

Community talk on Funding for Mission-driven ventures

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TU Delft

Industrial Design Engineering

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TU Delft team at DESIGNSCAPES

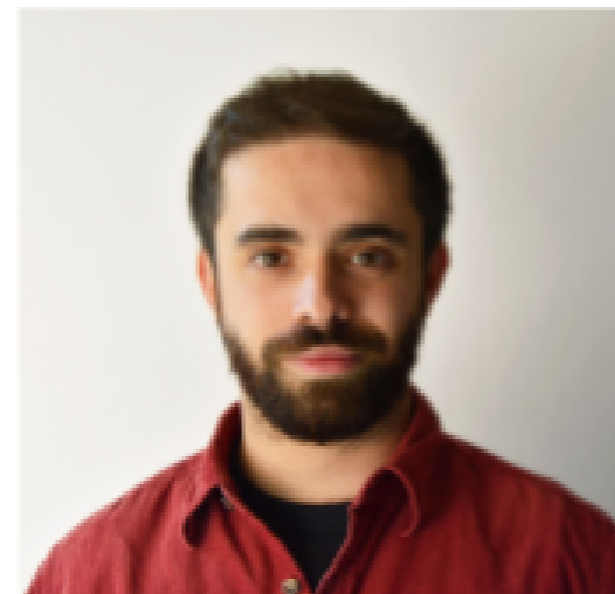
Human-Centered Design / Industrial Design Engineering



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Associate Professor



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Researcher



Alberto Magni
Researcher



Short-term

Can offer the capital initially needed, and help prepare for more traditional types of capital, or get 'investment-ready'.



Long-term

This type of funding arrangements are the path towards long-term sustainability, and usually come with valuable support aside from funding, but also imply sharing equity and ownership over the initiative.

STARTUP CAPITAL > FUNDING FOR INCUBATION, ACCELERATION OR IN-HOUSE VENTURING

SOCIAL INCUBATORS

FUNDING AND INCUBATION PROGRAMS

Do you have experiences with this?



IMPACT-FOCUSED GRANTS, PUBLIC CHALLENGES AND COMPETITIONS

EUROPEAN COMMISSION:

https://ec.europa.eu/info/funding-tenders/funding-opportunities/find-calls-funding-topic_en

Aside from DESIGNSCAPES, do you have experience with getting funding from grants, challenges and competitions?



CROWDFUNDING

Comes with the additional benefit of exposure, validation, and the possibility of building a community

Many different formats of exchange of funding and benefits: reward-based (product or access to service in exchange of financial back-up), equity-based, debt-based/peer-to-peer lending, etc.

Do you have experiences with this?

Some examples of platforms (there are thousands, we advise to find one meaningful in your area and topic):

<https://www.indiegogo.com>

<http://kickstarter.com>

<https://www.kiva.org>

<https://www.bolsasocial.com>

https://www.teaming.net/?lang=en_UK

<https://www.causevox.com>

<https://www.openideo.com>

IMPACT INVESTMENT

Loans and grants to (micro-)entrepreneurs and social innovations - Impact first

Europe's Impact Investors Database:

<https://impactdatabase.eu>

Inventory of members of the European Venture Philanthropy Association (EVPA) :

<https://evpa.eu.com/membership/our-members>

Two good short reads to get started...

<https://sifted.eu/articles/impact-investing-guide/>

<http://maximpactblog.com/how-to-find-impact-investors-to-finance-your-sustainable-business/>

ANGEL INVESTMENT

Individual or groups of experts/entrepreneurs investors

Crucial to be aligned with your initiative's values and mission and set realistic expectations.

Angel investors are usually found within the venture's network. It is important to scout your existing network and grow it to capture possible investors.

Do you have experiences with this?

Other sources you have experience with?

Today we are not
touching on formats
related to Debt Capital

PUBLIC-PRIVATE SOCIAL PARTNERSHIPS

Joint ventures (mix of grant funding or commissioning, or shared equity) + other imaginative partnerships

One strategy is to integrate the innovation solution into public policy or programme, at either national or local level.

EXAMPLE: **CityBarge** (*1st and 2nd round of funding DESIGNSCAPES*):
Funding from Public-private partnership - Province South-Holland + Avalex & other private partners + Suitcase...

Do you have experiences with this?

