



## EMPOWER - Social Enterprises' Sustainability Tools

### Project Result 1

### Training Package for Sustainability in Social Enterprises

#### Module: Fundraising for social enterprises

Developed by Mindshift Talent Advisory




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## Partnership

 <p><b>BRCCI</b> Bulgarian-Romanian Chamber of Commerce and Industry</p>	<p><b>BRCCI</b></p>	<p><a href="http://www.brcci.eu">www.brcci.eu</a></p>
 <p><b>CARDET</b></p>	<p><b>CARDET</b></p>	<p><a href="http://www.cardet.org">www.cardet.org</a></p>
 <p><b>fip</b> Future In Perspective</p>	<p><b>Future in Perspective Ltd</b></p>	<p><a href="http://www.fipl.eu">www.fipl.eu</a></p>
 <p><b>kmop</b></p>	<p><b>KMOP</b></p>	<p><a href="http://www.kmop.gr">www.kmop.gr</a></p>
 <p><b>SERN</b></p>	<p><b>SERN</b></p>	<p><a href="http://www.sern.eu">www.sern.eu</a></p>
 <p><b>innovADE</b> LEADERSHIP IN INNOVATION</p>	<p><b>Innovade LI</b></p>	<p><a href="http://www.innovade.eu">www.innovade.eu</a></p>
 <p><b>MINDSHIFT</b> Talent Advisory</p>	<p><b>MINDSHIFT TALENT</b></p>	<p><a href="http://www.mindshift.pt">www.mindshift.pt</a></p>



## Project Information

**Key Action 2:** KA220-YOU - Cooperation partnerships in youth

**Project number:** 2021-1-BG01-KA220-YOU-000029024

**Period of the project implementation:** 02/01/2022 - 02/01/2024 (2 Years)

**Consortium:** BRCCI (BG); SERN (IT); KMOP(GR); Future in Perspective Ltd (IE); CARDET (CY); Innovade LI (CY); Mindshift Talent Advisory (PT).

## Introduction

The concept of sustainability refers to the good management of available resources and means, preserving its continuity. That is, it integrates attitudes, ideas, strategies, or ways of acting, of people or organisations, which contribute to the ecological, economic, social, and cultural survival of the planet. Sustainability incorporates three main factors: 1) environmental factors; 2) social factors and 3) economic factors. A social enterprise, or a social business, seeks to tackle societal challenges, and while doing it, it must also be able to sustain itself so to contribute to society and deliver the desired impact. In this sense, sustainability must not only be attained through the core business and responses these types of business provide but also the ability of maintain its mission on the long run, aiming to achieve a desired impact.

According to the definition of the Business Dictionary, *fundraising is the process of soliciting financial support (usually as grants) for a non-commercial cause*. Fundraising is much more than ask for financial support or apply for grants. Social enterprises can bring in revenue for their organisations by building relationships with relevant stakeholders, attract donors. This type of informal financing, in which the regulate financial system is not directly involved, can also include the gathering of other type of resources such as human resources, materials and equipment's.

Sustainability must be at the core of any social enterprise, meaning that in this type of business the work is done to achieve a determine goal. When it comes to fundraising, collecting money is not enough to keep things going. In this sense, sustainable fundraising will demand social enterprises to mobilise a set of models and resources to maintain their sustainability for a long time. There is not only one way to raise funds for a social enterprise, but a mix of different options must be considered. For example:

### Incubator

According to the Business dictionary, an incubator is a facility established to nurture young (start-up) firms during their early months or years. It usually provides affordable space, shared offices and services, hand-on management training, marketing support and, often, access to some form of financing. Shifting the business mindset of a social enterprise to apply the principles of an incubated start-up will bring many indirectly support social business to scale.

### Crowdfunding

It is a funding model that resorts to raising money from a large number of people through online platforms. There are different types of crowdfunding: rewards-based crowdfunding, equity-based crowdfunding, donation-based crowdfunding, debt-based crowdfunding. This type of funding has reduced financial risks, it helps as social enterprise to validate its business idea from the feedback received from the people giving the funds, improves marketing experiences, and it is a good opportunity to establish connections with experts and interested investors.

### Grants

Applying for governments, foundations or corporative grants can be a good option to collect funds. This funding option will require the social enterprise to invest time during the application phase, and then if approved latter on during the progress, monitoring and report phases to check on the use of the funds and the impact that has been generated.

