



SE4Ces

Impact Investment Readiness in Social Economy organizations and enterprises

Session goals

- 1. Validating** the self-assessment tool:
 - its adherence to the organizations' reality.
 - Its potential in informing decision making processes.
- 2. Analyzing** the educational “flip sides” of the tool. (i.e. analytic tool for students during internships and placements in organizations).

Let's define Impact Investment

Impact Investing consists of investing in businesses, organizations, and funds that operate with the goal of generating a measurable social impact that is compatible with an economic return.

Such investment is featured by:

- The investor's **intentionality** to generate **social impact**
- The expectation of an **economic return** that motivates the investor
- The **flexibility** of the expected rate of return, which may lie below the average market level or align with market returns
- The **variety of financial instruments** used and forms of intervention ranging from debt to pure equity
- The **measurability of impact**, which is essential to ensure transparency and accountability

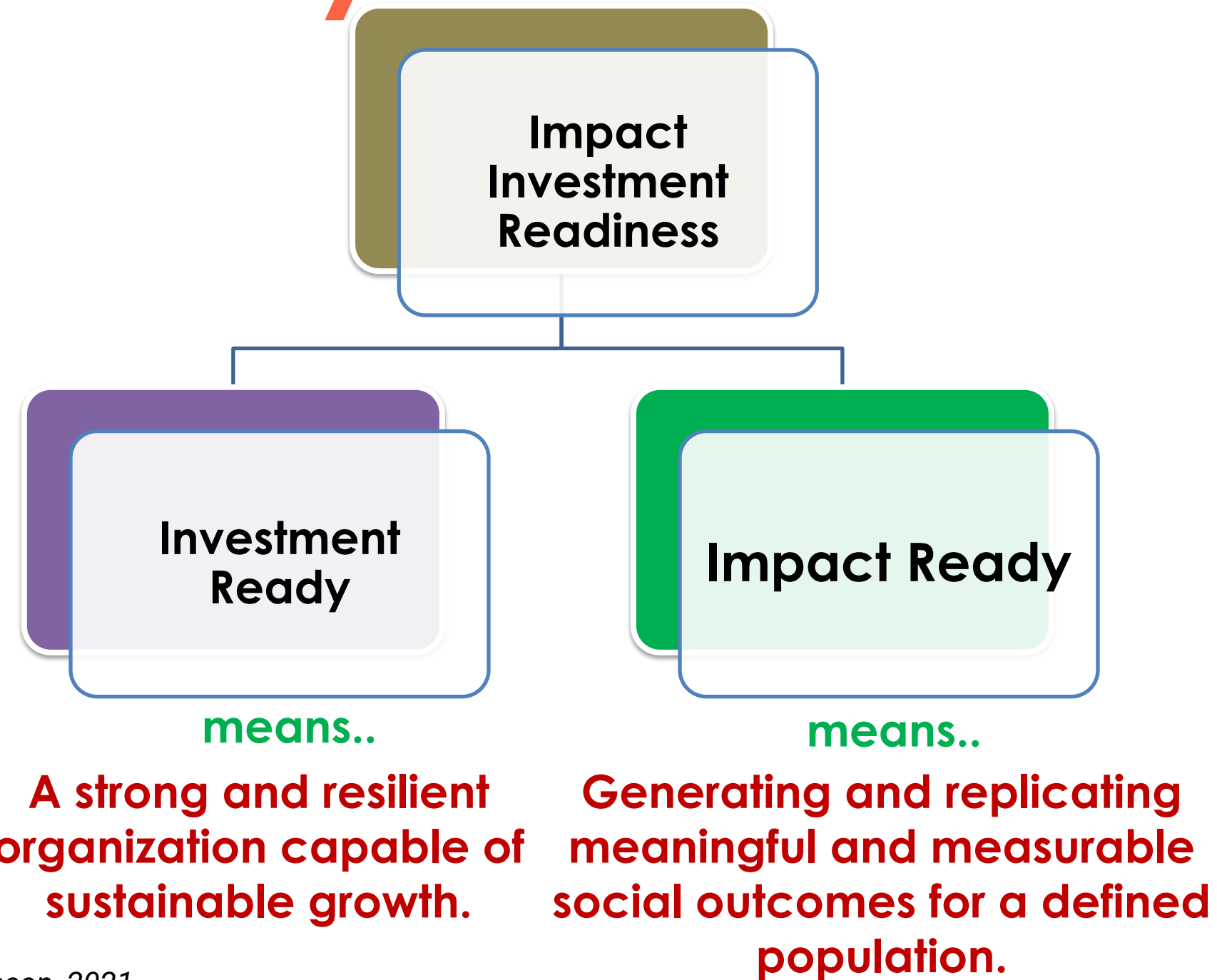
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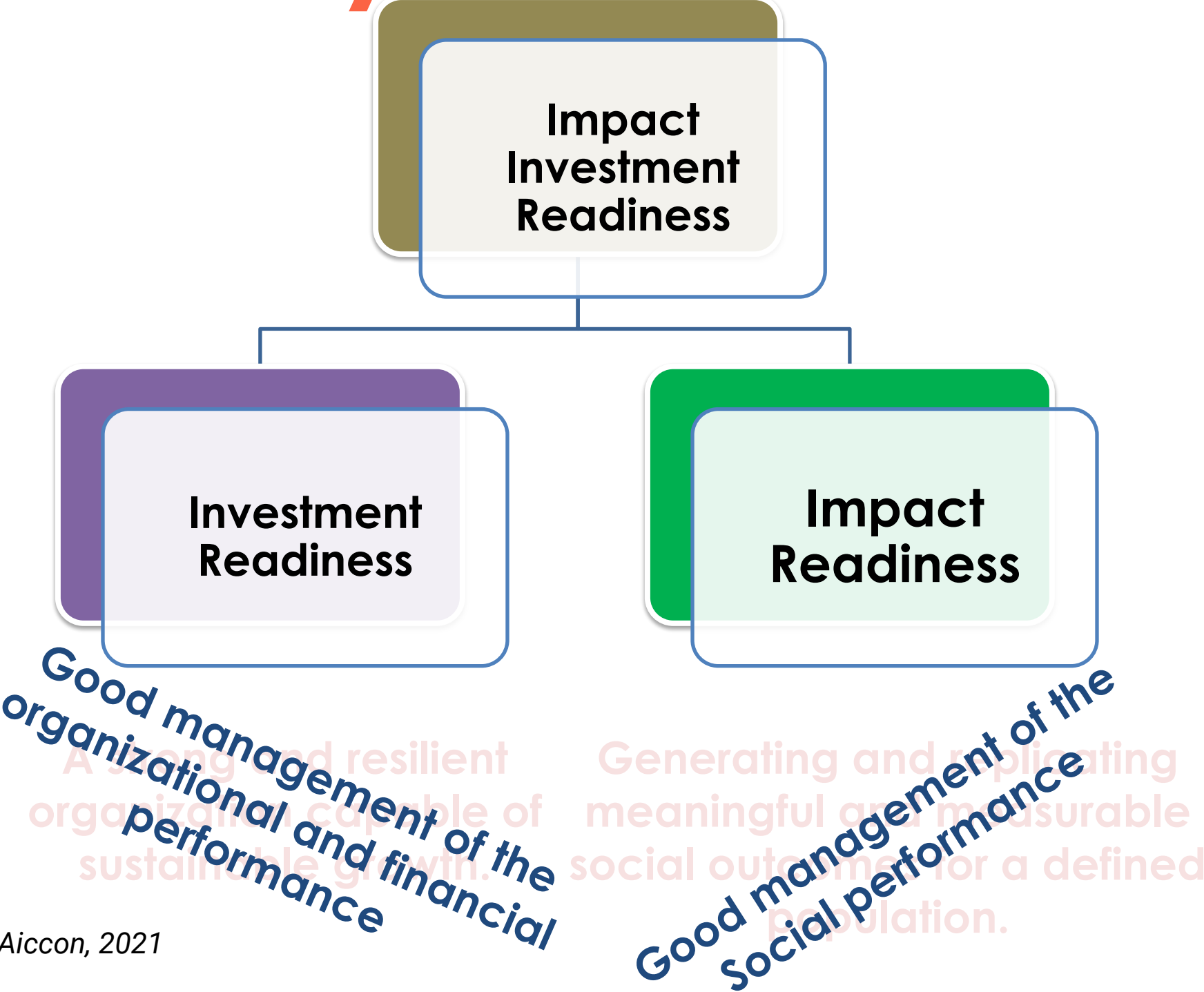
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What does it mean to be Impact Investment Ready?