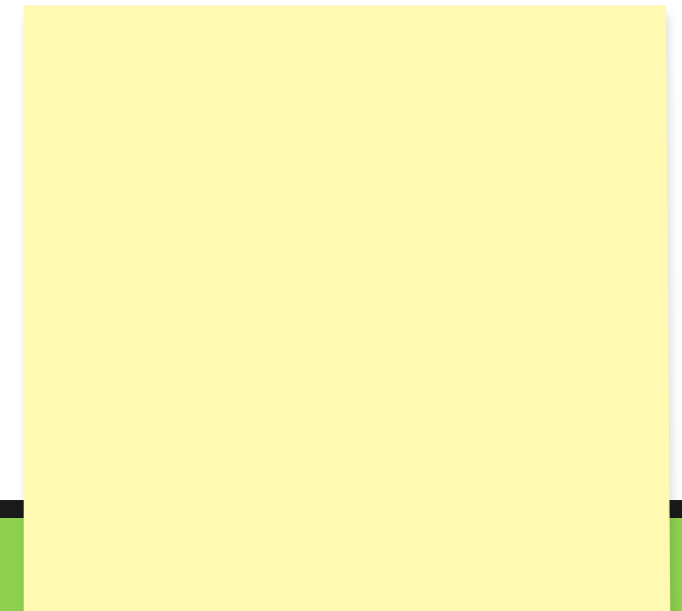
DIRECT PUBLIC COMMISSIONS

EXAMPLE: A department from the Government or ministry contracting for a new school curriculum or healthcare service (integrating a social venture into their public services)

Do you have experiences with this?



***Other sources you
have experience with?***



Business sustainability in social innovation

For **long-term sustainability** → Create a **business model that runs parallel** to the venture (e.g. social entrepreneurship)

However, integrating a revenue model with a mission-oriented value proposition is **not always easy/possible**.

In those cases → maintain financial sustainability through **alternative funding streams** (today we will see an overview)

Business sustainability in social innovation

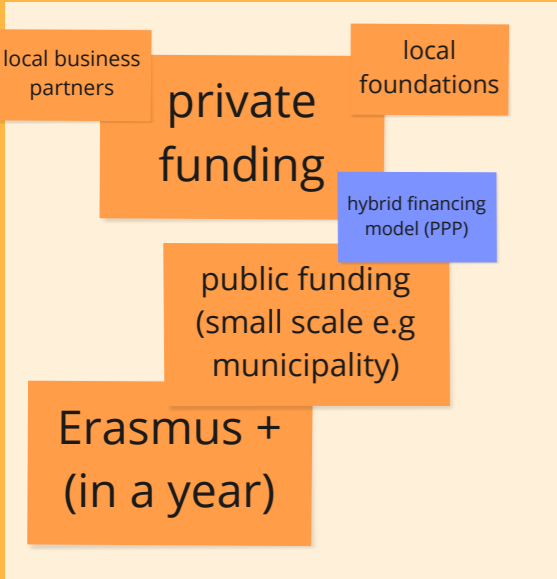
Each venture poses **a different set of characteristics**, which include different opportunities, constraints and growth aims that impact the search for funding...

To understand what funding options may fit best our initiative and team, **we have to be aware of these!**

(today we will talk about them)

TICKET TOUR _ Template 1

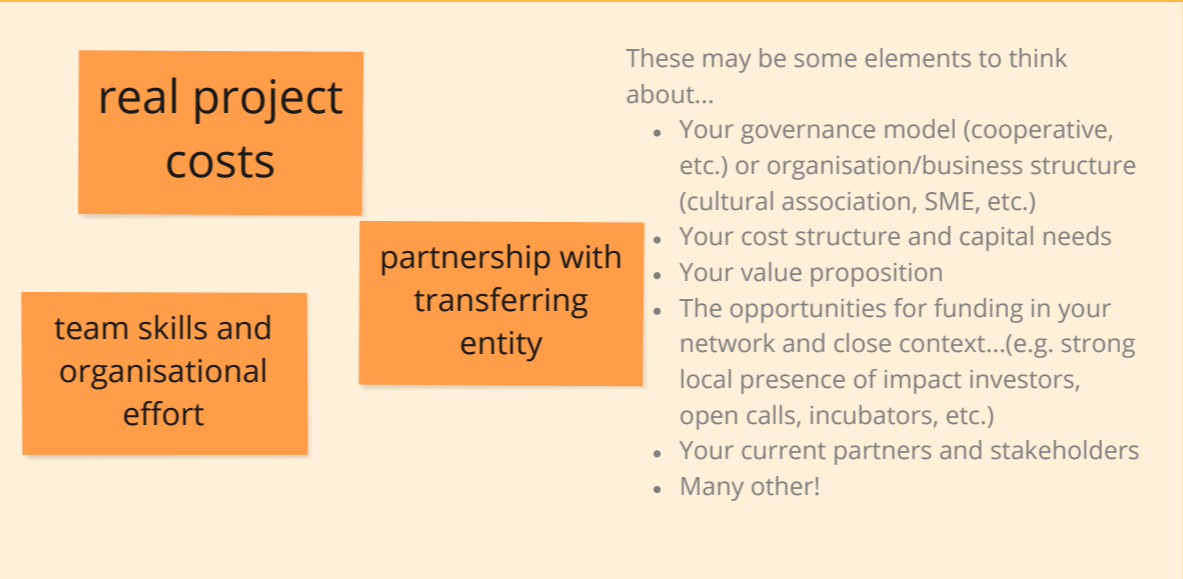
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2) Why would you choose these over others?