Sustainability in fundraising will require social entrepreneurs to be creative and combine different forms of asking for support, whether it is through direct funding (money) or through donations in equipment, services etc. In any case, and like in any good project, a strategic planning for a fundraising campaign must be put in place. This implies that the social entrepreneur to know the enterprise goals, the resources it has, the team is working with, the donors, and the enterprise limitations.

In this unit social entrepreneurs will be introduced to the basics of fundraising for social enterprises and learn about the existing sustainable models for fundraising, like business incubators, crowdfunding. This unit will also approach two different sustainable fundraising models – community-centric fundraising and the Benevon model – who really put the effort on establishing networks and partnerships to leverage social business. At the end of the unit, participants will be challenged to pitch an idea for a social business asking donors and investors for support.

## Aims

The aim of this module to:

- introduce participants to different sustainable fundraising opportunities for social enterprises
- lead participants in to apply the methodologies of sustainable fundraising models
- provide participants with relevant knowledge, skills, tools, and materials to plan a sustainable fundraising strategy
- present participants with relevant knowledge, skills, tools, and materials to implement a sustainable fundraising campaign for a social enterprise.

## Learning Outcomes

After the completion of this module participants will be able to:

Knowledge	<ul style="list-style-type: none"><li>▪ Explain the importance of fundraising for social enterprises</li><li>▪ List at least three possible ways to raise funds for a social enterprise</li></ul>
Skills	<ul style="list-style-type: none"><li>▪ Differentiate the available instruments to raise funds for social enterprises</li><li>▪ Devise a fundraising strategy for a social enterprise</li></ul>
Attitude	<ul style="list-style-type: none"><li>▪ Select an appropriate fundraising instrument</li><li>▪ Make a pitch to apply for a funding opportunity</li></ul>

## Module Outline

<b>UNIT 1. Introduction to fundraising for social enterprises</b>	
<b>Activities</b>	<b>Duration</b>
Activity 1.1 Mapping opportunities	60 min
<b>UNIT 2. Sustainable models for fundraising</b>	
<b>Activities</b>	<b>Duration</b>
Activity 2.1. Selecting a sustainable fundraising model	60 min
<b>UNIT 2 Title   Sustainable fundraising campaign</b>	
<b>Activities</b>	<b>Duration</b>
Activity 2.1 Pitching my social enterprise	60 min

## Content description

### UNIT 1. Introduction to fundraising for social enterprises

Implementation	This activity is designed for face-to-face training but can be adapted to an online format. For online format the trainer is advised to use collaborative platforms such as Padlet or Slido.
Objectives	To lead participants to identify the different sustainable funding opportunities for social enterprises
Competences	Personal, social and learning to learn competence Citizenship Entrepreneurship
Duration	60 min.
Main resources required	Laptop/PC/Tablet; access to the internet; pen and notebooks

#### Activity Description

The activity is divided into three steps:

- 1) Theoretical presentation of the unit topics
- 3) Practical activity with hand-on activities for the participants
- 4) Debriefing to wrap-up the activity

If conducted face-to-face, participants will sit in a circle or “U” shape for group activities and a space/area for individual/pair activities must be reserved.

#### Training Content

In this activity the trainer(s) must focus on the following concepts:

##### Fundraising

According to the definition of the Business Dictionary, fundraising is the process of soliciting financial support (usually as grants) for a non-commercial cause. Fundraising is much more than ask for financial support or apply for grants. Social enterprises can bring in revenue for their organisations by building relationships with relevant stakeholders, attract donors. This type of informal financing, in which the regulate financial system is not directly involved, can also include the gathering of other type of resources such as human resources, materials and equipment.

##### Sustainable fundraising

Sustainability must be at the core of any social enterprise, meaning that in this type of business the work is done to achieve a determine goal. When it comes to fundraising, collecting money is not enough to keep things going. In this sense, sustainable fundraising will demand social enterprises to mobilise a set of models and resources to maintain their sustainability for a long time. There is not only one way to raise funds for a social enterprise, but a mix of different options must be considered

#### Instructions to the trainer(s)

##### **Step 1: Theory [approx. 10 min]**

The trainer will start by introducing the unit topics indicated above. This can be done using, for example a video or any material considered relevant to the participants. The trainer must prepare these materials ahead of the training, by researching adaptable materials or use the one’s indicated in the resources section.