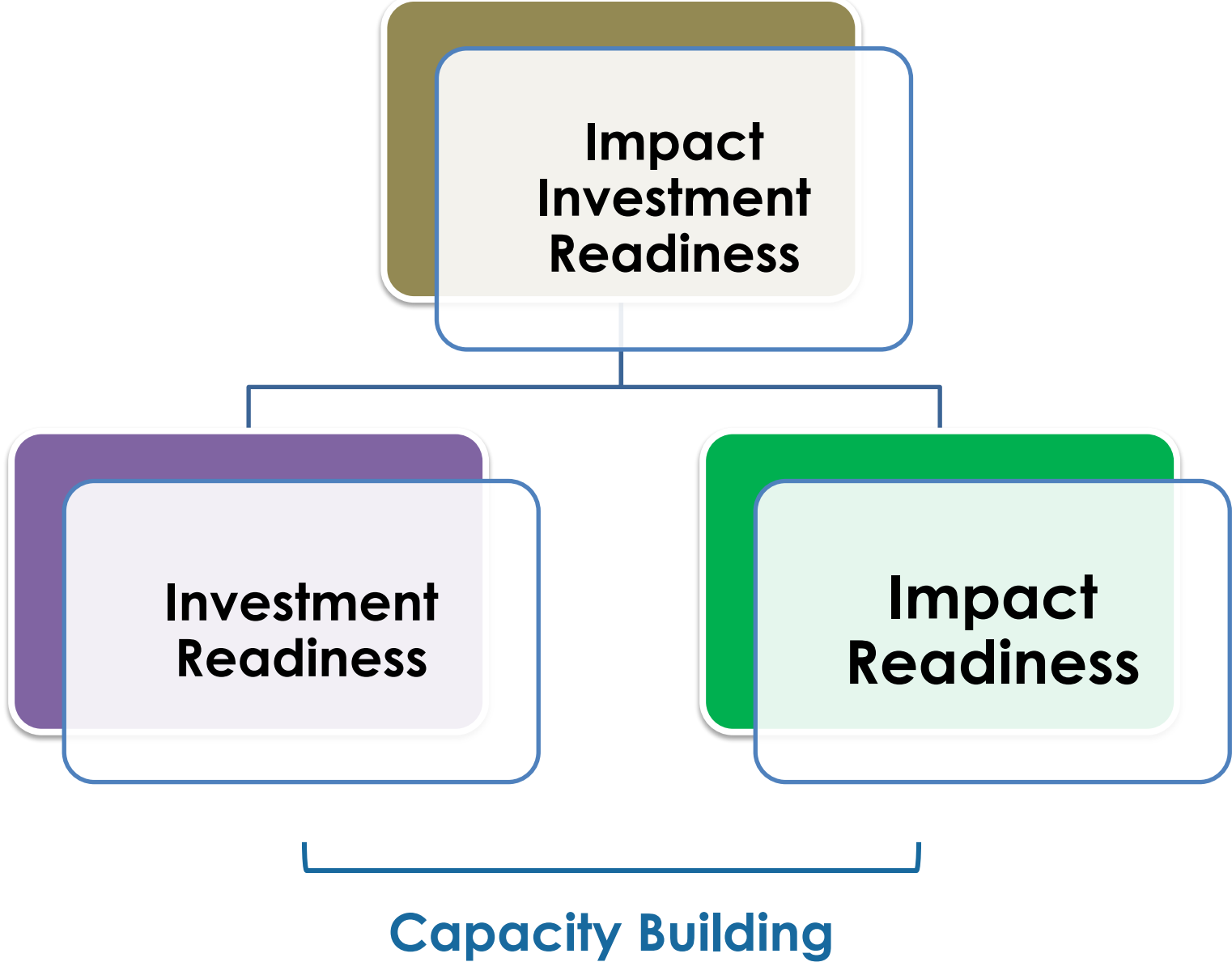
Source: Social Investment Readiness, Aiccon, 2021