3) What specific characteristics of your initiatives are important to consider when choosing a financial strategy?



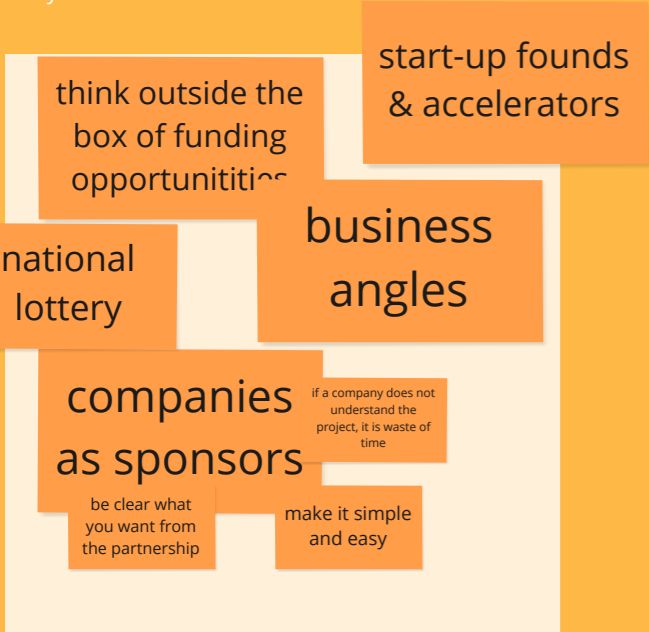
4) Which of these can act as an opportunity? Which as an obstacle?



TICKET TOUR _ Template 2

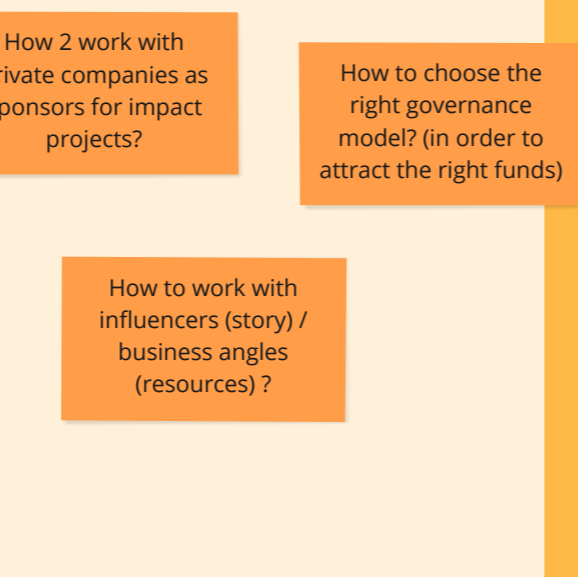
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Based on what you learnt in this discussion, what would be your approach to find a financial strategy for your initiative?



2) Takeaways for next steps

2a_What questions do you have for next session's round table?



2b_What type of professionals would you need to talk to next?



