

# **Banks & Social Enterprises**

## **Best Practices & Case Studies**

**Drew Tulchin**

**Social Enterprise Associates**

Social Enterprise Alliance – National Gathering

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# About You / Who's Here?

Turn to someone you don't know, share:

- **Your name**
- **Your organization**
- **Level of Soc. Ent. knowledge (scale 1-5)**
- **What motivated you to come today**
- **Something fun about your spring**

# About Us

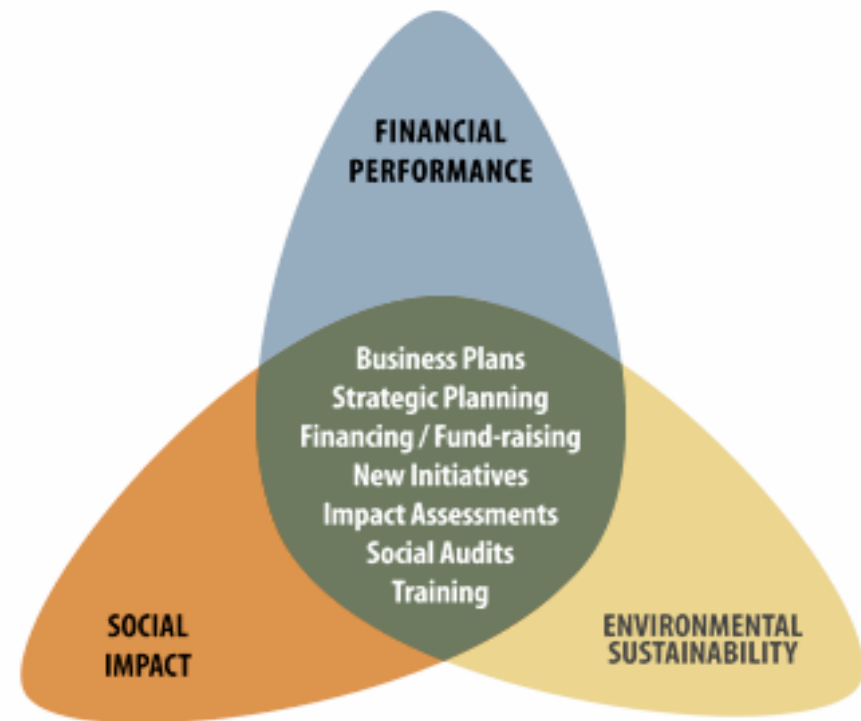
## Social Enterprise Associates

A network of consulting professionals making communities better applying business skills & sustainable practices.

[www.socialenterprise.net](http://www.socialenterprise.net)

### Drew Tulchin:

- Launched 5 businesses / 4 NGOs
- Written 50+ business & strategic plans
- Efforts raised \$100 mil. + (private, philanthropic, public \$\$\$)
- Biz plan winner Global Social Venture Comp; raised \$1.2 mil private equity



# Session Objectives

## Technical Learning

- Why banking is important for Social Enterprises
- Case studies from our panelists
- Ways to approach bankers
- Other ways to capitalize one's efforts

