 9-second attention span. So you need to be really short and get the attention of the person you talk to. One Practice explaining your goal as a 2-minute story. It takes more than telling others what your goals are. It is about being intentional about the way you share your commitment and how you connect to others as you do so. **If you share your commitment as a story, then you are more likely to inspire and motivate others.**

2. DETERMINE YOUR CIRCLES OF INFLUENCE

*as a leader of the organization/ social business or as a team

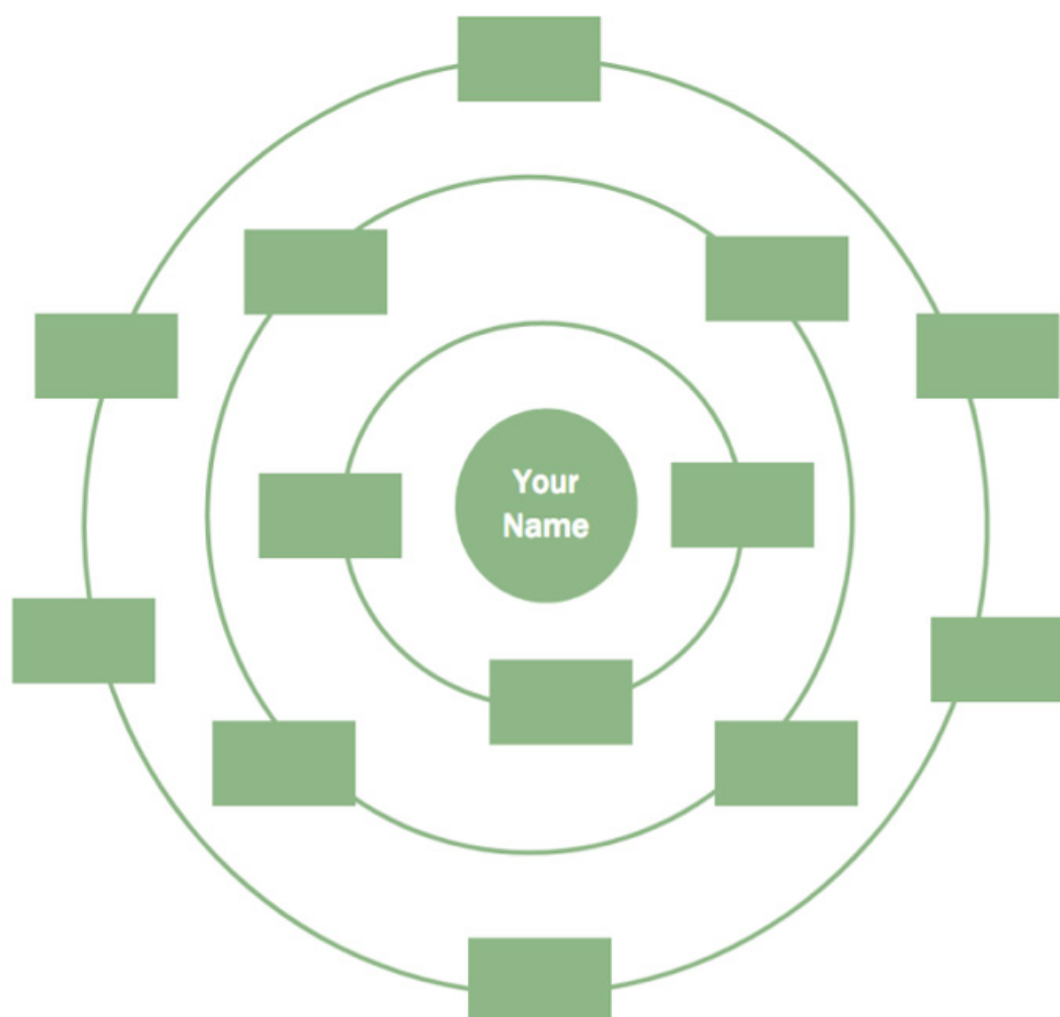
Make a list of people who need to hear your commitment.

- a. **People you trust:** people you are comfortable with, like friends, family, colleagues,
- b. **People you lead:** employees, staff, volunteers, member,
- c. **People you work/collaborate with:** like peers, other organizations, alumni,
- d. **People you need:** stakeholders, people you need on your side,
- e. **People from the larger community:** people (or groups of people) who exist outside of your organization who influence or are influenced by your organization, like community action groups, your town, state or municipality/county, etc¹.

