How can we best target and support a large number of organisations at the earliest stage of thinking about diversifying their income, to inform themselves and consider their options?

Go through existing organisations and networks who are already doing so - SSE, UnLtd, SEUK, Locality, NCVO, ACEVO, CFG, Small Charities Coalition etc.
Nick Temple, SEUK

Anecdotally, it might appear that early stage ventures have weak relationships with sector infrastructure and membership bodies - direct contact via local networks and trusted advisors would therefore seem to be a more effective means through which to reach this group (for comparison - there is a loosely correlated relationship between localities where the CIC regulator visits to give public talks, and a subsequent rise in the number of CIC applications from that area)
Adrian Ashton

Match-making ('buddying') between organisations who have received support and those who are at the early stages of considering such support. It would be ideal if these buddies could be organisations of a similar scale and / or which are geographically close together for informal advice, sharing their journey, and peer support. I am always nervous of taking advice from funders, but informal, unbiased advice from others who've been through the process would be great.
Kathryn Welch

Workshops, webinars, videos - delivered by organisations who have done it successfully.
Anonymous

Advertise through social media and through local CVS's; NCVO; NAVCA and large affiliated groups such as UK Youth, Ambition; etc. Try a few Facebook and Google ads.
William Clemmey, Warwickshire Association of Youth Clubs

This may be best achieved through segmenting the market and generating tailored communications to different sectors. Organisations are far more likely to engage if they see content that is focused on their immediate challenges and offers hope of a possible solution.
Will Prochaska, Baxendale

How can we best target and support a large number of organisations at the earliest stage of thinking about diversifying their income, to inform themselves and consider their options? (cont.)

• To reach the largest number of organisations at the earliest stage there should be a focus on providing, or funding, generalist resources about trading and income diversification. This could be in the form of events, online resources, signposting etc.

• It will be important to use existing channels such as infrastructure and umbrella organisations and key local networks to disseminate this information. This will help reach more organisations.

• This could also lead onto more specialist advice and resources on specific sectors, target markets or trading ideas such as cafes, educational services or property management.

• In this process it will be important to shift the focus away from "investment readiness" towards supporting organisations that are trading or have the capacity to trade. Investment readiness is largely about meeting investors' needs. Identifying areas of income diversification is about the needs of the charity/social enterprise.
Chris McBride, Social Investment Business

• By recognising that the needs of small and medium sized VCSEs may be different and targeting them accordingly through tailored outreach and marketing.

• By helping them to understand different legal structures, different income streams, trading and repayable finance from as early on in their journey as possible.

• By helping them to understand the full range of investment opportunities out there, with transparent, comparable information about each, enabling potential investees to understand the risks and benefits of each one and make the right choice for them –this choice may be that social investment is not for them.

• By encouraging lenders and intermediaries to use plain English to demystify social investment.

• Taster sessions, workshops and short courses (for leadership, staff and Board Members) are an effective way to reach a large number of organisations and they can be tailored for specific sub-groups where necessary. Hearing from practitioners, investors and investees is also very effective.
School for Social Entrepreneurs

How can we best target and support a large number of organisations at the earliest stage of thinking about diversifying their income, to inform themselves and consider their options? (cont.)

Help for organisations who are at the early stages of considering their options for social investment should be through a combination of both online and face-to-face support. Good Finance is an excellent resource for charities and social enterprises and provides clear, accessible and useful information. Further promotion of Good Finance through key organisations such as NCVO, SEUK and local infrastructure organisations could help raise awareness about the resources available for charities and social enterprises and whether or not social investment is right for them. Similarly, the Lets Talk Good Finance series of events across the UK and the Get Informed campaign are both useful ways of providing face to face information for organisations that are interested in diversifying their income and could also be useful forums to get feedback about what future support should be provided.

More could be done to encourage network organisations who already provide advice and training to charities and social enterprises about diversifying income to include more information about potential social investment options as part of their offer. Many infrastructure bodies are under financial pressure and you could consider commissioning them to be ambassadors for social investment within their networks. Also more detailed case study examples about how organisations have diversified their income through social investment or other means would be a useful resource for charities and social enterprises.

Over time, peer to peer information will become more influential. As the numbers of people who have used social investment rise, more social sector leaders will know "someone who's done it" within their circuit of contacts. So making sure that charities and social enterprises that have already used social investment know about Good Finance and Lets Talk Good Finance and are prepared to share these tools will be critical.
Big Society Capital

For those that get beyond this stage, what forms of support are effective and proportionate in helping them develop a feasible business plan and, where required, an investment proposition?

Why is the end point an investment proposition? And why is the intermediate step a business plan? Surely it is about establishing a working business model (with some levels of earned income) and then about helping those organisations access the finance and support they may need (NB - this may include social investment). The framing is all wrong here.
Nick Temple, SEUK

Benchmarking and previous examples of plans and propositions is a useful and 'quick' way for ventures to best consider what they might be able to offer, and have more realism in working up a realistic proposition

I assume you already offer resources / templates etc., and offer feedback on first drafts. If so, connections with a coach or mentor to support the entirety of the process would be excellent.
Adrian Ashton

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1) Talent - access to people with business expertise, entrepreneurial drive (and backgrounds if possible).

2) Competition/challenges - clichéd as they may be, organisations with innovative ideas can be sparked into action by the opportunity to 'win' something/work with talented people. Year Here and the GSVC are good examples in the social space.

3) Networks and peer environments (e.g. Hub Impact, CAN, Public Services Lab)

The team developing the business within the charity need to be (at least from time to time) in a high energy environment to maintain moral, motivation and optimise opportunities to learn from others around them and network effectively with potential customers/client and potential investors.

* The business planning and capital raising invariably come months (more often years) after the business concept has been nailed down. Entrepreneurs (and established social organisations) with impactful ideas are not in short supply in our experience. Those executing on the back of a credible plan with a capable team are. The development of a compelling early stage high impact enterprise is rarely not the product of years' worth of graft, testing of different products/services, business model and growth strategies.
Anonymous

For those that get beyond this stage, what forms of support are effective and proportionate in helping them develop a feasible business plan and, where required, an investment proposition? (cont.)

Capacity building grants are useful. Support with business plan writing - seminars / blogs / actual people to come and help write it.
William Clemmey, Warwickshire Association of Youth Clubs

• We have noticed a recent increase in demand for pre-feasibility and feasibility funding to help test trading ideas. This would be similar to the grants that were once available as part of the Department for Communities and Local Government Community Rights programme.

• This type of support can help organisations work out whether their trading ideas could work. At this stage, there should be little focus on investment propositions. Support should be more about developing ideas and skills. This will also mean that more organisations are empowered and in a position to utilise support, either grant or self-funded, in the future. This funding could also address resilience so that organisations are more able to react to changes in their environment.