## And Also

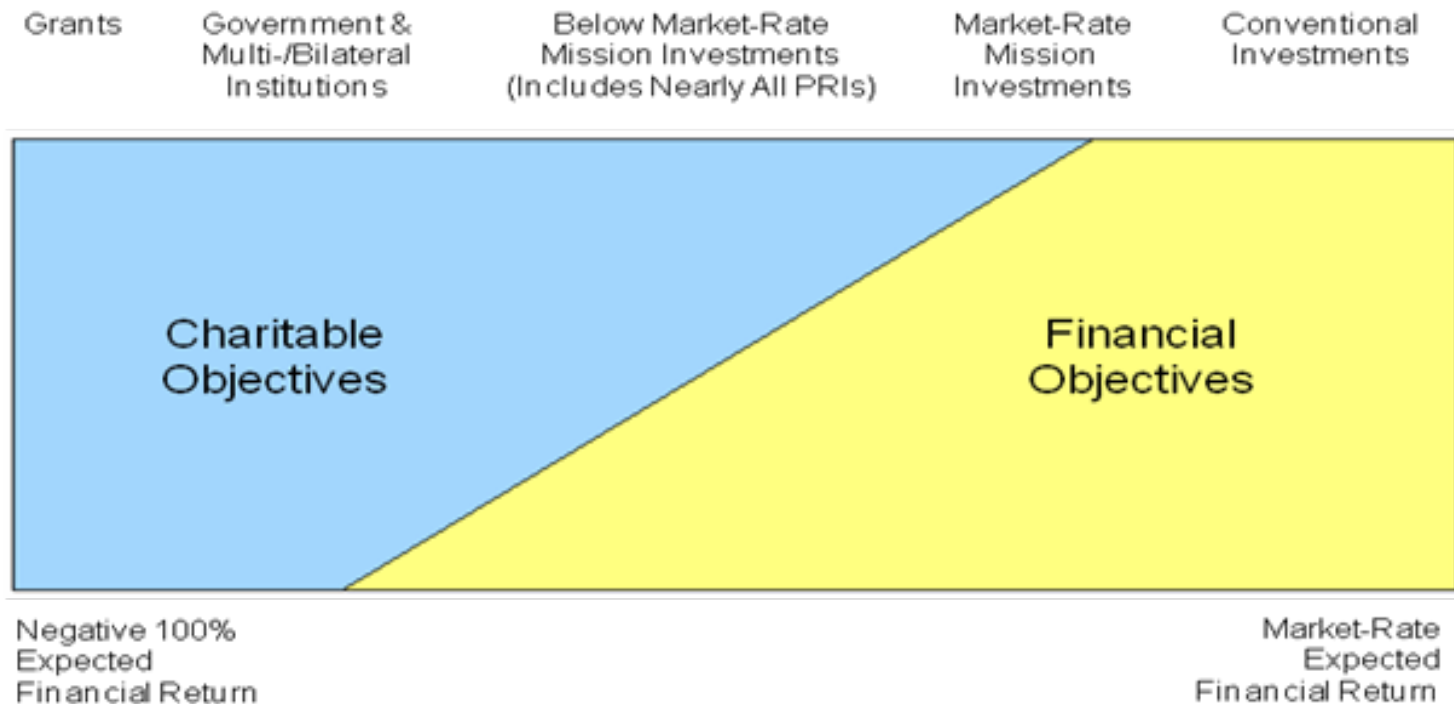
- Learn at least one thing new
- Network / learn from dialogue with peers
- Have fun

# Financing Your Social Enterprise

- What's your income mix now?
- What's your goal?
- Are you building wealth (assets)?
- Where's it going to come from?
- How much do you have now?
- Will it cannibalize existing \$?