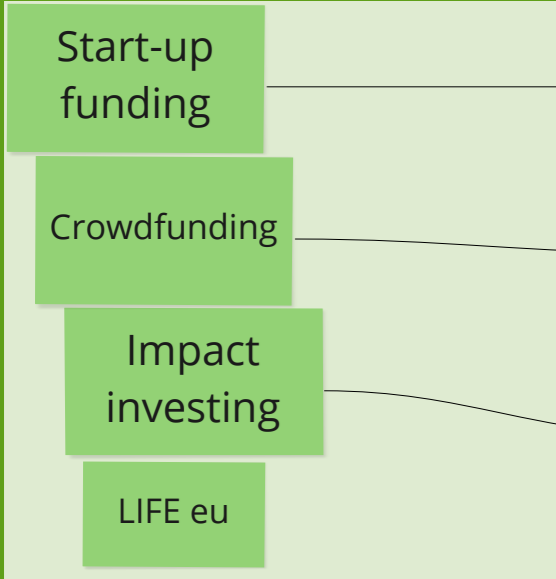
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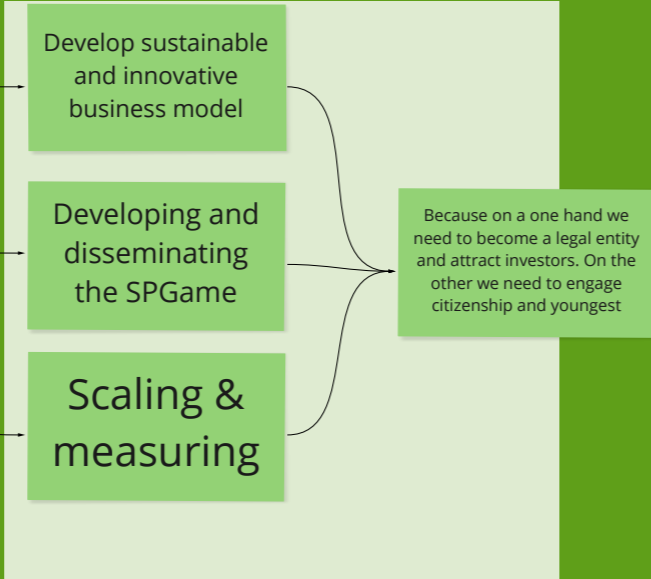


START PARK _ Template 1

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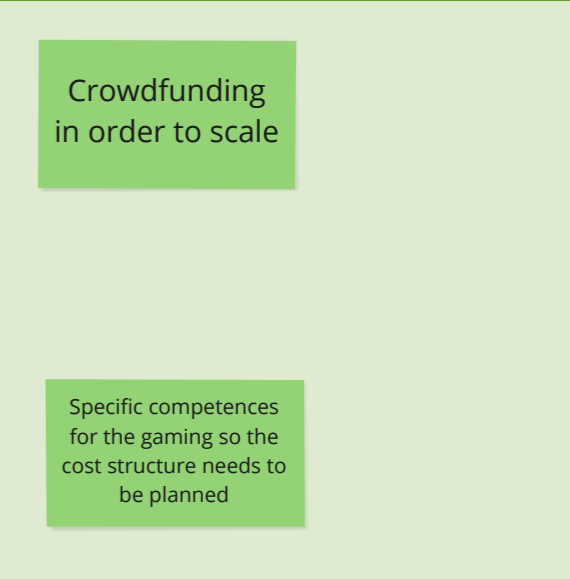
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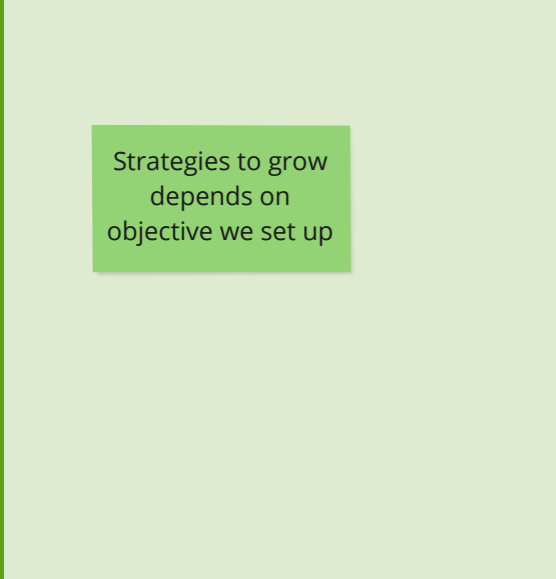
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START PARK _ Template 2

