

The Community Investment Network of Central Ohio

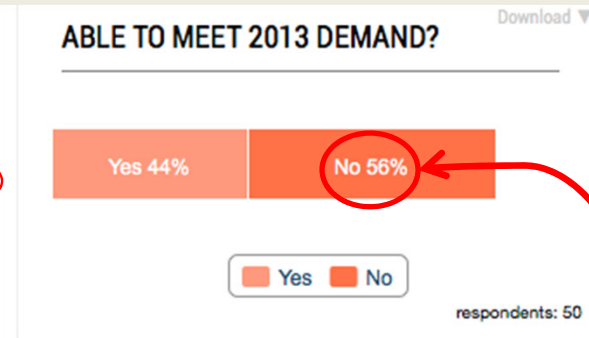
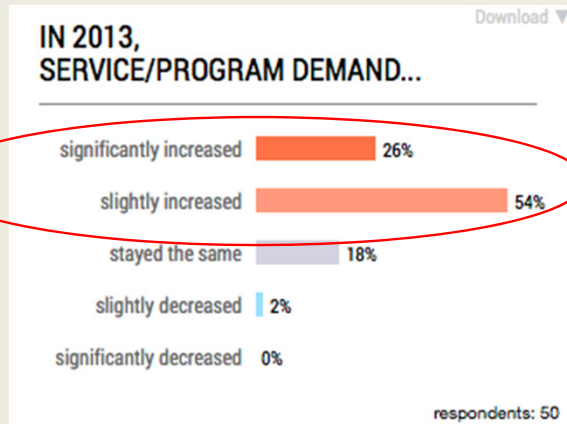


**SUPPORTING SOCIAL ENTERPRISE
IN CENTRAL OHIO**

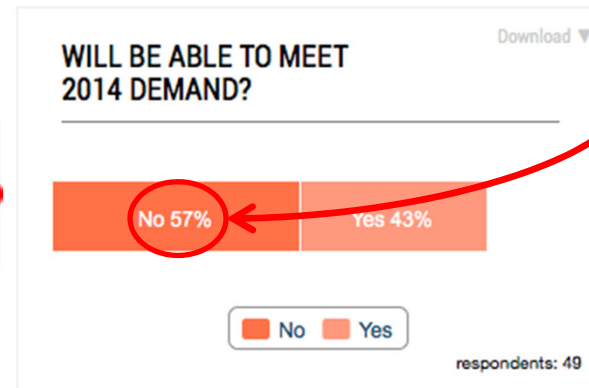
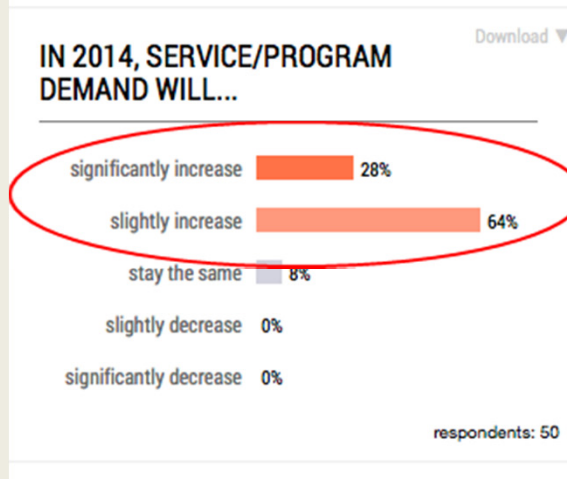
**TO RELIEVE THE PRESSURE ON
PHILANTHROPY IN SUSTAINING OUR
NONPROFITS**