• Programmes such as Big Potential have shown how different levels of support are required by organisations at different levels of development. For those who have more developed ideas expert advice is important if they do not have the resource or expertise to develop their proposal further.
Chris McBride, Social Investment Business

• We agree that the costs associated with helping investees to become investable need to be reduced and would encourage more opportunities for small or large group-based support (recognising that very specific support to finalise a business plan will likely need to be individual consultancy support).

• The more capacity that is built the first time an organisation goes through this process, and the less dependency on consultants, the more likely it is they may only need light-touch support in the future - so it is likely to be more effective to invest properly in building in-house capacity and understanding of the fundamentals the first time around.
School for Social Entrepreneurs

For those that get beyond this stage, what forms of support are effective and proportionate in helping them develop a feasible business plan and, where required, an investment proposition? (cont.)

The dominant model so far has been paying providers to offer bespoke support to charities and social enterprises. You may want to consider testing alternative models of support for charities and social enterprises. This could include such as 'one to many' approaches, encouraging peer to peer support or developing cohorts. These approaches could lead to better economies of scale. Experience suggests that cohort approaches have additional benefits such as shared working and confidence building. Also a staged or tiered pathway of support should be considered for charities and social enterprises that are at different stages of development. More could be done to offer free expert advice online by developing training courses or modules around reflect areas for development such as governance, impact measurement or developing a business plan. This could build on existing resources such as the free business planning tool here from the Princes Trust, Unltd and many more.

You may want to explore setting tariffs or benchmarks for different types of support offered to achieve better value for money. Also the dynamics of the application process for grants could be changed. At the moment providers work with frontline organisations to submit an application for funding and help define the costs. An alternative model is to consider paying an independent organisation to diagnose the support needs of a charity and then the latter purchases support from a separate provider in the marketplace. This would avoid any potential conflict of interest around the costs in the application forms for support. Another alternative version model is to have draw-down contracts with a series of providers so that support can be spot purchased for charities for specific packages of work.
Big Society Capital

The Reach Fund directs support to organisations referred into the programme by an 'Access Point' social investor. It is intended to help organisations with a developed investment proposition 'over the line' with a small amount of support. As a participant or an observer, what has been your experience of the Reach Fund thus far? We're particularly keen to hear from any applicants/grantees from the first 'testing' phase of the Fund, running from November 16 – March 17.

Don't know directly - I've heard that it has been mixed for the social investment intermediaries involved.
Nick Temple, SEUK

I've had conversations with a number of the access points personally from professional interest, and it appears that to date there has been little uptake of this offer - it may be that it needs better promoting, or a clearer offer of what this support might involve being communicated to potential applicants.
Adrian Ashton

Positive so far. However, I have observed that as the development of the investment readiness plan is largely in the hands of Access Point investor (or should i say, the leverage to shape one), this creates an issue for the business/charity unless they are particularly forthright and knowledgeable about what they need. Their ambitions (and needs) are being seen through the lens of one investor, with a particular set of skills (often), and a particular investing mind-set (invariably) which is unique to their fund/intermediary investing strategy, and not necessarily the most helpful viewpoint for the venture. As such, it is not a given that the investment readiness plan will be shaped in the best interests of the business/charity but rather what the Access Point Investor believes and understands to be the best interests of the venture.
Anonymous

As an observer - the programme appears to be designed to generate pipeline for investors over giving VCSEs access to a choice of possible investment partners. In practice we know that the established social investors will pass a deal on if they feel it is in the best interests of their investees, but for those outside of social investment the optics of the fund do not give that message. There is a danger that the Reach fund enhances that the social investment market looks afraid of competition, which will act as a turn off to possible investees.
Will Prochaska, Baxendale

The Reach Fund directs support to organisations referred into the programme by an 'Access Point' social investor. It is intended to help organisations with a developed investment proposition 'over the line' with a small amount of support. As a participant or an observer, what has been your experience of the Reach Fund thus far? We're particularly keen to hear from any applicants/grantees from the first 'testing' phase of the Fund, running from November 16 – March 17. (cont.)

- The current model means that a lot of power remains with the consultant and they may not have an opportunity to understand alternative options that could work for them.
- Practically speaking, hearing the experiences of others who have worked through these processes can be very insightful and makes the learning experience more real.

School for Social Entrepreneurs

We have not come across many examples of organisations using the Reach Fund to date. Anecdotal feedback is that people do not know where to start and are not aware of the Access Points so further promotion is necessary. Feedback from the Lets Talk Good Finance events is that some investors have already used up the Access Point resources so the remaining support is patchy.
Big Society Capital

Experienced investee organisations may continue to require support, particularly where they seek larger investments in order to grow. How can such needs be met most effectively?

Has this need been evidenced? If you look at most of the applications coming through to Big Potential Advanced, most of them are for *contracts* not for larger investments. If there's an evidenced need of support, it's around winning customers and business, not ever-greater investment. Those who do want that, frankly, at the moment can easily find it.
Nick Temple, SEUK

Developing relationships with social lenders in the same way that they might with their business account manager from their bankers or accountants.
Adrian Ashton

Semi-regular check-ins, that aren't focussed on existing investment management (so could perhaps be with a new 'face'), and instead look ahead to aspirations (again, like the role of a coach).
Kathryn Welch

Talent: again, access to talent to build their teams is paramount to maintain and build growth. At this stage, programmes like On Purpose are beginning to fulfil this need but there is undoubtedly a need for experienced business people, in a myriad of fields, who are itching to work for an impactful organisation, to make the transition. Platforms like Escape the City and CharityWorks may be illustrative of some of solutions to this.

Advisors: equally, high calibre advisors (legal, business strategy, investment and impact measurement etc.) who are independent (of the organisation, of existing and potential investors, and commissioners where relevant) are vital. Impartiality is super important. These organisations will often have a range of different options (with varying implications, in the short and long term) in front of them in terms of how they go about growing to the next level. It is important that advice is not "agenda-ised" and comes with a broad perspective on the market).

In an ideal world, these 'experienced' investee organisations should (and should be able to) pay for these advisory services themselves. In practice, an increasing proportion do (albeit from a small base), some don't (but could) and seek to go it alone (which sometimes is the right decision, and sometimes isn't with hindsight), and some others probably can't afford it; and some of the above receive grant funding (e.g. Big Potential Advanced) to subsidise or underwrite the costs of this advisory support. Structuring these programmes is clearly challenging and we should be mindful of their potentially distortive effect.

Experienced investee organisations may continue to require support, particularly where they seek larger investments in order to grow. How can such needs be met most effectively? (cont.)

However, on balance, I would make the argument that they are valuable place (for orgs that would otherwise struggle to pay for the advice, AND have a compelling high impact business they wish to grow to the next level).