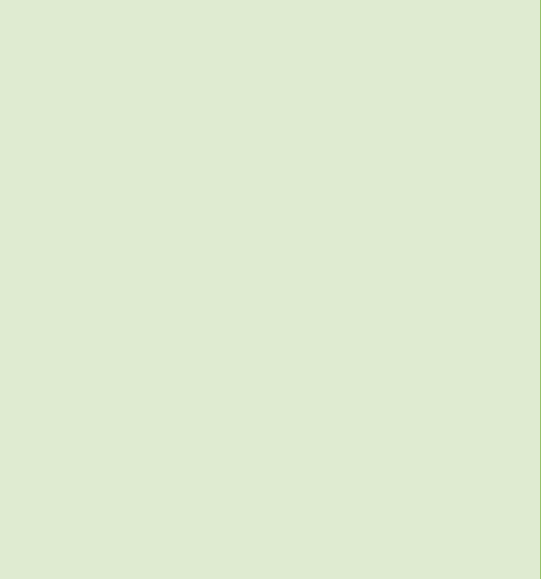
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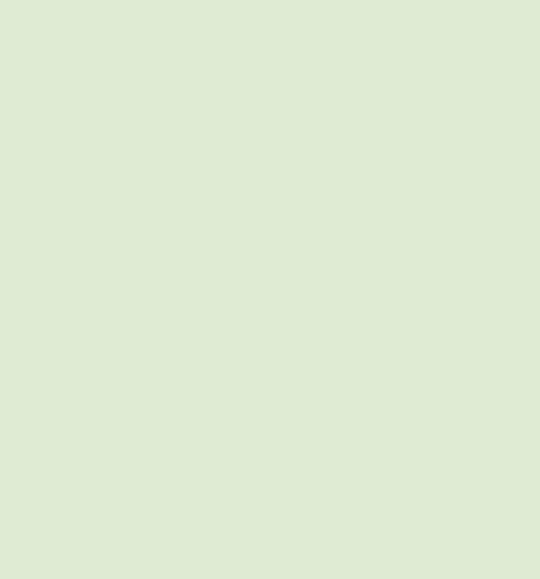


2) Takeaways for next steps

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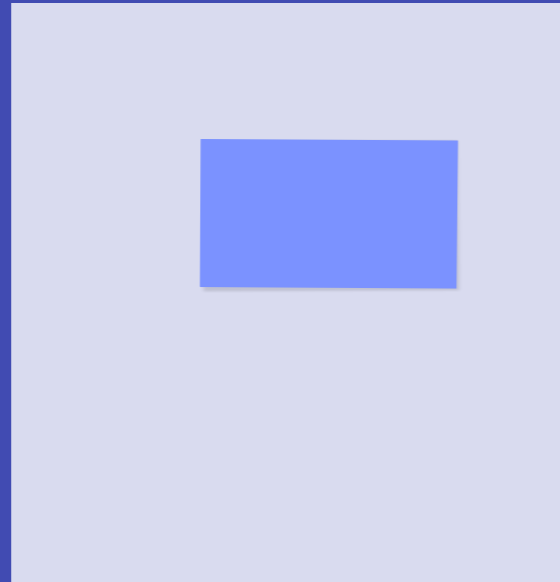
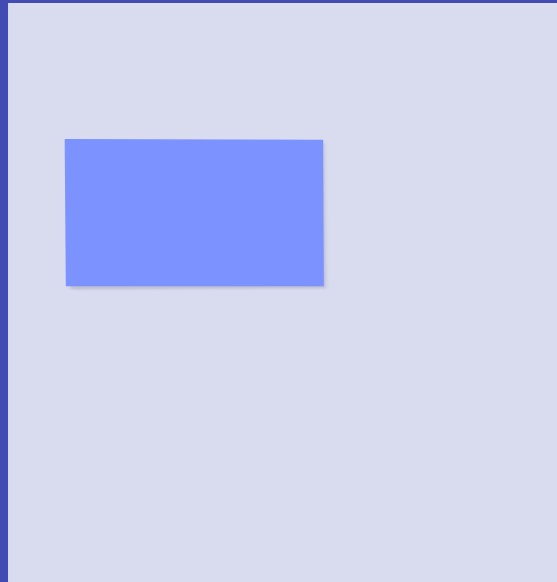
KEYSTONE_Template 1

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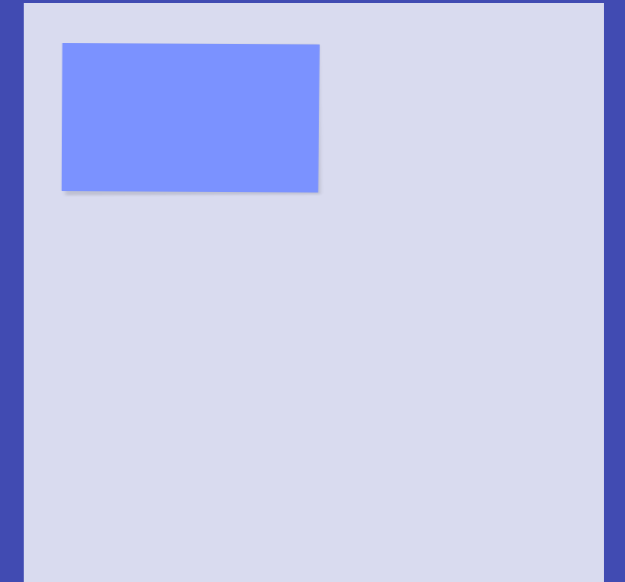
3) What specific characteristics of your initiatives are important to consider when choosing a financial strategy?

