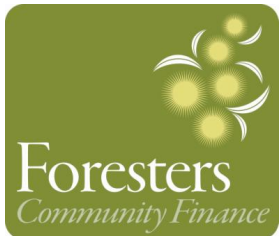




Investing in social enterprises – what works?

Ingrid Burkett
Foresters Community Finance

Brisbane, Australia



Foresters Community Finance



Social Investment

Community Finance

Innovation and Education

Accessing New
Capital for
Community
Economic
Development

Enabling the flow
of new capital
into the social
economy for
maximum social
impact

Ensuring that we innovate,
document, research and learn from
the process...and build this back
into the process

Public Sector

Private Sector

Micro-enterprise

Eco-Business

Social Business

Enterprising Third Sector Organisations

Third Sector

Community Enterprises

Fourth Sector

Social Enterprise

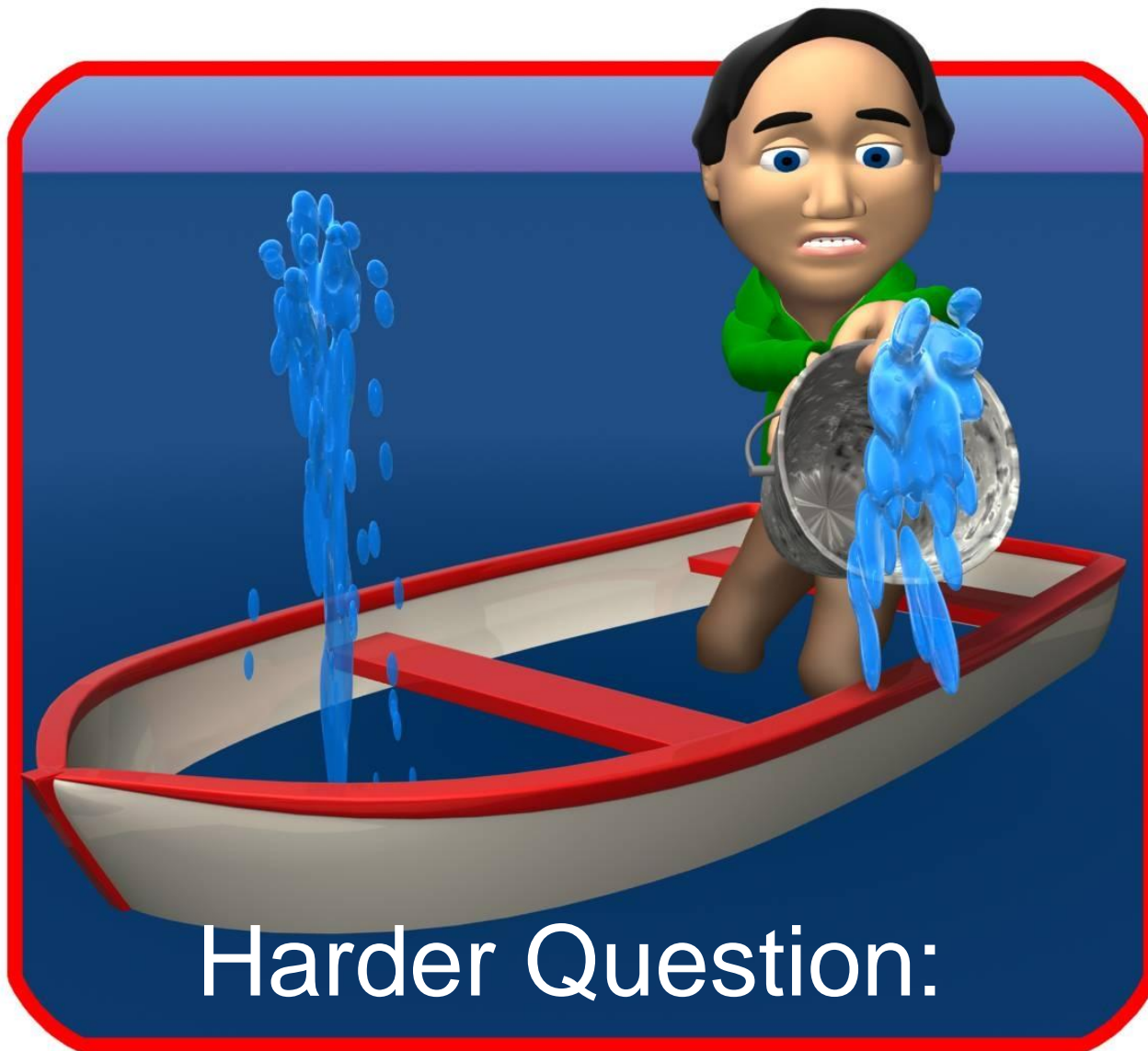
What works is easy:

More Money

More Markets

More Impact





Harder Question:

How do we make sure it works?

Investing in Social Enterprise: An Action Research Agenda

Stage One: Developing a deep understanding of the financial realities & needs of social enterprise.

Stage Two: Developing appropriate, fair and accessible products and services that acknowledge realities and address needs.

PEANUTS

BY
CHARLES M. SCHULZ



SCHROEDER, DO
PIANO PLAYERS
MAKE A LOT
OF MONEY?



MONEY?



WHO CARES ABOUT MONEY?! THIS IS
ART, YOU BLOCKHEAD!!



THIS IS GREAT MUSIC I'M PLAYING, AND
PLAYING GREAT MUSIC IS AN ART!!
DO YOU HEAR ME? AN ART!