## Step 2: Hands-on session [approx. 40 min]

The trainer divides the group in smaller groups of three to five and introduce the “Mapping opportunities” exercise. This exercise aims to guide the participants Identifying different fundraising opportunities for social enterprises. To achieve that, participants will be asked to complete the following tasks:

- **Task 1:** Each group must indicate a speaker.
- **Task 2:** Participants must discuss in group, answering the following questions: What is my knowledge about fundraising? What is my understanding of sustainable fundraising? What model of fundraising I know? Where can I research for funding opportunities?
- **Task 3:** Participants research online and select up to three sustainable fundraising models and write down the reason why they have selected it.
- **Task 4:** Participants will take turns to present the results of their findings, and the trainer will take note, in a notebook or flipchart, the different answers given to use them in the debriefing session.

## Step 3: Debriefing [approx. 10 min]

The trainer will present the video “3 ways to be a more effective fundraiser” by Kara Logan Berlin. To close the activity, the facilitator will ask participants to give their insights about what they have heard and seen in video 1. The trainer will use participants' contributions on step two to summarise the basics of fundraising and sustainable fundraising, listing the different fundraising opportunities selected by the participants. It is expected participants to at list indicate the following:

- Incubator
- Crowdfunding
- Grants

Optional can be:

- Community-centric fundraising
- Pitch to investor and sponsors
- Benevon model

These models will be explored in detailed in unit 2.

## Resources

Business dictionary

[www.businessdictionary.info](http://www.businessdictionary.info)

[www.businessdictionary.info/definition/fundraising](http://www.businessdictionary.info/definition/fundraising)

3 ways to be a more effective fundraiser, by Kara Logan Berlin

<https://www.youtube.com/watch?v=mAnFBEokfrw>

What is fundraising?

[www.nonprofitquarterly.org/what-is-fundraising-definition](http://www.nonprofitquarterly.org/what-is-fundraising-definition)

## UNIT 2. Sustainable models for fundraising

### Activity 2.1. Selecting a sustainable fundraising model

Implementation	This activity is designed for face-to-face training but can be adapted to an online format.
Objectives	To introduce participants to the advantages and disadvantages of the existing sustainable fundraising models
Competences	Personal, social and learning to learn competence Citizenship Entrepreneurship
Duration	60 min.
Main resources required	Laptop/PC/Tablet; access to the internet; pen and notebooks

#### Activity Description

The activity is divided into three steps:

- 1) Theoretical presentation of the unit topics
- 3) Practical activity with hand-on activities for the participants
- 4) Debriefing to wrap-up the activity

If conducted face-to-face, participants will sit in a circle or “U” shape for group activities and a space/area for individual/pair activities must be reserved.

#### Training Content

In this activity the trainer(s) must focus on the following concepts:

##### Incubator

According to the Business dictionary, an incubator is a facility established to nurture young (start-up) firms during their early months or years. It usually provides affordable space, shared offices and services, hand-on management training, marketing support and, often, access to some form of financing. Shifting the business mindset of a social enterprise to apply the principles of an incubated start-up will bring many indirectly support social business to scale.

##### Crowdfunding

It is a funding model that resorts to raising money from a large number of people through online platforms. There are different types of crowdfunding: rewards-based crowdfunding, equity-based crowdfunding, donation-based crowdfunding, debt-based crowdfunding. This type of funding has reduced financial risks, it helps as social enterprise to validate its business idea from the feedback received from the people giving the funds, improves marketing experiences, and it is a good opportunity to establish connections with experts and interested investors.

##### Grants

Applying for governments, foundations or corporative grants can be a good option to collect funds. This funding option will require the social enterprise to invest time during the application phase, and then if approved latter on during the progress, monitoring and report phases to check on the use of the funds and the impact that has been generated.

##### Community-centric fundraising

A fundraising practice that involves mutual support between non-profits organisations and the communities where they are based. Grounded in equity and social justice, this term was originated by Community Centric Fundraising. This funding model prioritises networks and data collecting to

leverage capital when a social enterprise is pitching to an investor or a group of investors. It sums up to have a define plan and being creative.

### **Benevon model**

It is a four-step process for raising sustainable funding: 1) Point of entry; 2) Follow up and involve; 3) Asking for money; 4) Introducing others.