A diversity of Investors (and investment products)

At present, the number of investors who can write large checks (in a full variety of investment forms) is pretty limited and i don't think this is healthy for organisations that are in a strong position to scale with additional capita for obvious reasons.
Anonymous

From a mixture of grants (say 10%) loans say 70% and up to 30% investment in the outcomes (payment by result).
William Clemmey, Warwickshire Association of Youth Clubs

• We must have a clear definition of 'experienced' organisations as turnover or length of operation are not good proxies for experience. If we take experienced organisations as those who have taken on investment before then some investors may be able to use that to provide the next level of investment required for growth.

• For example, could you provide repayable grants which were subject to simple and realistic triggers in the event that a proposal moved forward to certain stages? Or is there a way to provide equity like investment that allows the organisation to fund growth? In this scenario more risk would lie with the investor. One of the most common complaints about social investment is the lack of risk appetite so finding ways to pool this risk or mitigate it may help deliver this type of funding.
Chris McBride, Social Investment Business

• We need to understand what they need support on. If their business model will largely remain the same but they are just seeking a bigger loan, then their needs will be different from a large loan application which requires a change in their business model.

• In either case, it may be useful to revisit the fundamentals of a viable business model with them, to ensure they understand what they are taking on, that they understand what this means for their business, both risks and benefits, and that they are confident that they can manage a larger investment.

• Action learning involving peers and practitioners can be very powerful in enabling investees to reflect on past experience with social investment and pulling out any significant learning before they step up to the next level.

Experienced investee organisations may continue to require support, particularly where they seek larger investments in order to grow. How can such needs be met most effectively? (cont.)

• Mentoring can be very useful as it offers a supportive but challenging friend to help them be sure their organisation is ready to step up to the next level of investment.
School for Social Entrepreneurs

For organisations seeking smaller or simpler investments where there are increasingly established product, channels and processes (to the extent this holds true) it could be argued that support also needs to become more standardised and lower cost (while remaining the scope to be flexible and tailored as needed).

However, we have seen some examples of charities looking to develop more ambitious and innovative models for using social investment to create greater change – in doing so they may create new 'products' (e.g. Real Lettings) that connect capital to the enterprise models they have developed. There may be a lack of initial feasibility and more technical support to assist charities and social enterprises in developing such approaches, This may mean that 'product development' can be restricted to those investors or intermediaries that are able to bear such costs and time at risk..
Big Society Capital

What are the support needs of investee organisations during the term of an investment, and where have you seen support be effective?

Tend to find that it is in the due diligence / arrangement when the capacity requirements are very high for investee organisations. During the term, less so - aside from broader organisational and operational support.
Nick Temple, SEUK

Given mainstream finance can typically be cheaper (but harder to access), engaging such lenders within the sector would be useful - it could make it easier for ventures seeking investment to initially secure such debt via a social lender, but then quickly re-finance it using a traditional bank loan having proved their financial acumen and stability - this would reduce investment costs to the investee and therefore encourage others to also start to consider the option having previously discounted it as being too expensive.
Adrian Ashton

At the lowest scale - Firstport social enterprise grants assign an officer who's there to check in on progress and connect grantees / investees with wider opportunities for support / training / next stage investments etc. They offer a peer support network which doesn't seem to be well used, but which could be excellent if managed differently.
Kathryn Welch

I would say the development of well-functioning SMT and board is paramount. Investors can be very helpful with this. Also, access to external advice can be super helpful if the SMT or board is not functioning that well and there needs to be changes.
Anonymous

I would assume help with marketing the product; finances; cash flow issues.
William Clemmey, Warwickshire Association of Youth Clubs

Investee organisations often require ongoing support during the term of a loan - particularly where their market dynamics change and they need to pivot their strategies. In these circumstances it is valuable if the investee can turn to a critical friend who already knows their business and their objectives. That friend could be their investment partner or their consultants if they've used them. The advantage of turning to consultants is that they shouldn't have an underlying conflict of interest when providing advice on a new strategy. This would be particularly true where a new strategy would see the VCSE re-finance their debts with another provider of finance.
Will Prochaska, Baxendale

What are the support needs of investee organisations during the term of an investment, and where have you seen support be effective? (cont.)

• The need will vary depending on performance of the organisation, their circumstance, their market etc. One investment doesn't necessarily lead to a strong and sustainable organisation. Ongoing support is often required to help them successfully manage their investment.

• However, it must be recognised that the cost of being engaged and supporting organisations throughout investment is high. If it isn't provided how different is it from other types of investment?

• Any support offered needs to be flexible and its success will often be dependent on the strength of the relationship between the investor and investee. Both need to be prepared for open discussions with the investor acting as a "critical friend" and the investee willing to share any issues at an early stage.

• Having that support in place from start of relationship, or the promise of it, generally makes it more effective. Clear expectations management on both sides is important. Most social investors are debt providers so the relationship often finishes after the loan is repaid rather than being a long term interest.

• A good example of a low cost intervention is mentoring or focused project based support. For example, we funded a consultant to work with a Board on their roles and responsibilities. This gave them the confidence to challenge an underperforming CEO. A new CEO was then able to identify new income sources and stabilise the organisation.
Chris McBride, Social Investment Business

• There needs to be a good level of trust and communication between the investor and investee throughout.

• Research we carried out found that having a good relationship with the fund manager would increase the motivation of VCSEs to take on social investment.

• During the term of the investment this relationship needs to continue so that if the investee does get into difficulties, they can discuss this with the investor; we know how important this is with grant funding and the same principles apply with social investment.
School for Social Entrepreneurs

What are the support needs of investee organisations during the term of an investment, and where have you seen support be effective? (cont.)

As most social investments are mainly to first time investees then post investment support could have a role to play for both frontline organisations and intermediaries.

For frontline organisations, post investment support is variable across the social investment market and could be an area to consider developing in the future. All of the current support is available for charities and social enterprises who want to raise an investment or contract. The level of post investment support is variable and ranges from hands on support from highly engaged fund managers to light touch support from high volume lenders.

We recommend scoping this area more fully to understand the post investment support needs of organisations so that appropriate assistance can be offered which may cover areas including impact measurement, governance, pivoting business models and restructuring finance. There may also be a role for ongoing mentoring or

incubation support for some organisations which could be supported by further grant funding. Similarly, more learning from organisations who have already scaled could be captured and communicated more effectively to help organisations who plan to follow the same path.

Post investment support could also include developing a non-executive network of experts who could advise charities and social enterprises. There could also be more opportunities for face to face and online peer to peer learning between organisations to share learning
Big Society Capital

Across all stages on 'the spectrum', what balance should be struck between building internal capacity/skills for the long-term, and buying in external expertise?