4) Which of these can act as an opportunity? Which as an obstacle?



These may be some elements to think about...

- Your governance model (cooperative, etc.) or organisation/business structure (cultural association, SME, etc.)
- Your cost structure and capital needs
- Your value proposition
- The opportunities for funding in your network and close context...(e.g. strong local presence of impact investors, open calls, incubators, etc.)
- Your current partners and stakeholders
- Many other!



KEYSTONE_Template 2

1) Reviewing your initial thoughts

Based on what you learnt in this discussion, what would be your approach to find a financial strategy for your initiative?

2) Takeaways for next steps

2a_What questions do you have for next session's round table?

2b_What type of professionals would you need to talk to next?

3) Check-in with the whole group

Does any of you know somebody with this background? Why would you contact them specifically?

Tweak the model, develop partnerships. Approach funding locally and nationally as a contribution to social cohesion and improvement.

Potential for remodelling the package and approaching the fashion industry for support (Street is cool, and it's something the YP are all into).

More insights such as the presentation advice from xteam is very helpful.

Existing youth, training and possibly educational service providers.
Local authority, business, and service providers. With some tweaking the Community Lab and local youth led innovation approach is a good model and potentially valuable add on to existing services.
Identify most suitable partnership bodies, police or criminal justice orgs

Yes!

AGROPLAZA _ Template 1

1) Which financial tools are interesting/ look promising for your initiative?

Public-private association or Public comission. Also angel investment if we could find someone interested in developing urban furniture linked to participation and ecology

2) Why would you choose these over others?

Longterm partnerships in order to make bigger projects. We make public spaces so it is more linked to that type of collaborations

3) What specific characteristics of your initiatives are important to consider when choosing a financial strategy?

We work in making public spaces, which depend on public investment. It might be an opportunity because we work in something visible and recognizable.

We need big amounts of investment in order to have real impact. We have experience with small investments in order to make experimental projects. This is an obstacle.

These may be some elements to think about...

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- Your current partners and stakeholders
- Many other!

4) Which of these can act as an opportunity? Which as an obstacle?

AGROPLAZA _ Template 2

1) Reviewing your initial thoughts

Based on what you learnt in this discussion, what would be your approach to find a financial strategy for your initiative?

+We might try a private collaboration with a company related to urban furniture (or continue our collaboration with Protec with a common strategy)

2) Takeaways for next steps

2a_What questions do you have for next session's round table?

Is it possible to access Angel investment in Europe? How?

2b_What type of professionals would you need to talk to next?

_Commercial agent related to urban projects: urban equipment...
_Specialist in European funding related to urban projects

3) Check-in with the whole group

Does any of you know somebody with this background? Why would you contact them specifically?



CITY HEARING LOG_ Template 1

1) Which financial tools are interesting/ look promising for your initiative?

Cooperation with private funding/company

2) Why would you choose these over others?

we have established relationships with stakeholders

having experience in other types of fundraising, it is the least complex system

3) What specific characteristics of your initiatives are important to consider when choosing a financial strategy?

we have developed a technology, not a product, so you can adapt it to different partners

the partners we have involved: hospitals, Natus, Sonora, Zamperla

These may be some elements to think about...

- Your governance model (cooperative, etc.) or organisation/business structure (cultural association, SME, etc.)
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- Your current partners and stakeholders
- Many other!

4) Which of these can act as an opportunity? Which as an obstacle?

[Empty box for notes]

CITY HEARING LOG_ Template 2

1) Reviewing your initial thoughts

Based on what you learnt in this discussion, what would be your approach to find a financial strategy for your initiative?

[Empty box for notes]

2) Takeaways for next steps

2a_What questions do you have for next session's round table?

[Empty box for notes]

2b_What type of professionals would you need to talk to next?