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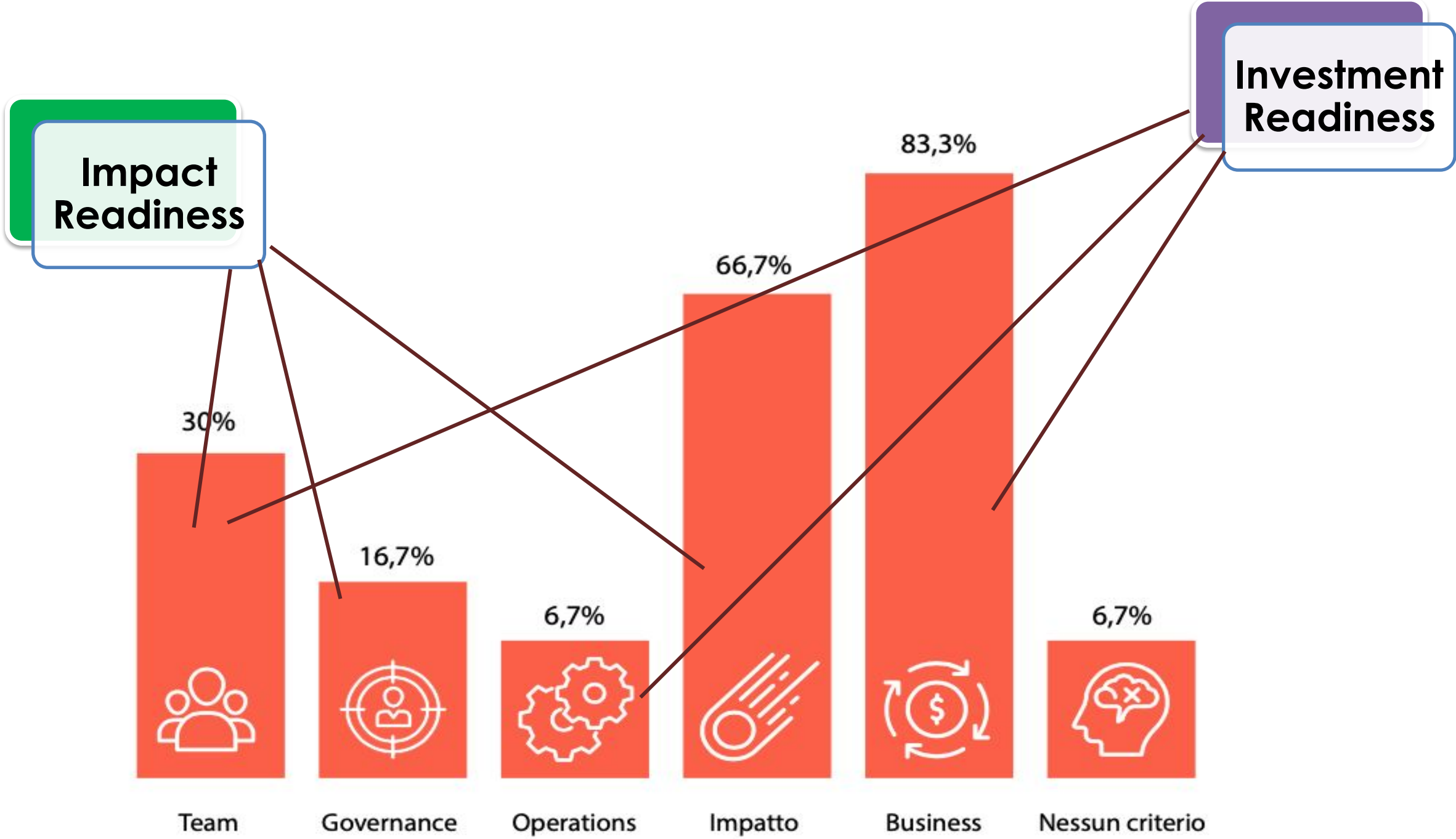
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Readiness as a Capability