More of a balance than has been struck to date. Who's done best out of Big Potential? The providers. The best of those leave the organisations they work with in a stronger state, the worst perpetuate dependence. It's horses for courses - sometimes an investment in an organisation's capacity / skills pays dividends; at other times, they require expertise or an external catalyst that they don't have. It very much depends on the piece or type of work they need.
Nick Temple, SEUK

External expertise should only be a short-term activity - otherwise the venture risks mission drift from freeing the capacity needed to engage with it; it also ultimately weakens the venture if it does not develop these skills, and building a long-term dependency on the ongoing accessing of external support
Adrian Ashton

For one-off needs, external expertise is efficient and can be impactful, but where the skills are likely to be needed on an ongoing basis then the organisation should be supported either to develop internal skills, or to bring in those skills on a more ongoing basis, e.g. through board members.
Kathryn Welch

If only it were that simple. It so depends on the context and your financial resources. Invariably, an early stage venture/small charity is starved of capital, can only plan for the short-term (with any degree of clarity) and you have to prioritise, meaning external advice is absolutely vital but you can't really pay for it. Hence the vital importance of an ecosystem of cheap/'free' services -shared workspaces, mentors and advisors, product hackathons, accelerators, angel investors etc in these fragile early years. So let's say 20/80 (internal to external - in terms of where strength of team lies between staff/founders and advisors)

By contrast, an established organisation should be far more focused on the long-term and should be able to identify internal weaknesses and decide how to address these. So let's say 80/20.
Anonymous

Building the internal capability should be high on the agenda and external support limited so 80: 20% ratio.
William Clemmey, Warwickshire Association of Youth Clubs

Across all stages on 'the spectrum', what balance should be struck between building internal capacity/skills for the long-term, and buying in external expertise? (cont.)

The third sector is running on such fine margins with necessarily low salary levels, that there is a barrier to attracting and retaining commercially talented employees. Where these skills can be developed then that should always be prioritised, however team members move on and organisations that may have done a good job at internalising a skill set could find themselves without key personnel fairly quickly. There will therefore always be a place for external expertise and independent challenge.
Will Prochaska, Baxendale

Building internal expertise is the priority most of the time when it comes to building Impact Management capacity. A focus on performance can only come from the leadership team. A commitment to regular review of, and action on, data can only be carried out by staff. These are the things that translate into improving outcomes. External expertise can facilitate building internal competence and knowledge (as well as helping on the solutions) but they cannot provide leadership accountability, great change management or true staff buy in. That's why supporting charities over the long term makes a difference - helping them keep momentum as the capacities are built.
Jenny North, Impetus-PEF

• The balance should depend on what the goal is. Is the goal long-term capacity building to strengthen an organisation and build skills or achieving objectives such as addressing specific problems, getting new projects started or securing investment deals? Building internal capacity is often better for the former, buying in external expertise is normally better for the latter.

• The balance between these goals will determine how much you do of each so it will be critically important to be very clear about the goal of any specific programme.
Chris McBride, Social Investment Business

Across all stages on 'the spectrum', what balance should be struck between building internal capacity/skills for the long-term, and buying in external expertise? (cont.)

• This will depend on the structure, situation and preferences of the organisation and how much they are in a position to be able to buy-in / access external support.

• Whilst consultants can help with assembly of documents and modelling of potential options, it is the in-house leadership team that must own and drive the business planning process and choose between options.

• Blended products are helpful for building internal capacity, so for example offering the loan plus learning plus coaching / mentoring – and in some cases, also an element of grant funding.
School for Social Entrepreneurs

There is a role for both buying in external exercise and building internal capacity and skills as the needs of charities and social enterprises can vary depending on their stage of development.

Whenever external support is provided, it should aim to leave a legacy for a charity or social enterprise by ensuring that there are effective mechanisms to transfer knowledge and expertise from the provider to the organisation. This should include where possible involving charities and social enterprises in the modules of work that are completed by the external provider so that the expertise and skills can be transferred and used again in the future.

This also means that the cost of backfilling roles in charities and social enterprises should continue to be funded where appropriate. The role of volunteers and mentors should also be explored further as they could provide valuable assistance to charities and social enterprises in helping them to consider their options for diversifying income.
Big Society Capital

Across all stages on 'the spectrum', where have you seen peer support prove effective, and how can Access encourage strong peer networks through the design of its own programmes?

SEUK member networks, SSE action learning sets, various forums that place relationships & trust above specific outcomes. Access can learn from these, work through them.
Nick Temple, SEUK

School for social entrepreneurs seems to create supportive peer networks through developing a culture based on regular in person meetings and discussions.
Adrian Ashton

Firstport bring grantees from each cycle of investment together for a launch event. There is some aspiration for this cohort to stay in touch with one another, but my experience is that it hasn't really happened (there's a LinkedIn page, but it's not really used). I would have valued this resource had it been more used. Face to face contact was relatively impractical (a geographically dispersed group, all of whom by nature were at busy times in their organisation's growth). I would use a Facebook page (simple but effective), and I would also have liked an online forum where links and questions could be shared both by Firstport and grantees. I've been to some great workshops (led by ESF, I think), where the workshops were led by grantees, which was a really useful experience.
Kathryn Welch

We used to run our own workshops for social entrepreneurs, sometimes thematic (e.g. healthcare), sometimes stage focused (e.g. seed/idea stage). We simply facilitated the conversations, which gave 10 or so entrepreneurs 15 mins each to seek advice from group on their business strategy. Sometimes we gave presentations (e.g. financial modelling) at the beginning as well. The whole point was to build their confidence and increase their chances of making less mistakes, more quickly, along the journey.
Anonymous

Ella support programmes
William Clemmey, Warwickshire Association of Youth Clubs

Across all stages on 'the spectrum', where have you seen peer support prove effective, and how can Access encourage strong peer networks through the design of its own programmes? (cont.)

• Where we have seen this be most effective was through the introduction of an organisation with a specific issue or challenge to another organisation that has already faced and successfully dealt with a similar issue. Unfortunately, we have limited examples of this.

• The best example we have seen is the facilitation of a group of organisations within the same city where specific skills were not fully employed within each organisation but could have been across the group. For this to work an "honest broker" is required to sell the benefits and facilitate discussions about the benefits between the potential partners.
Chris McBride, Social Investment Business

• Facilitating peer learning and peer networks is core to our methodology. Action learning through small or large group work has been proven to be very effective. Therefore we would encourage some of the capacity building around investment readiness to be done in cohorts, so that organisations can come together, learn together, challenge and support each other as their social investment journey progresses.
School for Social Entrepreneurs

Peer support should be a feature for all future funding programmes. It could be offered over and above the support from external providers or it could provided instead of it if appropriate. Access could promote peer networks through its programmes by linking to any existing networks in local areas rather than duplicating them. Peer support should be purposeful and demand led so that it respond to the needs of all participants. It could be provided by both face to face and online platforms and have reciprocal benefits where possible. The challenge with peer support is that some organisations may end up in competition with one another when bidding for work so the most effective approach is for people to work in cohorts in non-competitive areas where possible.
Big Society Capital

Across all stages on 'the spectrum', should impact management be integral part of any support provided, or a separate strand, independent of any fundraising/investment activity?