Nonprofits Face a Growing Gap

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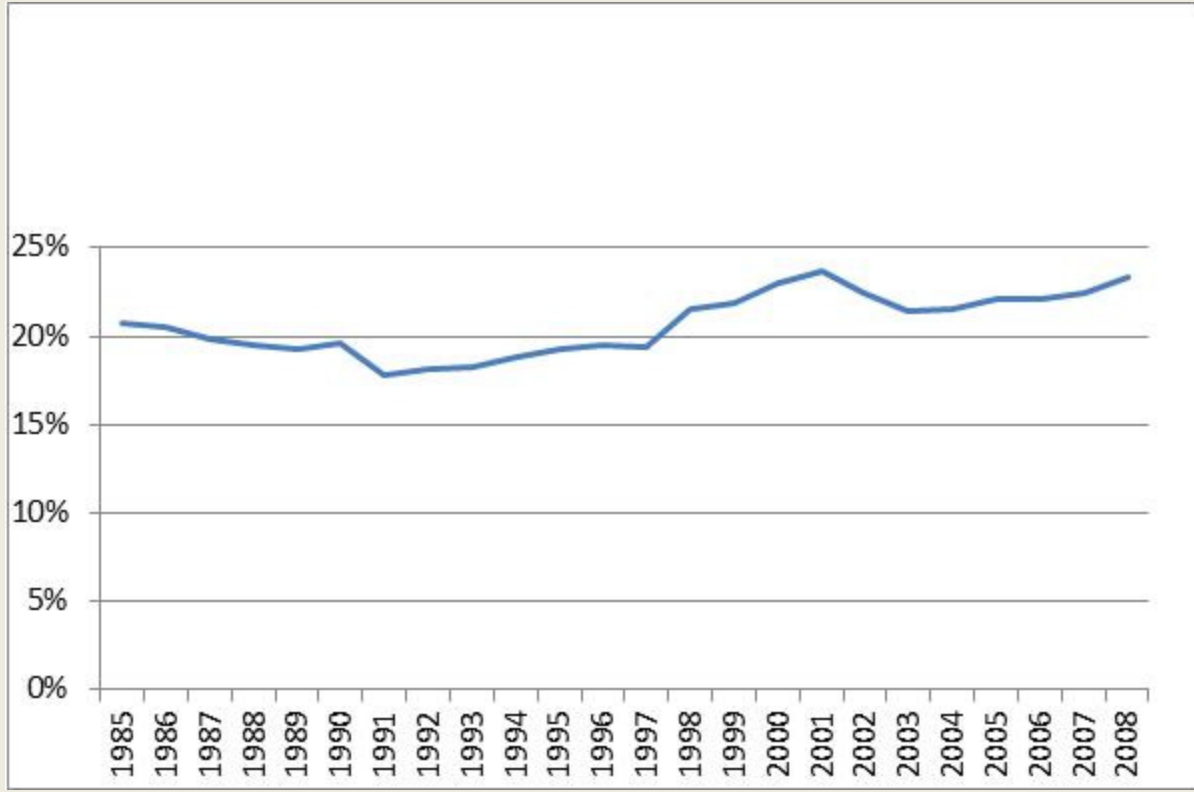
Nonprofits are asked to do more... ...but they can't do more



And Donors Can't do More: Philanthropy Is At Capacity

2

Contributions as Share of Total Nonprofit Revenue



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Source: IRS, [Statistics of Income](#)

The Donor's Dilemma

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- Nonprofits need more revenue
- The line at your door is already too long
- You need a way to **teach nonprofits how to “fish”** to reduce the pressure on you to keep giving more and more “fish”
- **Social enterprise** is a way for nonprofits to increase their earned revenue and to become more self-sustaining without requiring more and more support from you.

Community Impact Portrait

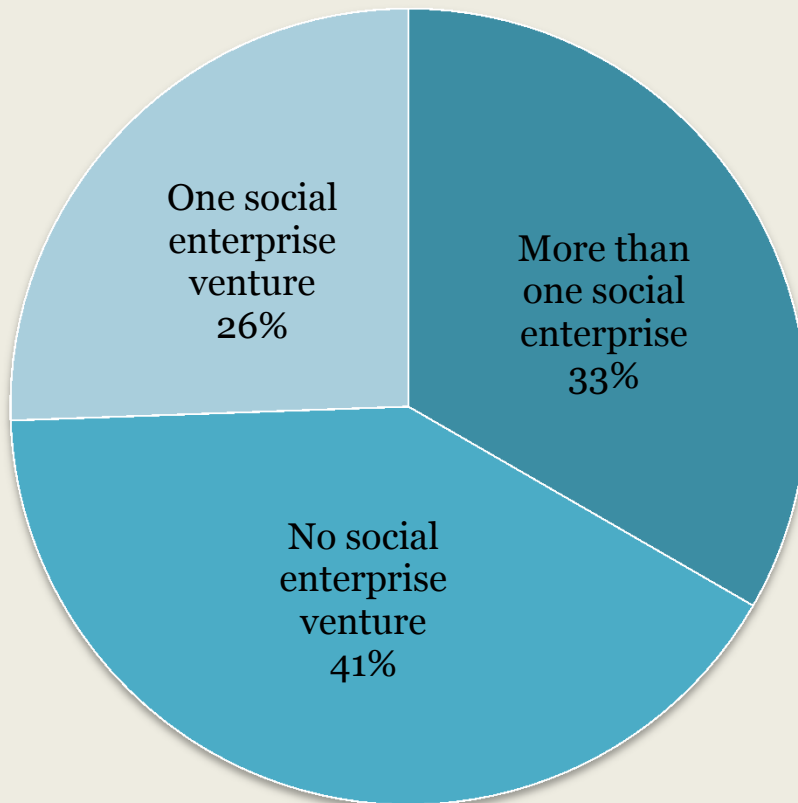
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- ~ 500 surveys
- 20% response rate
- 84% completion rate
- Representative mix of mission focus areas