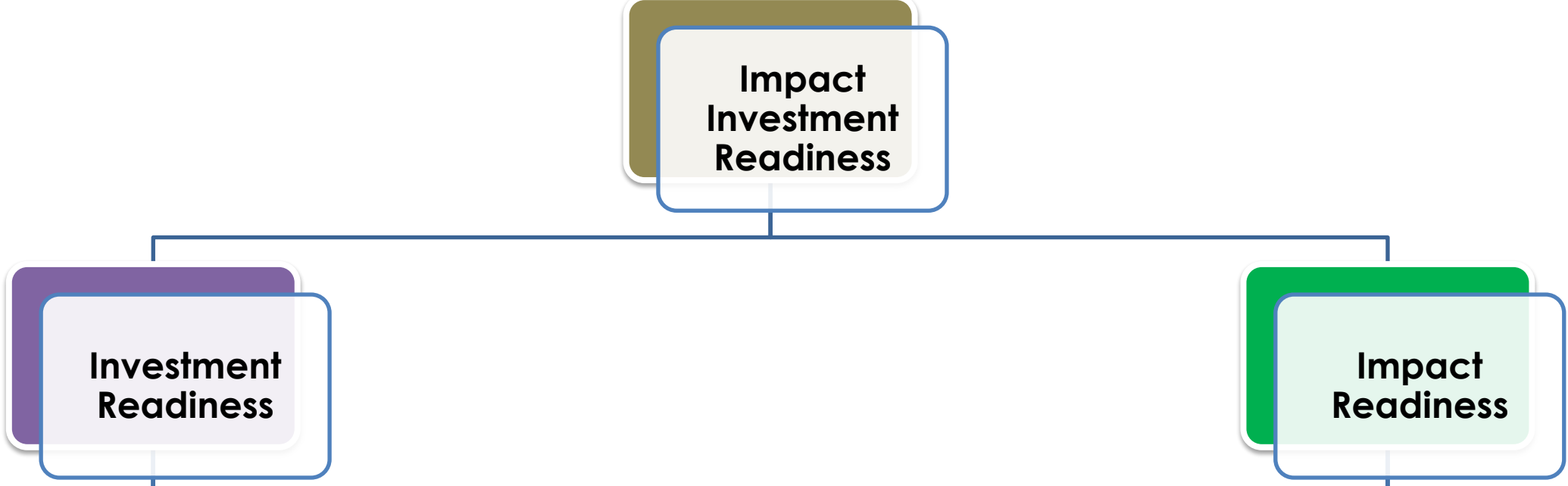
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Impact Investors screening criteria