All of the organisations should be thinking about how they measure and manage impact. Whether this needs support on top of the existing programme seems unlikely.
Nick Temple, SEUK

I think they are best if connected, but separate. You want investees to be able to have open, frank conversations about the future (including challenges, doubts etc.) without worrying about the impact on their existing investment. Support is vital, but there should be some element of independence, if you want honest, open conversations.
Kathryn Welch

Depends on the organisation, their stage, their beneficiaries, their theory of change, and the market context in which they find themselves. Some are creating impact in a way which can and should be tracked and measured accurately, if it can been done in a cost effective manner, and is central to their organisation remaining an impact driven organisation. Other ventures, their impact is elusive but intuitively stakeholders recognise its long-term potential. In these cases, i think that investors (and other funders) should give the organisation some breathing space to build their businesses before looking at how they should measure and manage their impact.
Anonymous

Yes a good idea
William Clemmey, Warwickshire Association of Youth Clubs

Impact management is a core capacity for any organisation aiming to make impact, and one that has been overlooked in capacity-building programmes to date. Access have taken a real lead in recognising the importance of this capacity and funding charities to develop it. If organisations are to win investment (in part) on their ability to make social return, they must be able to actually produce these returns without moving goalposts, or relying on 'soft' tick-box exercise from investors.

As an organisation we work to build organisation's impact management skills. Increasingly we are learning *not* to separate it from the support we provide on fundraising and sustainability. A core part of IM is the ability to raise and drive resourcing to those areas of activity which produce most impact, and to leverage your impact data and USPs for funding/investment. An organisation that is committed to, and making progress on IM, is likely to face increased costs, and cannot take the foot off the gas on ensuring their long term sustainability. I hope that

Across all stages on 'the spectrum', should impact management be integral part of any support provided, or a separate strand, independent of any fundraising/investment activity? (cont.)

Access will continue to lead the way in backing IM as a crucial capacity for a successful social investment market.

However, as building IM capacity should be a priority for all interested in impact, it would be great to see Access work with other funders to put more resources into this area, *and* to incentivise/support charities to build their capabilities, (with or without providers). This could be by helping organisations who have progressed as part of the Growth strand of Access' Impact Management Programme to raise further funding/investment. Or by creating joint funds to take IM to specific sectors of interest to other funders. As a first step its crucial to share the successes and failures of the work in the Growth strand. These are some ways in which Access's championing of IM can have a legacy beyond the Foundation's life span.
Jenny North, Impetus-PEF

• Impact management should be separate of fundraising & investment and focus on the effective management and measurement of impact. It is more important to link impact to performance and being able to demonstrate effectiveness. Fundraising and/or investment may then be a by-product of that effectiveness.

• However, any programmes should draw in the primary language, tools and concepts used in impact management so that the key impact management practices then have a practical use with regard to approaching investors.

• Increasingly, organisations seeking investment will need to be clear on their anticipated impact if approaching social investors, who will want to see clear evidence of the social impact of their investment.
Chris McBride, Social Investment Business

Across all stages on 'the spectrum', should impact management be integral part of any support provided, or a separate strand, independent of any fundraising/investment activity? (cont.)

• Understanding and measuring impact needs to be integral in order to properly understand the return on any particular investment. If not, an investor may determine that an investment is too costly or too risky as the benefits do not warrant the risks involved. However if the potential and likely impact of that investment is properly understood, then there could be justification to approve that investment as the overall (direct and indirect benefits) outweigh the associated costs and risks.

• SSE's research shows that the right investments can not only enhance impact, they can actually accelerate impact – and this needs to be taken into account when measuring impact.

• That said, it is also important to recognise however that some impact can be harder to describe and to measure, but this does not mean that this investment should not be made.

• We would encourage training on impact for investees or potential investees so they understand the basics of how to measure and present impact themselves, and they may choose to buy-in additional support if needed.
School for Social Entrepreneurs

Impact measurement should ideally be provided as part of the overall package of support available to organisations rather than as a separate activity. Although as impact measurement approaches are still maturing it may be appropriate to offer separate support in the near to medium term then make sure that it is part of the core offer in the longer term. The Impact Management Programme is an excellent example of tiered support for originations at different stages of development and you could potentially be scaled up in the future.
Big Society Capital

Across all stages on 'the spectrum', how would greater transparency - including sharing of data, tools and approaches by funders/investors, support providers and social organisations – affect the quality of support?

Difficult to know.
Nick Temple, SEUK

It should raise it through providers and supporters recognising it as a clear opportunity to enhance their own respective CPD and offer in the marketplace.
Adrian Ashton

It depends on how generic/homogenous that information is and how applicable and useful it is to the market.

Sharing a detailed business plan and financial model template developed for community groups wishing to develop their own solar power - is probably a very good idea (assuming there are common elements to those businesses in terms of assumptions, risks, inputs and outputs that are applicable to pretty much all of these groups) and should be encouraged and supported. It will help build capacity. On the other hand, there will come a stage where certain community groups will need a third pair of eyes to critique what they have put together before courting investors, and this is where bespoke professional advisors needs to kick in (and peer support/case studies to a certain degree).

As for data, all stakeholders need to have a reason to share it in the first place and may have very good reasons not to share it, even if they wanted to (e.g. client confidentiality and compliance with FCA regulations). Also, they need to be confident that, if they show their 'hand' in good faith, others will do so as well. Tricky to pull off.
Anonymous

The more information the better
William Clemmey, Warwickshire Association of Youth Clubs

There's an opportunity to achieve much stronger societal returns through greater co-operation between investors/advisors/investees at the sector level. Achieving that co-operation is going to be challenging due to commercial considerations.
Will Prochaska, Baxendale

Across all stages on 'the spectrum', how would greater transparency - including sharing of data, tools and approaches by funders/investors, support providers and social organisations – affect the quality of support? (cont.)

• Transparency should be the default setting and the sharing of investment data by funders should be automatic. As should data regarding important metrics of grant programmes. This will help increase the quality of support.

• In addition sharing commonly used methods and approaches may also help to increase the quality of support and reduce the costs of a programme.

• However, there is a balance to ensure that sharing templates, tools and methods does not impinge on intellectual property. We must recognise that we are in a competitive environment so there may be some limits to what can be shared.
Chris McBride, Social Investment Business

- We would encourage greater transparency and believe the Good Finance indicators are helpful.

