

Perfecting Your Pitch

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By 2020 the global social finance market is expected to generate up to \$1 trillion in new impact investment capital

How do you get a share of this?

Workshop Objective

How do you walk away with the money?

- Give the social impact investor the necessary information to enable them to see the value of investing in you
 - What is necessary information?
 - The Past, The Present & The Future - with them on board
- Present that information pleasantly
 - This is in the **HOW** you present the information
 - This has a lot to do with the Founder as a person

The Flow: what we will discuss

- First, we learn how to convince a social impact investor
- We put what we've learnt to the test
 - You will work in a group to come up with a pitch and sell the idea to your colleagues and see whether they buy it
- Shared Learning – Key take aways – Prepare to Win, Go and Win

Pre-Pitch Requirements

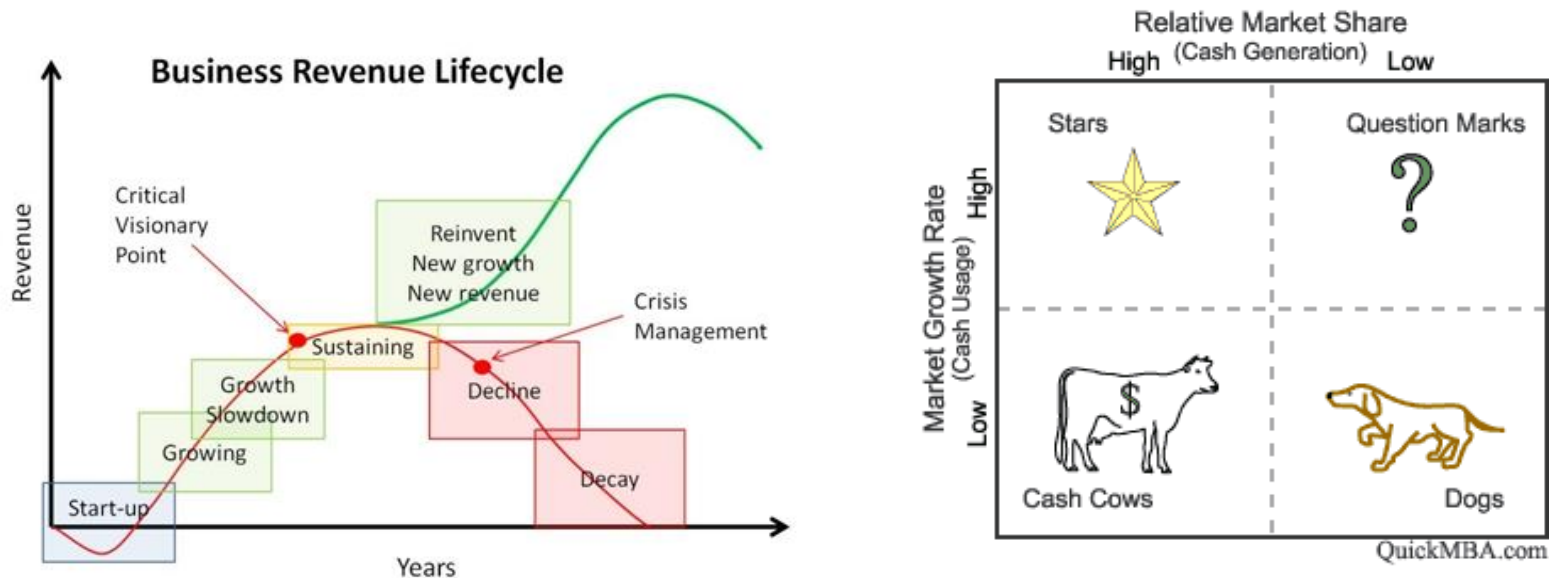
Identifying your Ideal Investor

- Are your visions aligned with the investor's interest?
 - Have you done your research?
- Are you clear on what type of investment you need? (debt, equity or grant)
- How actively do you need the investor to engage with your business?
 - Difference between active and passive engagement
- Is your house in order?
 - Financials, audit reports, legal contracts, current website & social media activity

Pre - Pitch Requirements

Identifying your Ideal Investor

At what stage of a business life cycle does your prospective investor come onboard?
(Pre-seed, Seed, or during Growth phase)



Sources of Financing for Social Enterprises

- Debt (Loans, Bonds & Debentures)
- Equity
- Grants
- Community Bonds/Funds

Sources of Financing: Pros & Cons

Finance Source	Pros	Cons
Debt	Retain control. Tax advantage. Easier planning.	Qualification requirements. Financial discipline required. Collateral required.
Equity	No interest payments. No personal liability. No monthly payments.	Giving up ownership/portion of future profits.
Grants	Generous sums. Easy to repeat success. Builds visibility and credibility.	Research & writing is time-consuming. Requires specific skills. Highly competitive with low success rate. Strings attached. Typically short term.
Community Bonds/Funds	See above.	See above.

Qualities of a Good Pitch

- **Time:** typically short, pace yourself & slides
- **Tell the story:** the investor is also interested to know what is in it for you as the proprietor
- **Risk profile** your business
- **Enthusiasm & Passion**
- **Presentation:** impressive slides, practice your pitch, professional attire
- **Anticipate the questions:** have the answers
- **Exit:** show them the options
- **Conclusion**

The Pitch: Convincing a Social Impact Investor

- Be clear
 - Products & Services
 - Unique Selling Proposition
 - Target audience
 - Distribution channels
- Future goals and visions for the business
 - Where do you want to take your business?
- How are your financials?
 - Annual Revenue
 - Profit margins
 - Audited financial statements
- Show accountability
 - Governance
 - Financial reporting
 - social impact reporting

The Pitch: Convincing a Social Impact Investor

- Have a clear ask
 - Be specific on how the funding will be utilized
 - Have a budget
- Are you able to compete on value?
 - Are you efficient? effective?
- The operational aspect of the business
 - Your team
 - Your internal processes
 - Potential for massive scale
- Explain possible risks & mitigating factors
 - Business Risk
 - Operational Risk
 - Financial Risk
- Exit options

The Pitch: Convincing a Social Impact Investor

- Industry Sector Focus
 - Are you growing the ecosystem?
- Localize products/services and internal processes
 - Is the community in which you work acknowledged through the product/service or internal process?
- Long term sustainability, wealth creation and distribution in the community
 - Are you Ploughing Back?

The Pitch: Convincing a Social Impact Investor

- Demonstrate positive social impact
 - How many lives are you benefiting
 - Job creation
 - Carbon emission saved
 - Directorship
 - Gender representation
 - Inclusion
 - Diversity
 - How else do you measure social impact?

What are the Outcomes of a Good Pitch?

- **Money !!** – Receiving the much needed funds
- **Linkages** with other financiers
- **Learning** – You'll get it next time
- **Good Publicity** for the business – free marketing

Concluding the Pitch: Leveraging on being a Social Impact Firm

- Clearly demonstrate to the investors that over and above financial success your business delivers positive social impact.
- Demonstrate how far a dollar goes in your business (community wealth creation, advanced education in the community)