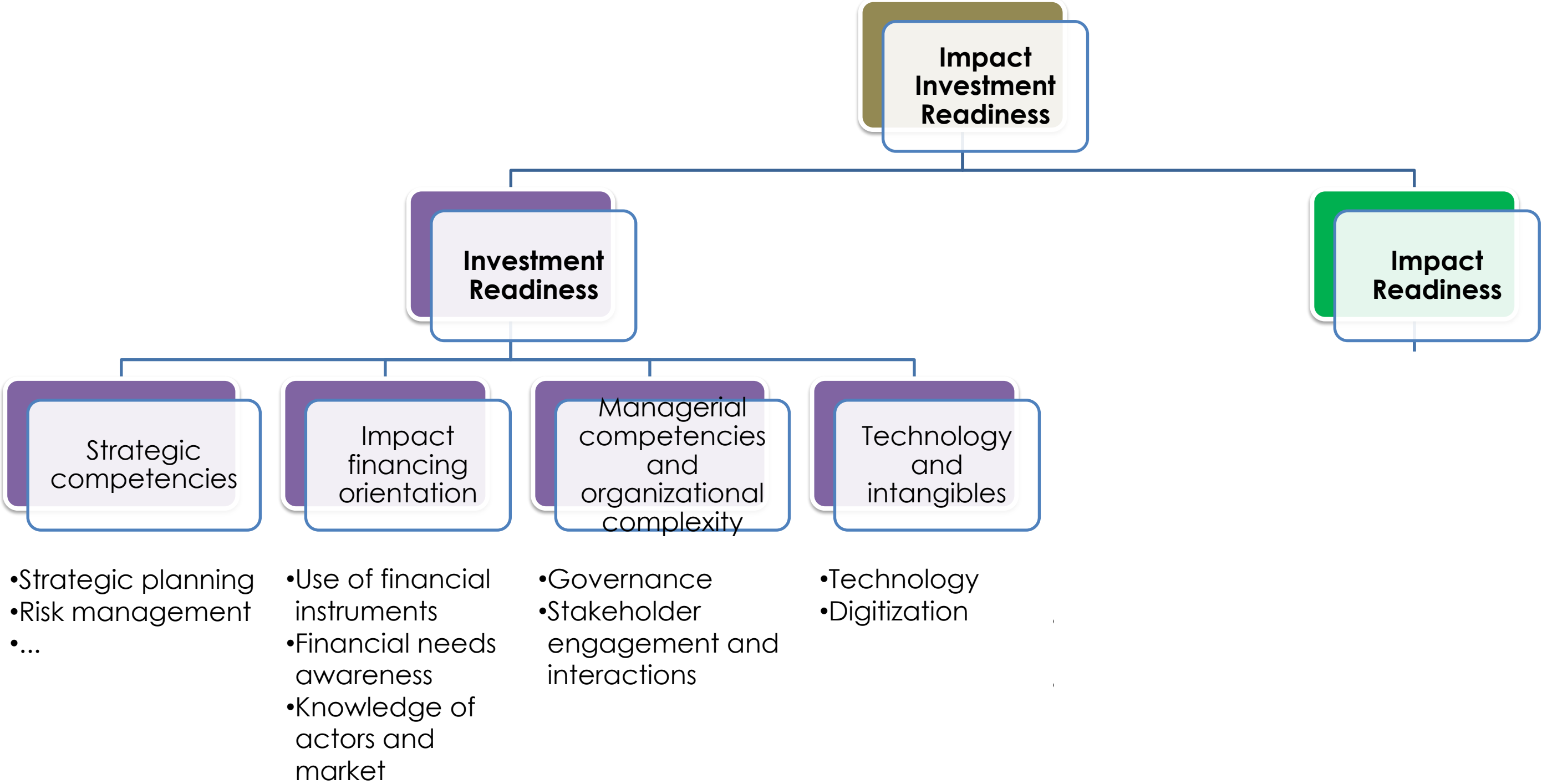


Source: Impact Outlook, Tiresia, 2019

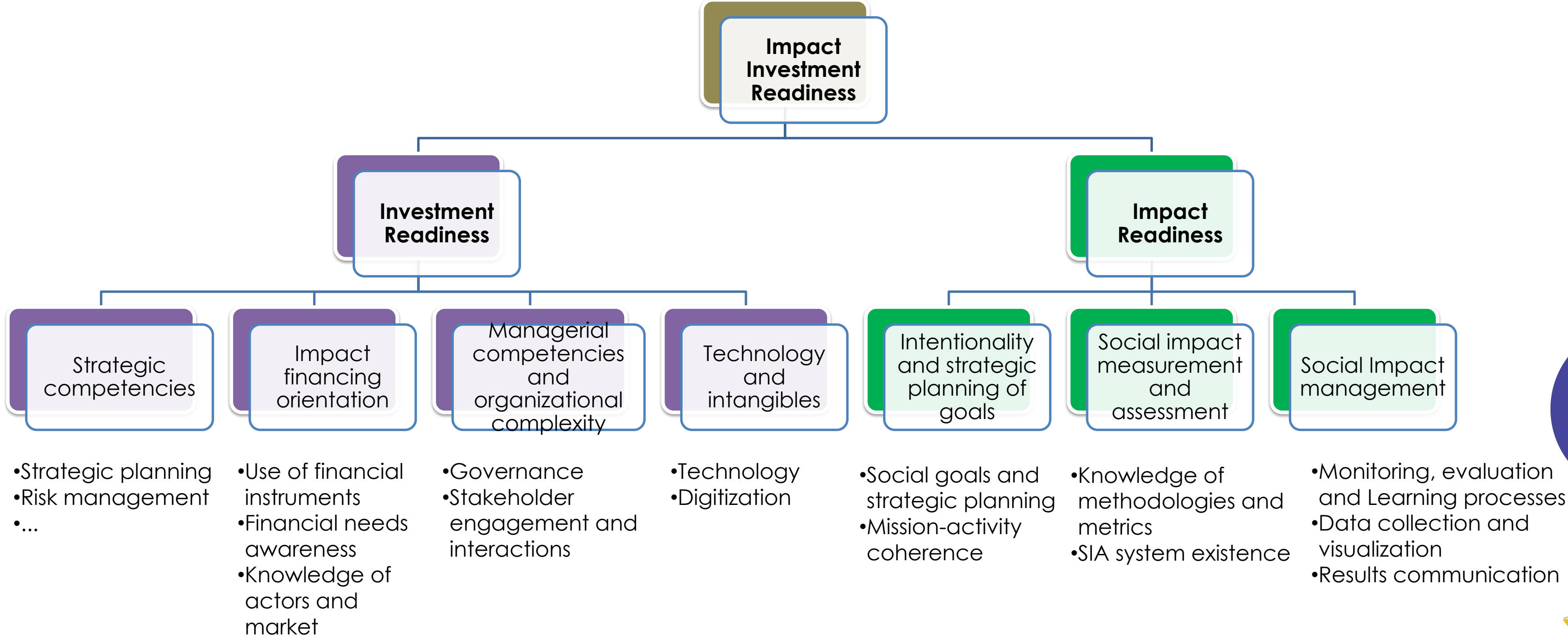
Readiness evaluation elements



Readiness evaluation elements

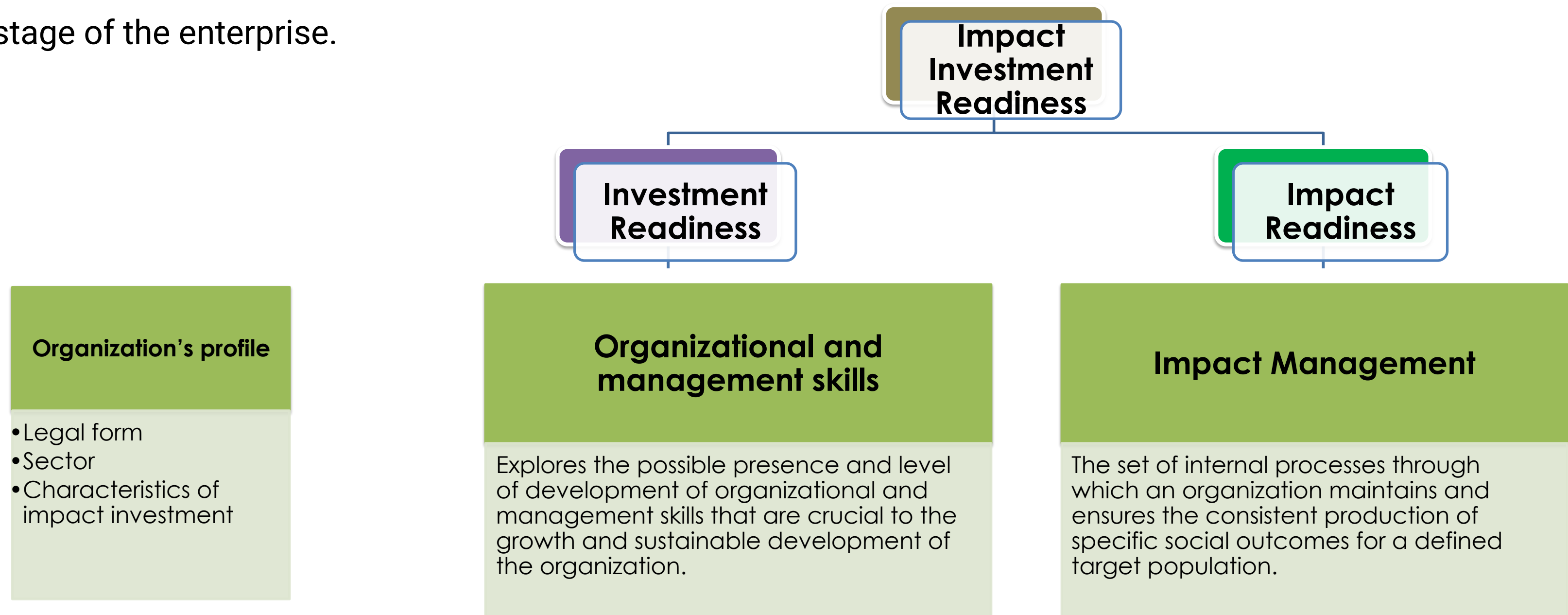


Readiness evaluation elements



The self-assessment tool

The check list proposes a **self-reflective path** for identifying **skills**, both those already existing in the organization, to be consolidated, and those not yet present, to be acquired. The **results** will enable the design of **customized capacity building paths** aiming to develop strategic capabilities according to the development stage of the enterprise.



Questions?

In groups

We will now split into small groups. You will **compare and discuss your answers** with the other components of your groups. Please focus on *similarities but also differences* among your opinions.

You will work in three steps:

1. **Evaluate the relevance** of each section of the tool, according to your experience.
2. For each section of the tool, **what are the most important elements** in your opinion?
3. Are there any **missing aspects**?

Please pick a spokesperson in your group to report the results of the activity in the plenary session.

Plenary session

- What's the **most important section/s** in your opinion?
- What were the parts with the **strongest disagreement**?
- Were there any **missing aspects**?