- We believe that improved understanding of what is and isn't working well across the sector should lead to an increase in the quality of support.

School for Social Entrepreneurs

Everything produced should be published by default. This includes tools, data and resources developed by providers for charities and social enterprises. There is currently a distinct absence of shared resources from all the former capacity building programmes to date which is a wasted opportunity as if it is presented well online then it could lead to economies of scale as organisations may be able to find resources that they need without having to pay a provider for them. The starting point in the future should be that charities and social enterprises can access useful information online and then if they need further support then it can potentially be funded. Transparency by default should be at the centre of all future programmes and resources could be indexed on the Good Finance platform. At the same time, it is also worth considering completing a stock take of existing resources that are not widely known to raise their profile through a single online platform like Good Finance.

There is also a lack of transparent, clear and accessible information about what different providers offer and estimated costs for different types of support. The Good Finance website could be used as a gateway for this information and include customer feedback about the effectiveness of the providers.

Finally, it is important to use evidence and learning from existing programmes to shape the design and decision making of future funding.
Big Society Capital

Across all stages on 'the spectrum', what role can 'one-to-many' support (eg group training sessions, network events) play which would complement/enhance any one-to-one support?

A lot - for networking, relationships, contacts, other people's questions and all the other things that 1:1 support can't do.
Nick Temple, SEUK

By covering common concepts and issues experienced by many/all - this would allow the venture to make better use of 1-2-1 support.
Adrian Ashton

Good - especially if led by investees. Great as a light-touch approach for those at the earliest stages (who might not commit to 1-to-1)
Kathryn Welch

Bringing groups together with a common aim is usually very helpful provided the sessions are well run.
William Clemmey, Warwickshire Association of Youth Clubs

• This can play a role but their effectiveness will be linked to the goal. If the goal is long-term capacity building to strengthen organisations and build skills then they are likely to be more effective.

• This may way work better for the earlier stages of support / training where organisations share their basic needs. One to one support is then more likely to be effective to address specific needs.
Chris McBride, Social Investment Business

Our 20 years' experience of providing one to many support tells us that this is not a complementary element, it is an essential element to maximise learning outcomes; it clearly also improves cost-effectiveness. Specifically we would recommend:

• Taster session for those interested in social investment

• Action learning sets for those who have begun their social investment journey

• Anything that helps investees / potential investees to understand and achieve good financial / business discipline

• Modelling of softer skills such as confident leadership, as this helps investees to effectively manage relationships with consultants, social investors etc. and redress the inherent power imbalance.
School for Social Entrepreneurs

Across all stages on 'the spectrum', what role can 'one-to-many' support (eg group training sessions, network events) play which would complement/enhance any one-to-one support? (cont.)

This is an area which could be developed significantly as it is largely untested at the moment. The one-to-many model would lead to greater economies of scale but also support better peer to peer learning across charities and social enterprises. The cohort model in the Impact Readiness Fund had mixed success so it is important to learn lessons from that programme to inform future models.
Big Society Capital

Across all stages on 'the spectrum', what are the pros and cons of an approach (as in Big Potential) which mandates that the majority of grant funding is spent on fees for a fixed set of pre-approved providers of support?

See earlier answer - main beneficiaries at times have been the providers.
Nick Temple, SEUK

It makes it harder for earlier stage ventures to fully engage with providers from not having sufficient capacity that could have been otherwise created by a greater backfilling of staff posts.
Adrian Ashton

I haven't seen this approach used elsewhere. It sounds good in terms of an easy source of quality providers, but my concerns would be around limiting freedom and autonomy for investees (and it sounds quite patronising and controlling, too). What if the investees have better sources of providers?
Kathryn Welch

Pros

- focuses the organisation on what needs to be accomplished in order to get them investment ready

- provides them with a non-exhaustive option pool of advisors who should be experienced at working with similar organisations to theirs.

- healthy competition between advisors who build up a track record of working with social organisations and can be assessed/monitored by the grant provider

- programme is manageable as there is a limited pool of advisors

Cons

- Limited choice of advisors for organisations may mean certain grant applicants are not working with an advisor who would be most apt for their needs.

- Requires a fair amount of monitoring and oversight which can be cumbersome and poorly managed at times.
Anonymous

The problem is if you know of some good local provider of support who is not on a designated list. Groups need to be able to suggest alternatives who can then pass any checks you need to make.
William Clemmey, Warwickshire Association of Youth Clubs

Across all stages on 'the spectrum', what are the pros and cons of an approach (as in Big Potential) which mandates that the majority of grant funding is spent on fees for a fixed set of pre-approved providers of support? (cont.)

Big Potential has come under fire for not driving enough investment pipeline for SIFIs. However this criticism says more about the unrealistic expectations of the social investment market than it does about the quality of the consulting advice provided through the programme.

Whilst there is clearly a range in quality on the Big Potential framework, it is my understanding that the majority of the VCSEs who have accessed advice are happy that they have done so - even if it has meant that they haven't taken on borrowing.

To counter the suggestion that 'advisors have done best out of Big Potential' - I would argue that advisors and VCSEs have done best out of Big Potential so far, and that it's taking longer than hoped for this to turn into pipeline for social investors.

We are starting to see a higher number of Big Potential backed deals close, and this will accelerate. In the years to come I think that SIFIs will benefit from the support that Big Potential has provided to the market even if the grant support is not linked to a particular deal that they've closed. VCSEs who go through the programme typically develop a much stronger understanding of what is required in order to raise investment - which will serve the investors well in years to come.
Will Prochaska, Baxendale

• As we manage Big Potential we believe that this approach brings a number of positives. One way to think of it is as "outcomes based capacity building"; the support is clearly linked to a defined outcome and therefore the success of the intervention can be clearly measured.

Pros
o It provides the time and the space for senior management to consider the development needs of their organisations and external points of view.
o A list of approved support providers aids quality control.

o The grant is linked to the achievement of specific outcome and success can be measured.

o Approved providers develop specific areas of expertise that can then be used to the benefit of other organisations.

o The best outcomes occur when the organisations leaders are personally committed and they can contribute to project themselves

Cons
o A lack of incentive for organisations to pay for the support themselves.
o The terms of the grant could be more flexible

Across all stages on 'the spectrum', what are the pros and cons of an approach (as in Big Potential) which mandates that the majority of grant funding is spent on fees for a fixed set of pre-approved providers of support? (cont.)

o Grant recipients are less likely to focus on building internal capacity if a grant can pay for someone external to deliver it.

o Smaller early stage organisations often do not benefit as much as a result of this work due to their capacity limitations.
Chris McBride, Social Investment Business

Pros:
• Information is assembled in a way that is acceptable for the SIFI and can be deemed to be more of an efficient process overall
Cons:
• It limits the choices that investees have as to the kind of support they can access vis a vis what they need
• The investee may be made aware of only a sub-section of social investment opportunities out there that might work for them
• Unit costs tend to be high and latent skills levels are only marginally increased as compared to a more blended approach to learning and investment
School for Social Entrepreneurs

As noted in the responses above, there should be a diversity in the range of support available which should be tiered and not one size fits all through a provider. Access may want to consider piloting different models of support concurrently to then compare the effectiveness of different approaches. There is also a lack of specialist providers in thematic areas as most are generalists this may be an area for development in the future. The dynamics of purchasing support from providers should also be challenged by piloting alternative models mentioned in earlier responses such as spot purchase contracts or competing providers against one another to provide a package of work for an organisation.
Big Society Capital

Across all stages on 'the spectrum', what are the key opportunities and challenges in driving up quality and value for money in the support provided to charities and social enterprises?