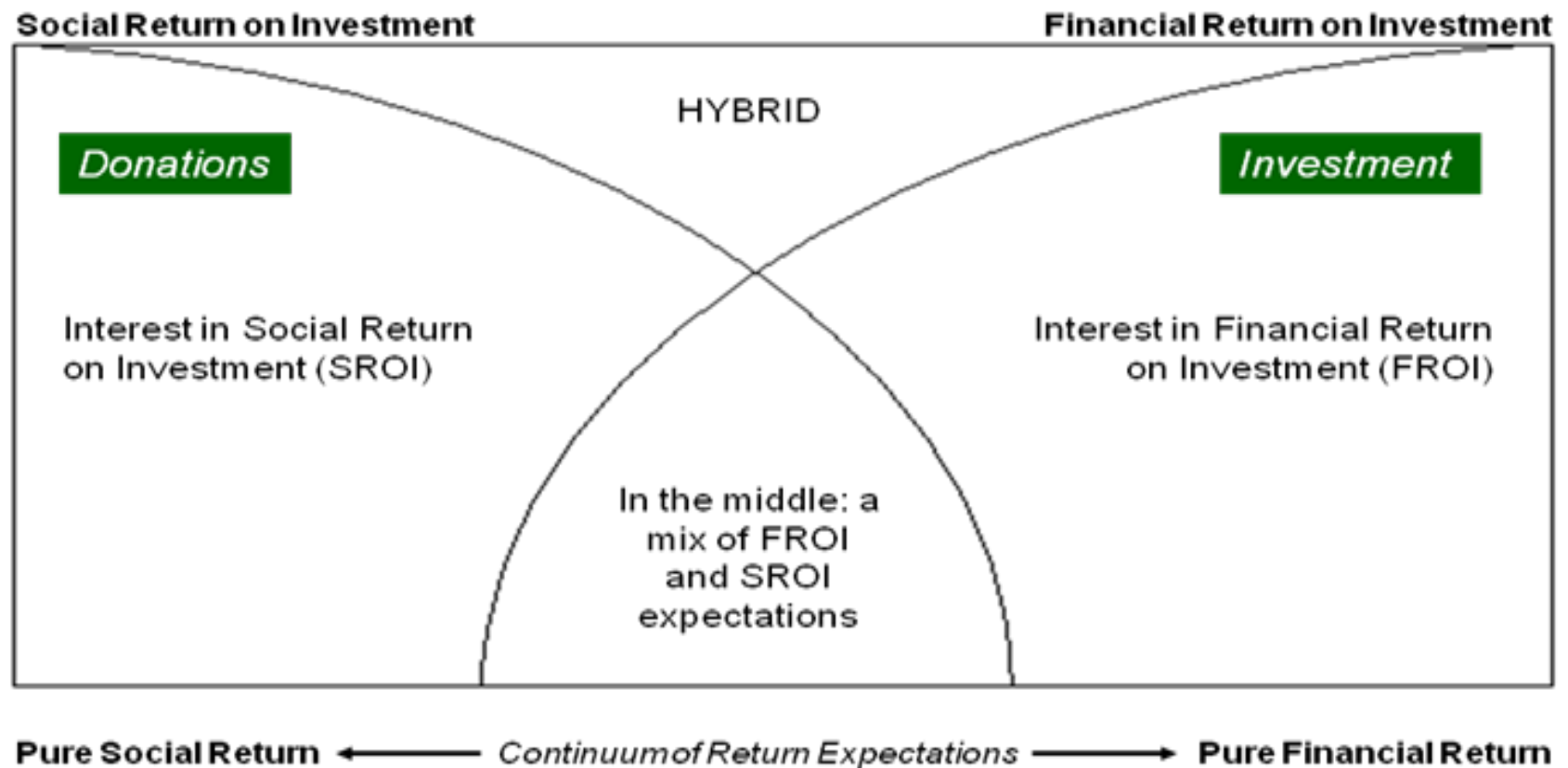
**WHAT TYPE OF MONEY ARE WE TALKING ABOUT?**

# Continuum of Return Expectations



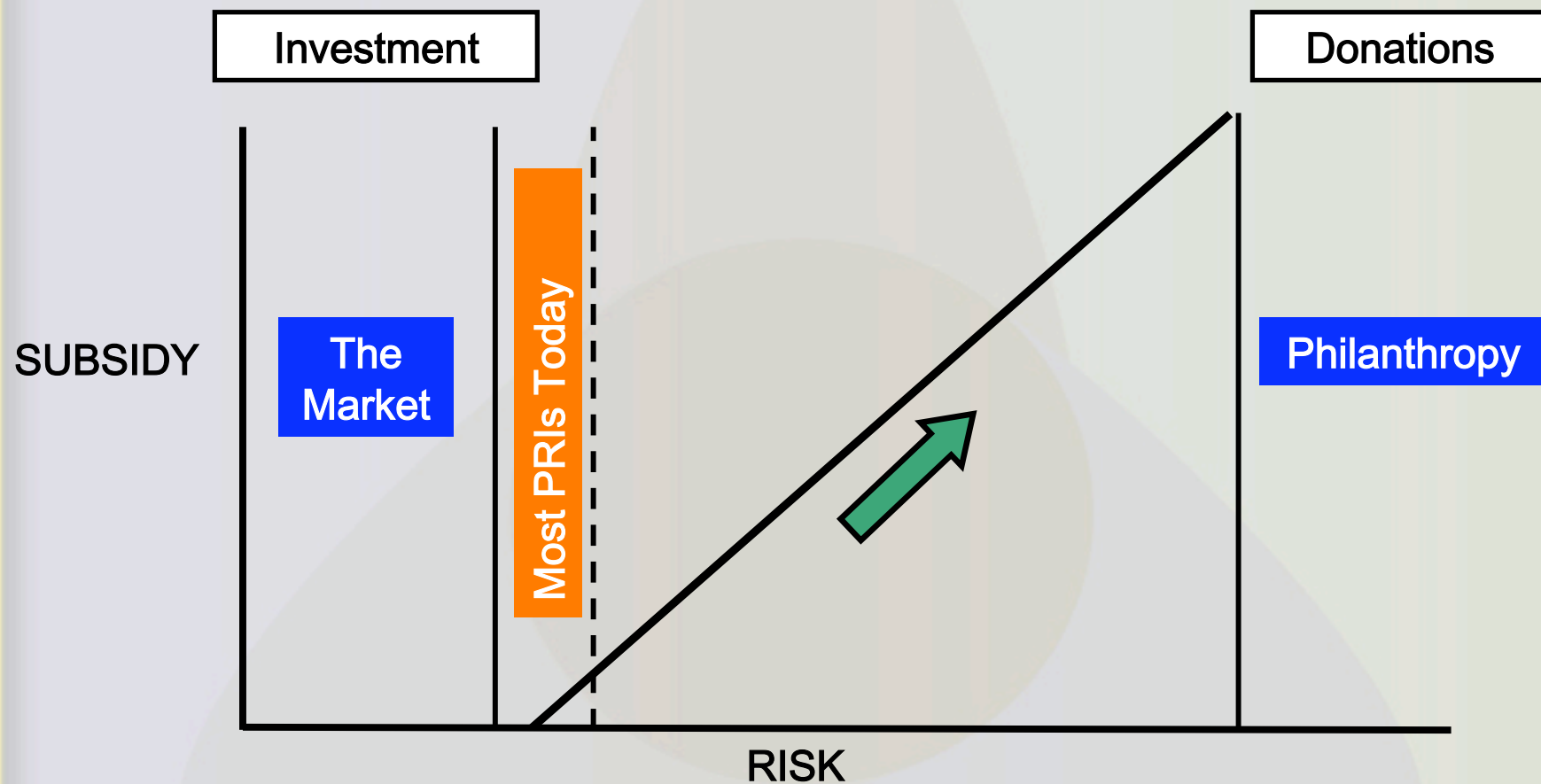
[www.fsg-impact.org/app/content/actions/item/182](http://www.fsg-impact.org/app/content/actions/item/182)

# Blended Value Proposition



*Morino Institute, Blended Value Proposition*

# Continuum of Investment Risk



**What is the optimal matching of risk & subsidy?**

Source: George Penick

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# Working with Banks

There are many ways bankers can help you with your social enterprise. Use them all.

Get to know them and have them get to know you. Gradual and build.

(Handout – 10 ways to work with a bank.)

# Learn About Banks

Learn about banks: how bankers speak (i.e. risk/return), how banks operate, what they want, and what they are looking for.

Understand how banking decisions are made (Handout – the 5 C's of Credit).

# Risk Oriented Banker Speak

Value Proposition

Profitability

Target Market

Cash Flow

Sales

Margins

Net Income

# **Some Favorite Resources**

**Community Wealth Ventures**

**Nesst**

**SEEDCO**

**REDF**

**William James Foundation**

**(Biz Plan Competition)**

**Social Enterprise Alliance**

**U.S. SBA**

**Also see our website, [www.socialenterprise.net](http://www.socialenterprise.net)**

# **Thank you!**

**Drew Tulchin**  
**Social Enterprise Associates**

[www.SocialEnterprise.NET](http://www.SocialEnterprise.NET)

[drew@SocialEnterprise.NET](mailto:drew@SocialEnterprise.NET)

202-256-2692

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