Final questions

1. Do you find this tool **effective** in order to:
 - **Allow** an holistic internal organization **assessment**? Also from an IIR perspective?
 - **Enable** organizations to **rethink** their processes?
2. Would it be useful, in your opinion, for students to **use it as a lens/an entry point to analyze** and understand better how a social-purpose-driven organization works?
How would you use this tool as an **educational tool**?
 - In class?
 - Linked to a case study analysis?
 - During an internship?
 -
3. Do you see any **other possible usage** of such a tool?

Organization's profile

1. Characteristics of the enterprise/organization
1.1. Name of the enterprise/organization
1.2. Legal form
1.3. Year of constitution
1.4. Geographical area
1.5. Reporting: social report, sustainability report, mission report, impact report.
2. Sector and phase of the enterprise/organization
2.1. In which sector does the organization operate?
2.2. What goods/services does the organization offer?
2.3. Who are the beneficiaries of your services?
2.4. What size is your organization (number of staff)?
2.5. How many are the beneficiaries of your services?
2.6. What stage of development is the organization currently in? (start-up, early stage, growth, later/maturity)?

Organizational and management skills

(I)

3. Strategic competencies	
3.1.	Level of innovation in the organization (NB: consider at most the past three years of activity)
	<ul style="list-style-type: none">▪ Realization of process innovations (which ones?)▪ Realization of product/service innovations (which ones?)▪ Realization of organizational innovations (which ones?)▪ Realization of marketing innovations (which ones?)
3.2.	Are there any branding, strategic marketing and business strategy activities?
	<ul style="list-style-type: none">▪ What kind of activities? (describe)
3.3.	Has the organization a scaling up strategy?
	<ul style="list-style-type: none">▪ With what time horizon?
3.4.	Does the organization carry out economic and financial planning?
	<ul style="list-style-type: none">▪ With what time horizon?▪ Does it cover ordinary activities or specific projects and initiatives?
3.5.	Are there procedures for measuring and estimating financial risk?
	<ul style="list-style-type: none">▪ If so, are there consequent risk management strategies?

Organizational and management skills

(III)

4. Impact financing orientation (Finance)	
4.1 Knowledge of the organization's financial needs	
4.1.1.	Does the organization use cash flow management financial instruments? (i.e., advance invoicing, traditional credit facilities, donations, etc.)
4.1.2.	Do you already use <i>financial instruments</i> for scaling your organization activity? (i.e. flexible financing instruments to support new initiatives)
	<ul style="list-style-type: none">▪ If yes, which ones?<ul style="list-style-type: none">○ traditional bank credit○ mutual credit○ impact investment (equity)○ impact financing○ others
4.2 Meeting financial needs	
4.2.1.	Meeting financial needs happens through
	<ul style="list-style-type: none">○ banks○ self-investment (revenues)○ public funding○ private investors (i.e. venture capital firms, business angels, corporate/bank foundations, etc...)
4.3 Knowledge/experience of impact investing	
4.3.1.	Which of the following impact finance instruments are you interested in using in the future?
	<ul style="list-style-type: none">○ FIXED-INCOME BONDS (i.e. Green Bonds to finance environmental projects)○ Social Bonds; bonds of socially oriented entities○ PRIVATE EQUITY (i.e. shares of social enterprises, at origination of or traded on specific platforms; shares of unlisted funds)○ REAL ASSETS (i.e. Integrated system of Social Housing funds in Italy; Solar panels, wind turbines, geothermal plants)○ PUBLIC EQUITY (i.e. Securities of established companies, listed on liquid markets; Shares of listed funds)○ HYBRID INSTRUMENTS (i.e. Convertible bonds; Social Bonds; Revenue Participation Agreements)

Organizational and management skills

(III)

5. Managerial competencies and organizational complexity	
5.1 Corporate organization and corporate governance (internal dimension)	
5.1.1.	What is the average age of board members?
5.1.2.	What is the percentage of women among the board members?
5.1.3.	What is the percentage of under 35 among the board members?
5.1.4.	Are there representatives of different categories of stakeholders among the board members? (i.e. members, volunteers, etc.)
5.1.5.	Are there legal persons in the board?
5.1.6.	Does the organization have professionals dedicated to human resource management (HR Manager)?
5.1.7.	Are there any other strategic roles?
5.2 Stakeholder engagement (external dimension)	
5.2.1.	Types of stakeholders and asset-holders
	<ul style="list-style-type: none">o Public actorso Social enterpriseso For-profit enterpriseso Hybrid enterprises (Benefit Corporations)o Associationso Corporate foundations (not banking foundations)o Banking foundationso Banks and other funding bodieso Networks and consortia
5.2.2.	Intensity of relational exchange with stakeholders:
	<ol style="list-style-type: none">1) Informing2) Consulting3) Co-designing (participation in defining the guidelines and objectives of the intervention)4) Co-producing (participation in realizing the activities previously projected)5) Co-managing (participation in taking strategic decisions)
5.2.3.	Are there formalized exchanges? If yes, which ones?
	<ul style="list-style-type: none">o Only informal exchangeso Membership in consortiao Network contractso Temporary business associationso Capital participationo Agreements