Community Impact Portrait

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Central Ohio nonprofits are Enterprising



59%

Community Impact Portrait

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Central Ohio nonprofits are Confident

	Central Ohio	Nashville	U.S. Aggregate
Expectations for financial success with social enterprise			
We expect to significantly increase our earned income revenues	3.20	2.80	2.89
We expect our percentage of earned income revenues to increase significantly over the next few years	3.14	2.69	2.87
We expect to generate significant net revenues within a few years	3.18	2.53	2.68
We expect to have a single enterprise breaking even after two years of operation	2.91	2.36	2.52
We expect to have multiple enterprises breaking even within a few years of operation	2.55	1.97	2.19
We expect to have a portfolio of enterprises generating significant net revenues within five years	2.54	2.05	2.29
Ave Score	2.92	2.40	2.57

Community Impact Portrait

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Central Ohio nonprofits are Better Positioned

Internal Context	Central Ohio	Nashville	U.S. Aggregate
Leadership (balancing mission and money, decision-making, change management, delivering impact)	3.21	3.20	3.09
Senior Management (personal development, experience, and attitudes)	3.49	2.96	2.78
Board (diversity of expertise, relevant experience, commitment)	3.20	2.84	2.66
Staff (background, skills, and initiative)	3.14	2.80	2.75
Partnerships and Alliances (variety and strength of relationships)	2.95	2.76	2.77
Ave Score	3.20	2.91	2.81

*Highlighted cells indicate scales on which Central Ohio scored significantly higher than one or both of the comparison groups.

Greatest Concerns

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Insufficient Capacity:

Skills

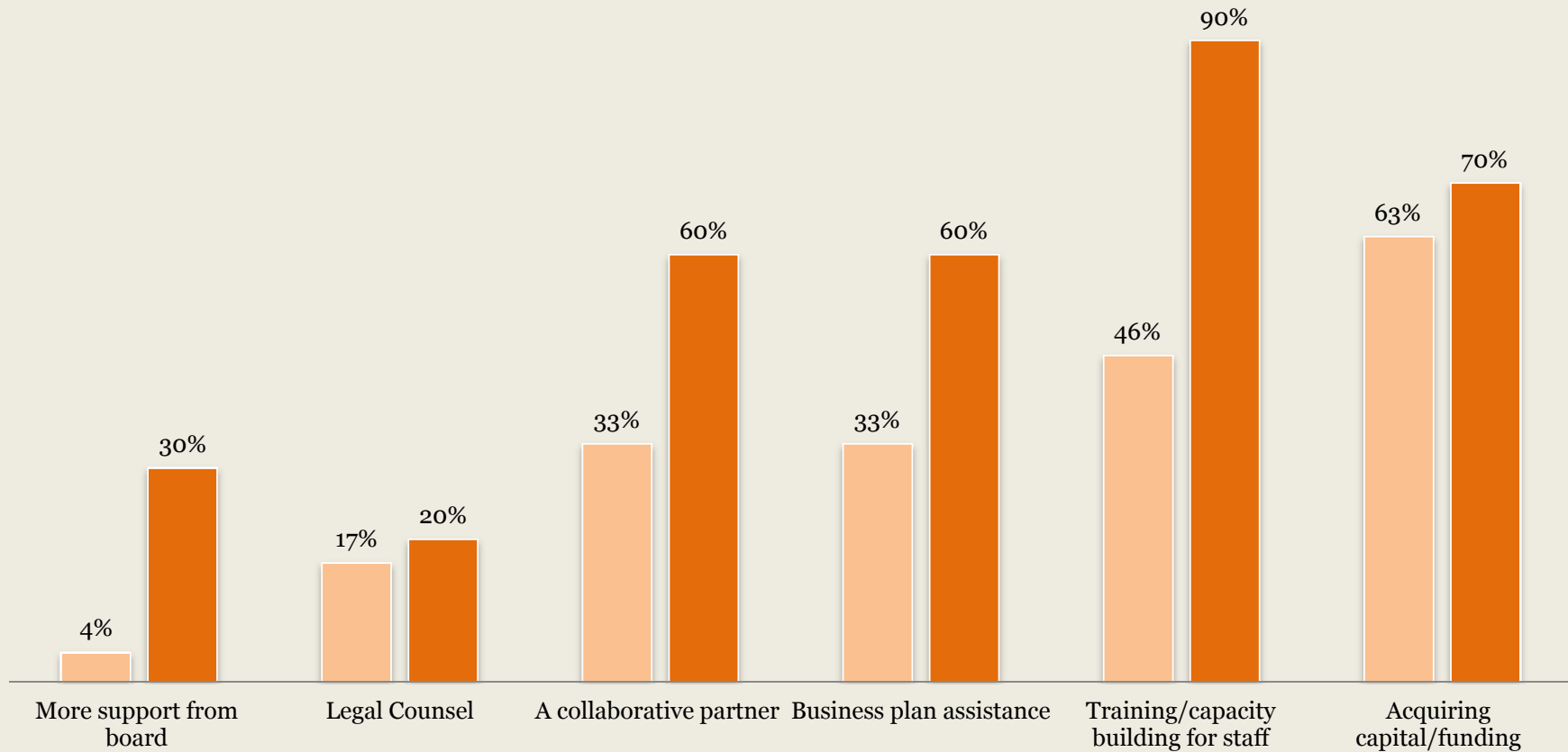
Experience

Losing Money

Greatest Needs for Social Enterprise Success

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Enterprisers Aspirants



Recap: What We Have Learned

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If we want the benefits from more social enterprises, Central Ohio needs:

1. A systematic way to provide training and support for social enterprise development
2. A source of capital dedicated to social enterprises

Experience calls for a continuum of support

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Outreach



Workshops



Bootcamps



Mentoring



Practice Pitch Sessions



Investment

website, engagement

the basics

identify feasible ideas

develop feasible business plans

make entrepreneurs investor-ready

provide capital to make it happen

Usual approach: Two efforts that are not related or coordinated

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Outreach



Workshops



Bootcamps



Mentoring



Practice Pitch Sessions

Investment

Enterprise development programs

CNM SE Catalyst (Nashville)

Zero Divide Social Enterprise Project
(San Francisco)

Social Impact Funds (70% ex-US)
(Calvert Foundation, Acumen, RSF Social
Finance, ECDI Invest Local Ohio)

Community Impact Requires a Coordinated Approach: *a Community Investment Network*

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Outreach



Workshops



Bootcamps



Mentoring



Practice Pitch Sessions

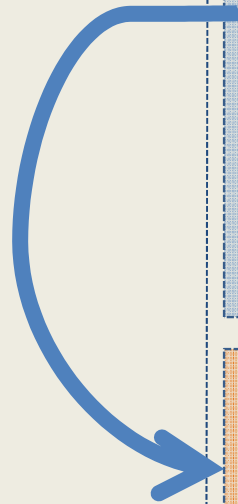


Investment

Enterprise development programs

Center for Social Enterprise Development
A 501(c)(3) charitable organization
(application in process)

Social Impact Funds
CINCO Fund, LLC
A for-profit, member-led investment fund



The Center

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Programs 2014 (1 round, 25 organizations)

- Outreach and recruitment
- Workshop 1 (August 14-Otterbein)
- Workshop 2 (September tbd)
- Workshop 3 (October 7-L Brands)
- Practice Pitches (October 29-OSU Glenn School)

To make it happen: \$30,000

Programs for 2015+2016 (4 rounds, 150 organizations)

- Outreach and recruitment
- Workshop 1
- Workshop 2
- Workshop 3
- Practice Pitches
- Bootcamps
- 1-on-1 Mentoring

To make it happen: \$200,000

What is a social enterprise investment fund?