A huge question to answer. There is a wide range of support out there already: from the private sector, from accelerators, from traditional charity infrastructure, from membership bodies, for start-ups and entrepreneurs...etc. Need a more focused question to get a better answer.
Nick Temple, SEUK

More openness and transparency about providers accessible to venture (for example - as a provider, I openly publish an annual impact report on myself).
Adrian Ashton

Empowering people to share their learning, offer peer support, and grow connections with others to nurture a rich culture of innovation, support and growth.
Kathryn Welch

Challenges

Investors and funders are currently the key stakeholder is deciding what is good advice and what is a good price for that advice (e.g. Big Potential panel set-up) or they are shaping that advice and pricing it (e.g. Reach Fund). This, in my view, is too centred on the needs of investors and funders.

I think a number of advisors are struggling with capacity building programmes and funders (and investors) are slightly blind or indifferent to the dynamics that advisors face. I also think social organisations perceive their investment readiness needs with a varying degree of accuracy, and this is also not appreciated and understood. In some cases, organisations look at capacity building programmes as a means to an end, rather than a process that they can use to really strengthen their organisation and increase its potential, which is a pity. I think the financial pressure some of them find themselves under contributes towards this attitude but I also think that grant funding in general and the way they have accessed it in the past also has much to answer for.

In terms of Capacity Building, as a set of distinct activities, delivered for and to social organisations, I think there needs to be a bit of a reality check. Starting and building a charity or social enterprise is an enormous undertaking, and many of our social orgs are only beginning to build sustainable high impact business models. Lots of these orgs would benefit from external advice, but if that advice is provided intensively (in the form of human capital), good advice will be expensive, and the costs will not only reflect the direct costs of that expertise but the indirect costs of those business consultancies alongside this.

Across all stages on 'the spectrum', what are the key opportunities and challenges in driving up quality and value for money in the support provided to charities and social enterprises? (cont.)

Hopefully, lots can be achieved through other forms of capacity building (e.g. online learning and case studies, books, and other forms of reducing the cost of delivery). However, we should not forget some of the more challenging barriers to capacity building initiatives succeeding and think creatively about ways to potentially address them... For example: are orgs so busy with the day to day, they simply don't absorb the insights in 'free' online resources and sometimes sadly don't value them? Is charity culture and trustee attitudes towards risk strangling many entrepreneurial endeavours? Is the 'scarcity of resources' dynamic, endemic to non-trading charities, creating a debilitating corporate attitude of risk aversion? Is the lack of business talent within the sector at the SMT and junior mgt level central to the lacklustre development of commercially successful social enterprises? Is debt finance the wrong financing tool for most early stage high impact ventures?

Opportunities

Charities and social enterprises will thrive if they become the masters of their own destiny. With the best will in the world, I don't think this can or will be achieved through the creation of a patchwork quilt of programmes, but rather the careful and patient curation of an eco-system of actors, and the drawing in of talented and motivated people where there are skills gaps. This is already happening organically.

The organisations we work with are growing and raising investment because they have great teams, great products/services which generate social and environmental impact, and solid plans etc. We cannot engineer those qualities through external advice, nor would we wish to even if we could. Of course they have weaknesses which need to be worked on, but they recognise what those weaknesses are and are prepared to address them. They still benefit from our advice, from time to time, which requires a varying degree of external support, from a simple introduction to someone who could be excellent for their board to support on re-structuring their entire group organisation in preparation for the next phase of growth and understanding their options regarding and implications for raising various forms of investment (requiring a great many days of support).

I guess what I'm saying is... there is a distinction to be made between 'investment readiness' and 'capacity building'. Many social orgs should be able to raise investment, and they just need to get to grips with business planning and financial modelling - fundamentally. All entrepreneurs have to work on these skills even if they think they are hopeless at them. In the absence of internal resource with these skills sets, external advice can be hugely helpful, but time intensive, and therefore expensive. Some will not be able to afford this advice and as such this prevents them, or stalls them, from raising investment.

Other social orgs are nowhere near ready to start business planning with a view to raising capital. External advice is unlikely going to be cost effective here unless the

Across all stages on 'the spectrum', what are the key opportunities and challenges in driving up quality and value for money in the support provided to charities and social enterprises? (cont.)

impetus to develop a social enterprise or build an existing one to the next stage is really strong. As such, i think initiatives that are targeting these orgs should be laser focused on high potential teams.
Anonymous

Avoid overpaid consultants. Perhaps 50% of the consultant's fee could be based on a payment by results. If the social enterprise actually achieves targets in each of the three years then the consultant gets 10% in Year 1; 10% in year 2 and 30% in year 3
William Clemmey, Warwickshire Association of Youth Clubs

The simplest way to drive up quality of advice to VCSEs would be for a new investment readiness fund to be more selective over who it pre-approves. Whilst attractive to established advisory firms I think this could be dangerous as it would reduce competition and close the market off to new entrants. Advisors should also be expected to compete.

The design of the fund itself could be used to good effect. If advisors are measured on outcomes rather than outputs, and given greater freedom to provide the support that they deem necessary in partnership with a VCSE and investors, then quality could be enhanced. Allowing advisors to focus on working with clients, rather than navigating fund bureaucracy, will be important in maximising the impact of publicly funded consulting services (albeit difficult when accountability is key).
Will Prochaska, Baxendale

• An independent evaluator may be able to look for themes and where collaboration can take place in the future.

• You could put specific measures in place that filter out lower quality providers, based on objective performance measures e.g. project completion, achievement of contract wins/investment raise, greater use of success fee elements.

• You could also develop a more qualitative assessment, a "Trip Adviser" for business support, although there are risks associated with this approach.

• More focus on market level challenges, not just individual organisational level challenges, may allow you to capture and disseminate broader learning captured across the entire sector.
Chris McBride, Social Investment Business

Across all stages on 'the spectrum', what are the key opportunities and challenges in driving up quality and value for money in the support provided to charities and social enterprises? (cont.)