I'd love to talk to a professional storyteller.

expert in visual design approach

3) Check-in with the whole group

Does any of you know somebody with this background? Why would you contact them specifically?

we know professional storytellers but oriented to gaming, it would be interesting other specializations to expand the know how

SWINGA_Template 1

1) Which financial tools are interesting/
look promising for your initiative?

Public grants

Impact investments

Crowdfunding

2) Why would you choose these over others?

The ones most likely to be achievable

The ones most fitting to our characteristics

3) What specific characteristics of your initiatives are important to consider when choosing a financial strategy?

Cooperative

Consumer product

Value prop in line with public funders' goals

These may be some elements to think about...

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- Your current partners and stakeholders
- Many other!

4) Which of these can act as an opportunity?
Which as an obstacle?

Crowdfunding seems very demanding in terms of time

..but could further strengthen the community around Swinga

SWINGA_Template 2

1) Reviewing your initial thoughts

Based on what you learnt in this discussion, what would be your approach to find a financial strategy for your initiative?

Further look into opportunities for EU grants

Strengthen knowledge about how to run larger EU-funded projects

Focus on above and pause impact investing and crowdfunding paths

2) Takeaways for next steps

2a_What questions do you have for next session's round table?

Is it possible for a small mission based startup to be the project lead of a larger EU-project or should we try to join a consortium led by another coordinator?

2b_What type of professionals would you need to talk to next?