### **Instructions to the trainer(s)**

#### **Step 1: Theory [approx. 20 min]**

The trainer recalls the topics introduced in the last unit, by highlighting the responses given by the participants about the following topics: Incubator; Crowdfunding; Grants. If not mentioned in the previous session, the trainer will present the following topics: Community-centric fundraising and the Benevon model. The trainer must prepare this materials and contents ahead of the training, by researching adaptable materials or use the one's indicated in the resources section.

#### **Step 2: Hands-on session [approx. 30 min]**

The trainer divides the group in smaller groups of three to five and introduce the “Selecting a sustainable fundraising model” exercise. This exercise aims to introduce participants to the advantages and disadvantages of the existing sustainable fundraising models. To achieve that, participants will be asked to complete the following tasks:

- **Task 1:** Each group is assigned with a fundraising model
- **Task 2:** Each group must indicate a speaker.
- **Task 3:** Each group will have about ten minutes to research and then discuss about the advantages and disadvantages of the assigned fundraising model. Groups are advised to take notes, and this can be done in a notebook or a PPT presentation.
- **Task 4:** Participants will take turns to present the results of their findings, and the trainer will take note, in a notebook or flipchart, the different answers given to use them in the debriefing session.

#### **Step 3: Debriefing [approx. 10 min]**

The trainer will use participants' contributions on step two to summarise relevant information about the different fundraising models. This can be done by using an advantages and disadvantages table in a flipchart. Another option to this exercise is to pick one fundraising model, chosen by the participants and explore it more in detail.

### **Resources**

4 Best Social Entrepreneurship Crowdfunding Platforms in 2021  
<https://ied.eu/blog/social-entrepreneurship-crowdfunding-platforms>

Community-centric fundraising  
[www.communitycentricfundraising.org](http://www.communitycentricfundraising.org)

The Benevon model  
[www.benevon.com](http://www.benevon.com)

## UNIT 3. Sustainable fundraising campaign

### Activity 3.1. Pitching my social enterprise

Implementation	This activity is designed for face-to-face training but can be adapted to an online format.
Objectives	To guide participants pitching a social innovation project to an investor and sponsors
Competences	Personal, social and learning to learn competence Citizenship Entrepreneurship
Duration	60 min.
Main resources required	Laptop/PC/Tablet; access to the internet; pen and notebooks

#### Activity Description

The activity is divided into three steps:

- 1) Theoretical presentation of the unit topics
- 3) Practical activity with hand-on activities for the participants
- 4) Debriefing to wrap-up the activity

If conducted face-to-face, participants will sit in a circle or “U” shape for group activities and a space/area for individual/pair activities must be reserved.

#### Training Content

In this activity the trainer will highlight and summarise all the contents presented in the previous units.

#### Instructions to the trainer(s)

##### Step 1: Theory [approx. 10 min]

The trainer recalls the topics introduced in the last unit, correlating the topics to the exercise to be introduced in step 2 two.

##### Step 2: Hands-on session [approx. 40 min]

The trainer selects a group of investors (max. six) and divides the rest of the group in smaller groups of two to five people. This exercise aims to guide participants pitching a social innovation project to a group investor and sponsors. To achieve that, participants will be asked to complete the following tasks:

Each group will create a fictional social innovation project/idea to pitch to the group of investors. To complete this task, participants must cover the following:

- What is your mission?
- Why should the investors/donors trust your enterprise?
- What can your enterprise offer your investors/donors trust in change of their funding/donation?
- What has your enterprise accomplish so far? Your impact?
- What are your plans for the next year? Why are the goals important?
- What will happen to your company if you fail to achieve those goals?
- What is the amount of funding you need to achieve those goals?
- How can investors/donors help you?

Each pitching must have the exact duration of 5 minutes. It is up to the group of investors to track this time. The trainer will mediate during the pitch presentations, providing additional contents and remarks to what has been presented.

### **Step 3: Debriefing [approx. 10 min]**

To conclude the presentations, the trainer will present a list of materials and resources to search for sustainable funding models.

### **Resources**

5 Efficient Ways to Raise Funds for Your Social Enterprise

<https://tumpeyobaari.com/5-efficient-ways-to-raise-funds-for-your-social-enterprise>

Fundraising opportunities

<https://www.socialenterprise.org.uk/fundraising-opportunities>

What funding is available for social entrepreneurs?

<https://www.the-sse.org/resources/starting/what-funding-is-available-for-social-entrepreneurs>