ART! ART! ART! ART! ART!



WHAM
WHAM
WHAM
WHAM
WHAM

YOU FASCINATE ME!



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SCHULZ

How we make sure investment in social enterprise works?

1. Acknowledging the Real Costs of Social Enterprise
2. Understanding the importance of Viability and Sustainability
3. Making sure the Right Capital gets to the Right places within an enterprise... Getting Clear about Capital Flow



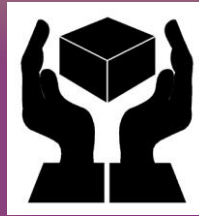
Impact Costs

Support and participation costs

Operating and Production Costs

Capacity-building costs

Wages



Marketing

On-costs & Overheads

Inputs

Costs of demonstrating impact

Administration and Management

?

Infrastructure

Ethics costs (eg. premiums for fair trade, organics etc)

Flow of:
capital +
support / capacity building

Viability

Sustainability

- Reliable income:
 - Contracts;
 - Regular and Loyal Customers;
 - Repeat business;
 - Referrals
- Managing Expenses
- Building Financial Capacity
- Smoothing cash flows

- Building the balance sheet:
- Assets
 - Equity
 - Managing Liabilities

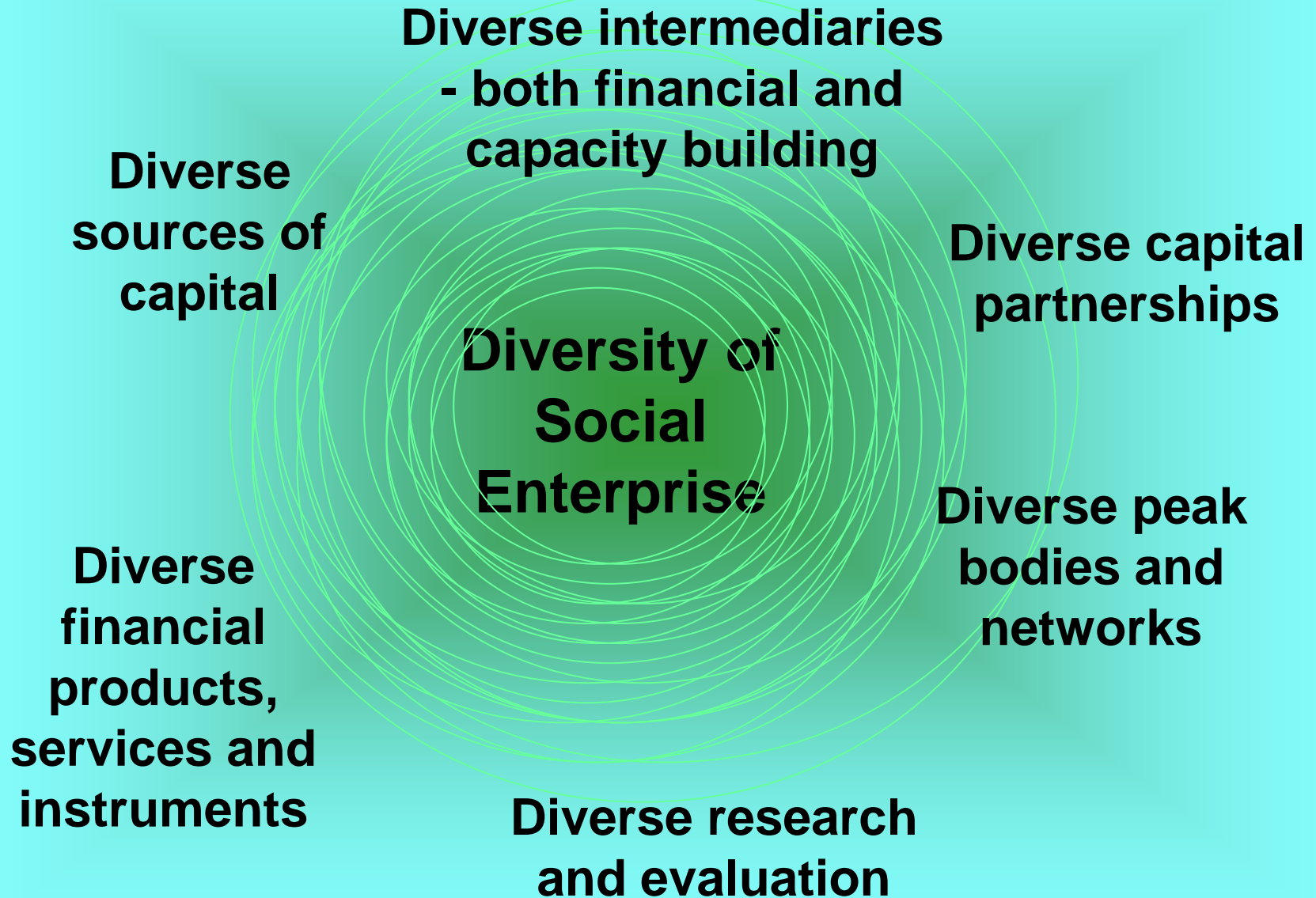
Impact and blended returns

Support, participation and impact costs

Core Operating Costs

Infrastructure and development costs

An Ecology of Finance for Social Enterprise



If you'd like a copy of the research report:

- Leave me your card
- Email me: ingrid@foresters.org.au
- Check our website for this and other papers including:
 - Microfinance in Australia
 - Community Development Finance Institutions in Australia
 - Social Enterprise Finance
 - Community Asset Building



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