1. <https://www.smithandwilkinson.com/networking-5-circles-of-influence>

PRACTICAL EXERCISES:

- Construct a 2-minute narrative that tells the story of your challenge, what is important, and the desired future. Shared values connect us to each other. Stories inspire. So, once you have created your goals and commitments you can make it into a story and start connecting with other like minded people and inspire those so far outside your circle of influence even.
- Think of who the collaborators are in your circle of influence and how you can interact with them. For this exercise you can use the technique called COIN, Circle Of Influence Network²



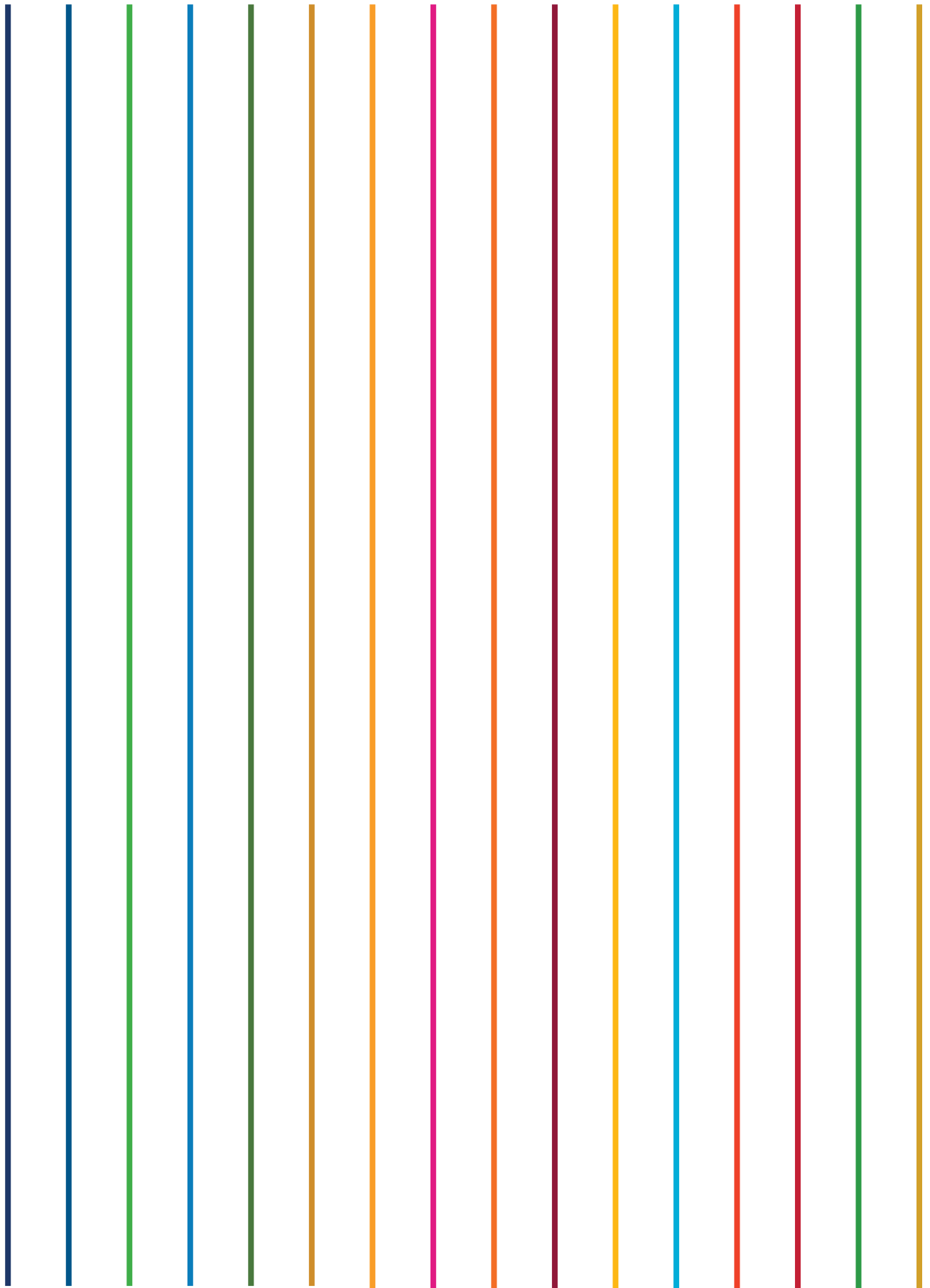
2. <https://thesagealliance.com/wp-content/uploads/2019/02/COIN-Circle-Of-Influence-Network-Work-sheet.pdf>

1. Write your name in the middle.
2. Plot the people in your network around each of three circles.
 - a. Think of the **closest circle as the people you interact with on a regular basis**. This is your inner circle or people who are most familiar with you and your brand. This may include peers, direct reports and your manager.
 - b. The **middle circle is for the more strategic relationships** that will help you advance your career. These are people you interact with but not nearly as often. This could include peers whom you don't have a lot of interaction, those in other departments and even customers.
 - c. **The outermost circle is for the more influential contacts**. You may not have direct contact with these people but you probably should. These are people at the executive level or above.
3. **Assign a rating to each of those you plotted on a scale of 1 – 5.** (1 the least exposure to- 5 signifies a solid connection).
4. **Identify the top three** to five key relationships you want to continue cultivating and/or new relationships you need to build to enhance your network.

FOR THE DEVELOPMENT OF THIS TOOLBOX, WE THANK:



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