Opportunities
• To introduce more peer learning for groups of organisations at a similar stage of investment readiness, potentially through a place-based approach
• The use of virtual learning, such as online tutorials on understanding social investment, developing a business plan etc.

Challenges
• Reducing cost of this support must not result in reduction of quality; national support to complement a place-based approach can help to ensure quality, consistency and dissemination of useful learning across the board.
School for Social Entrepreneurs

See above. More efficient and effective models of support would ultimately lead to greater economies of scale and therefore most organisations would be able to access the help that they need to diversity their income.
Big Society Capital

Place: how should Access approach focussing on a particular city or region, in collaboration with our peer funders, social investors and public sector partners, to strengthen its social sector? Within this, how replicable might such approaches be for other cities and regions?

With humility, not assuming social investment is the answer, working through credible local and city-infrastructure. Place-based approaches have some value, particularly when aligned to existing social value strategies or local place objectives. This focuses people on the outcomes, rather than the organisations.
Nick Temple, SEUK

Given the cultural and economic variances that exist across different parts of the country, any approach to replication should be based on a less structured model/strategy used within social franchising.
Adrian Ashton

Social Enterprise Networks, Chamber of Commerce, Women in Business events etc. Check out Inspiring Scotland, who have local experts who help them to guide local investment (how can you know a region if you're not part of it?)
Kathryn Welch

Start with the most challenging social problems in that area, find the people who are closest to that problem are already tackling it. Develop initiatives from there.
Anonymous

Whilst you might pilot in an area such as Birmingham, Manchester or Newcastle your offer needs to be available across the country.
William Clemmey, Warwickshire Association of Youth Clubs

• Places are unique and face their own challenges so you need to understand them. Any solution should start with identifying key stakeholders – existing local organisations, players and funders – who can identify the existing strengths and assets as well as the needs and issues.

• This means involving the key people in each region to make sure you have local buy-in and are tying into existing programmes and initiatives. The perception, and act, of parachuting in with solutions to solve local problems needs to be avoided.

• As long as a general approach/set of principles can be developed then this should be replicable in other regions. The solutions will likely be different though.

Place: how should Access approach focussing on a particular city or region, in collaboration with our peer funders, social investors and public sector partners, to strengthen its social sector? Within this, how replicable might such approaches be for other cities and regions?(cont.)

• There is often a problem of fragmentation. Local organisations will tell of too many funders with different ideas and drivers – in some cases initially agreeing to work together but then finding that there are inconsistencies in their offers. This fragmentation needs to be overcome.
Chris McBride, Social Investment Business

• A more localised or regional approach working through established and trusted partner organisations would help to break down barriers, get more organisations responding to tailored outreach and marketing, hence building the demand for social investment more effectively
• You could more easily identify and involve additional trusted partner organisations / local advisors, to promote and facilitate group learning opportunities and peer networking for locally based VCSEs
• You can build better connections between investors and investees, and more easily convene and gather feedback from investees on how products are working
• Replication can be effectively achieved through licensing or social franchising, enabling local responsiveness, whilst ensuring quality and promoting learning nationally
School for Social Entrepreneurs

To achieve this objective it will be necessary to build a coalition of organisations that bring complementary resources to the table to deliver a place based approach. In terms of targeting, it will be important to decide whether or not you should start in areas of greatest traction or greatest need as the two may not always align. There is significant learning from previous programmes such as Big Local and the Fair Share Trust which can help to inform your approach. We should consider the optimal design of a 'pathway' for organisations within a place to develop or strengthen revenue models that tackle local issues, the support needed by organisations along the way and how to support more local collaboration. These pathways may vary in different locations but there are likely to be many common aspects – allowing a local place to construct their own based on the building blocks. . We would welcome the opportunity to discuss separately in more detail.
Big Society Capital

Transitioning from grants to investment: grant funders have large networks of grantees, some of which may benefit from exploring social investment. How can Access and others best coordinate to help grant funders identify such organisations and signpost them to information and support?

Again, the transition is arguably first one from grants to trading and earning. Then, possibly, to investment if that is required. If you lead with social investment every time, people will tell you social investment is the answer - but also narrow the pool of whom you reach significantly.
Nick Temple, SEUK

Make it a requirement of receiving a grant to have at least an initial professional discussion with external specialist support.
Adrian Ashton

Lots of grant funders (e.g. Children in Need, Comic Relief) host start-up sessions which are compulsory for grant holders - could you go along to them? Would the grant-makers necessarily know which organisation would benefit from exploring social investment? The BIG Lottery's Investing in Ideas seems an obvious starting point - I imagine lots of the ideas tested through that fund would be ripe for social investment (it's essentially the 'testing' phase of your arrow / model).
Kathryn Welch

Host seminars/workshops and invite grantees. Get content out to them via grant funder newsletters. Run challenges which will draw out grantees with the greatest appetite to develop social enterprise models.
Anonymous

Presumably through joint discussions, emails, consulting them and putting up joint funding bids e.g. I heard Esmée Fairbairn invested in 4 projects with an organisation on the basis of 100% return. Two projects failed and two succeeded so they got their money back.
William Clemmey, Warwickshire Association of Youth Clubs

Perhaps Access should seek to work with a network of funders not just to signpost organisations but to intentionally roll them onto Access programmes?
Jenny North, Impetus-PEF

Transitioning from grants to investment: grant funders have large networks of grantees, some of which may benefit from exploring social investment. How can Access and others best coordinate to help grant funders identify such organisations and signpost them to information and support? (cont.)

• By building relationships with grant funders, ensuring they understand social investment and its uses and setting up clear referral routes for grant funders to signpost relevant organisations e.g. those that are trading onto social investment.

• This requires being very clear about what social investment is for, what type of activities it can support, why it can be helpful, the different products available (including support) and how to access them.
Chris McBride, Social Investment Business

As grant funders ourselves, we would suggest the following approach:
• Identify organisations coming to the end of their grant funding and hold accessible and understandable information events, workshops etc. to help them to start thinking about transitioning to social investment

• Help grantees to determine what stage of investment readiness they are currently at and make referrals to social investment for those which are ready to take on debt and loans

• Support grantees to develop the skills, understanding and confidence needed to transition successfully from grant funding to social investment

• Facilitate learning / mentoring opportunities for investees prior to or after accessing social investment
School for Social Entrepreneurs

Access could build partnerships with the leading funders to achieve this objective and have a clear pitch for funders about what support is available and how it can help their grantees. Working through networks such as the Association of Charitable Foundations or the SIIG group could help to develop the process to achieve this objective. We need to better understand the user experience of navigating better forms of support and identify and address the points where this breaks down or creates unnecessary barriers.
Big Society Capital