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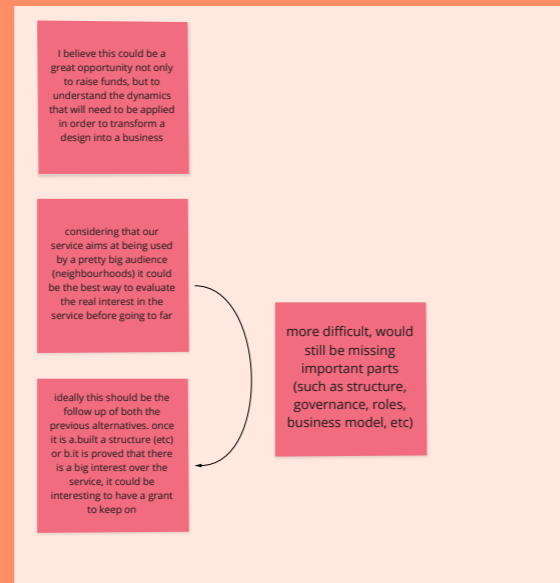
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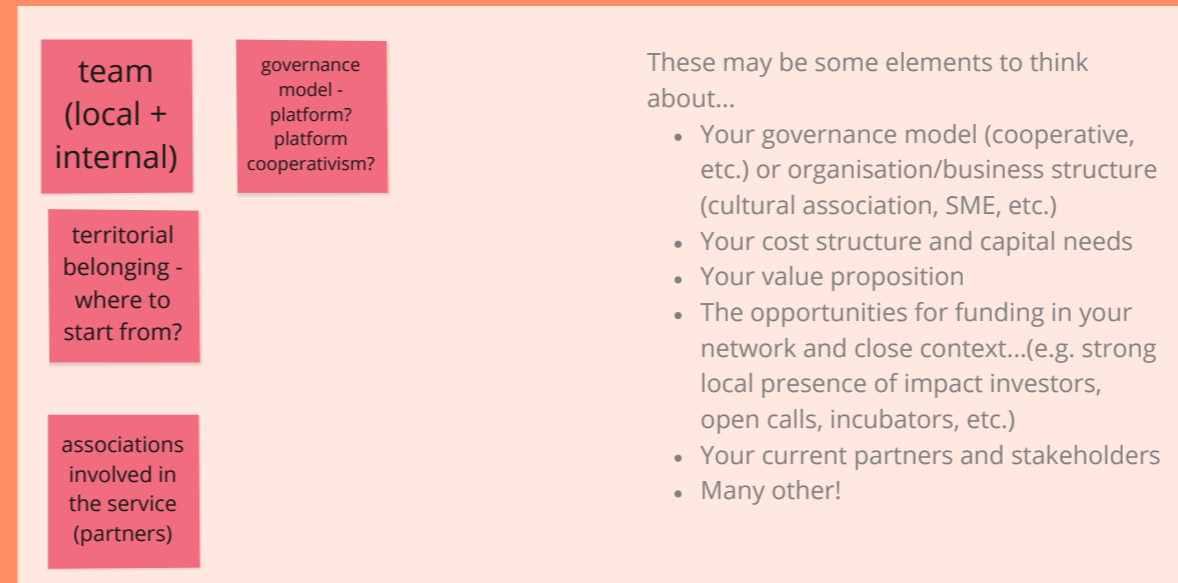
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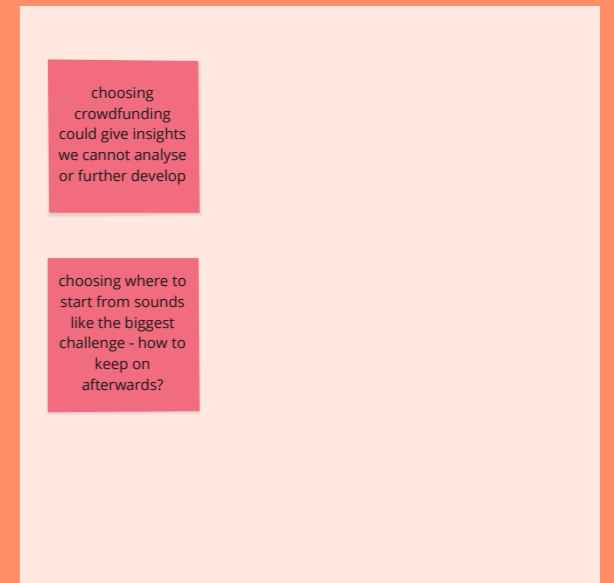
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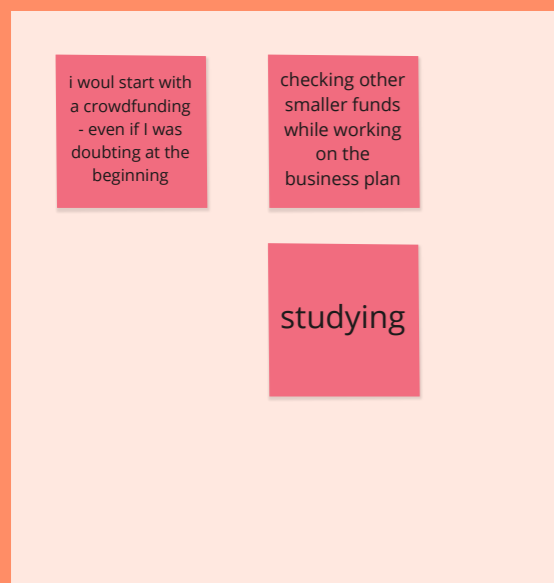
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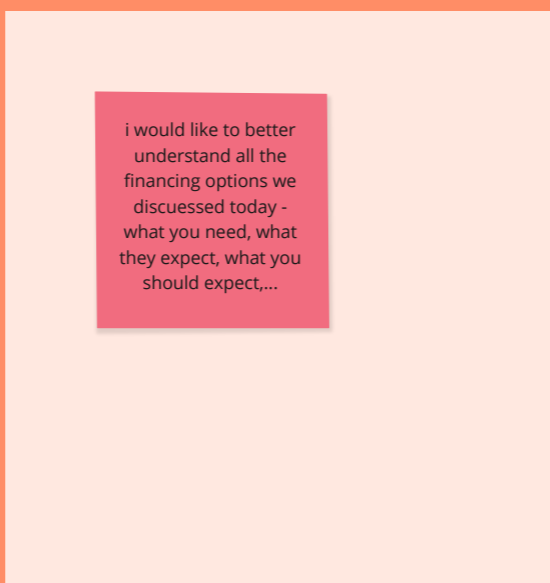
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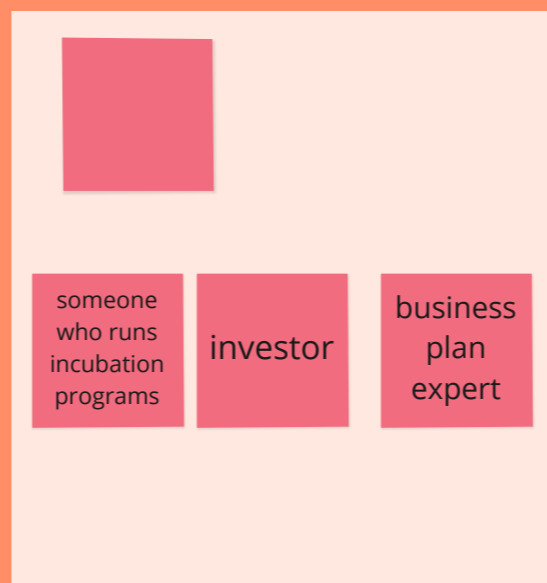


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