RECEIVE TWO BENEFITS FROM YOUR INVESTMENT:
FINANCIAL SOCIAL IMPACT

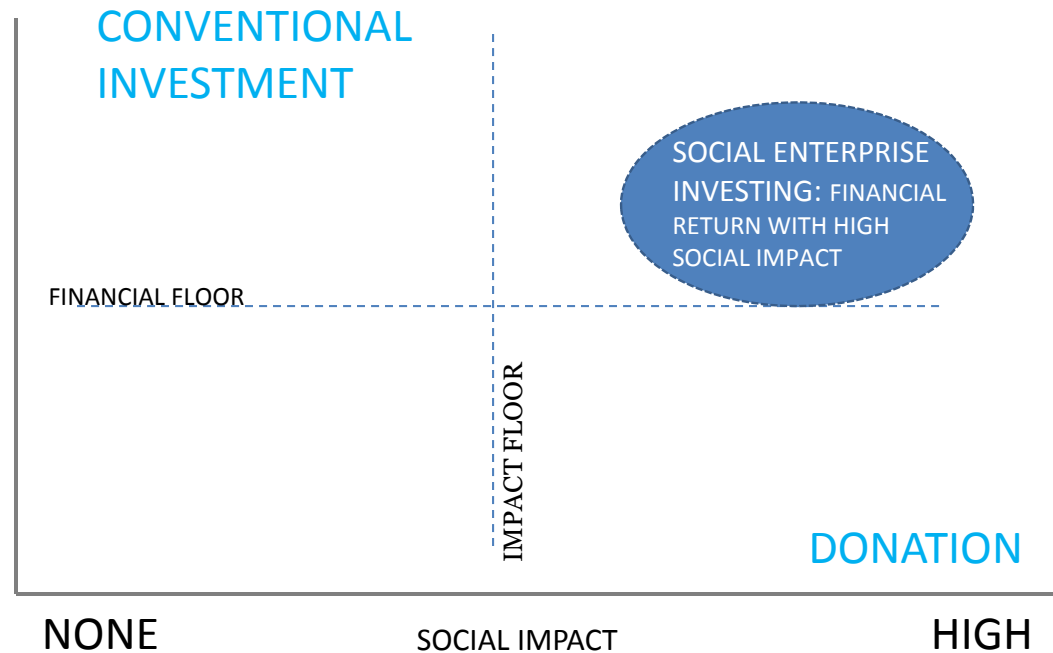
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Market Rate

Below market rate
0%

-100%

FINANCIAL RETURN



Social enterprise investing provides a third option for financing social impact between the **-100%** return of a donation and the **market rate** return of a conventional investment.

CINCO Fund, LLC is our social enterprise investment fund

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1. A member-run investment fund
2. Investments must have a measurable social return and a financial return
3. The social enterprises will provide new revenues for Central Ohio nonprofits to **reduce the pressure on philanthropy**
4. Investments will be sourced from the pipeline developed by the Center
5. Anticipated investments: loan or equity depending on the opportunity

The Benefits of Adding CINCO Fund to Your Philanthropic Efforts

	Conventional Philanthropy	Social Enterprise Investing
Meetings with fundraisers	X	
Contribute to foundation programs	X	
Limited involvement	X	
Social benefit	X	X
Network		X
Apply your business experience		X
Quarterly briefings		X
Investments <u>you</u> have vetted		X
Financial return		X
Get your money back		X

Making the CINCO Fund Happen

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- **First close: \$800,000**
 - When 80 units are subscribed
 - Potential 3-4 deals of \$200,000 to \$300,000 each
- **Cap: \$2,500,000**
 - 250 units
 - Potential 8-10 deals

The Ask

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	TARGET
Center for Social Enterprise Development	Gifts: \$230,000
CINCO Fund, LLC	Investments: \$2.5 million

Questions and Next Steps

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- ✓ Fill out your indication of interest form and leave it in an envelope on the table; we will contact you
- ✓ Decide on your support for the Center and the CINCO Fund

Target dates:	Center donations	July 31
	Fund investments	September 30

Our Advisory Board's thoughts.....
.....and your questions.