Organizational and management skills

(IV)

6. Technology and intangibles
6.1 Level of digitalization (Eurostat's digital intensity index)
<ul style="list-style-type: none">percentage of employees using connected computers or connected mobile devices
<ul style="list-style-type: none">employment ICT specialists (internal or external)
<ul style="list-style-type: none">download speed of internet connection
<ul style="list-style-type: none">presence of an organization's website
<ul style="list-style-type: none">the website offers services
<ul style="list-style-type: none">use of any social media
<ul style="list-style-type: none">buy medium-high cloud computing services
<ul style="list-style-type: none">Invoices sent, suitable for automated processing
<ul style="list-style-type: none">use of paid advertising services on the Internet
<ul style="list-style-type: none">e-commerce sales of at least 1% turnover
<ul style="list-style-type: none">web sales were more than 1% of the total turnover and B2C web sales more than 10% of the web sales
6.2 Level of technologization
<ul style="list-style-type: none">Open-source software and open data<ul style="list-style-type: none">Program whose source code is freely available to its users
<ul style="list-style-type: none">Digital platforms<ul style="list-style-type: none">Digital infrastructure that can connect different systems together and present them to users through simplified and integrated interfaces, usually a mobile app or website.
<ul style="list-style-type: none">Big data<ul style="list-style-type: none">Data that overcome the limitations of traditional database tools, the analysis of which relies on technologies aimed at extracting knowledge and value from them.
<ul style="list-style-type: none">Cloud computing<ul style="list-style-type: none">Technology that enables the use, via remote servers, of software and hardware resources (such as mass storage of data), the use of which is offered as a service by a provider, spec. on a subscription basis.
<ul style="list-style-type: none">Artificial Intelligence (AI)<ul style="list-style-type: none">Hardware and software systems equipped with capabilities typical of human beings, such as understanding, language processing, reasoning, planning, and capable of autonomously pursuing a defined purpose by making decisions.
<ul style="list-style-type: none">Blockchain<ul style="list-style-type: none">Blockchain exploits the characteristics of a computer network of nodes to manage and update a ledger containing data and information - for example, transactions - in an open, shared and distributed manner.
<ul style="list-style-type: none">Human enhancement technologies<ul style="list-style-type: none">Techniques that can be used not only to treat disease and disability, but also to enhance human capabilities and qualities.

Impact Management (I)

7. Intentionality and strategic planning of interventions
7.1. Social goals
7.1.1. The organization has clearly defined:
<ul style="list-style-type: none"> ▪ Impact vision ▪ Impact goal/goals ▪ Value proposition ▪ Business model
7.1.2. Have the goals and value proposition been communicated externally?
<ul style="list-style-type: none"> ▪ If yes, where?
7.2. Strategic planning
8.2.1. Is there any systematic planning of short-, medium-, and long-term social goals?
<ul style="list-style-type: none"> ▪ If yes, how often are they updated? (semi-annually, annually, triennially...) ▪ Which body does the planning and through which methods? ▪ How are they transmitted to other organizational bodies?
7.3. Target population definition
8.3.1. Has the organization clearly defined the specific needs of the target population of its activities?
8.3.2. Does it know their socio - anagraphic ^{anagraphic} characteristics and their context?
8.3.3. Is the analysis of the target population repeated over time?
8.3.4. What techniques are used to analyze the target population and monitor its needs?
7.4. Consistency between social goals and activities
8.4.1. Does the organization check for consistency between social objectives and activities? In what ways? (<u>i.e.</u> Theory of Change, logical framework, etc...).

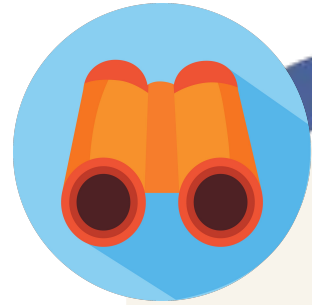
Impact Management (II)

8. Social impact measurement and assessment
8.1. Knowledge of measurement methodologies and metrics
8.1.1. Are you aware of the main existing methodologies and metrics in measuring activity outcomes (i.e., SROI, Theory of Change, etc...)?
8.2. Presence of Social Impact Assessment (SIA) systems
8.2.1. Does the organization measure the social impact?
<ul style="list-style-type: none">▪ If not, why (lack of resources to devote such as time and money, lack of expertise, ...)?▪ If yes,<ul style="list-style-type: none">○ Do you adopt a standard or tailor-made methodologies?○ Do you think the indicators used are able to capture the value generated by the organization?○ Are the data collected about information that can interpret:<ul style="list-style-type: none">● the results of activities in the short-term (outputs)● the results of activities in the medium-term (outcomes)● changes/transformation on the target community/territory in the long-term (impact)○ Is SIA applied to all activities or only to the most strategic/community/innovative ones?
8.3. External entities involvement
8.3.1. Have you asked for support from external entities (universities, study centers, consulting firms) to implement social impact assessment systems?
<ul style="list-style-type: none">▪ If yes,<ul style="list-style-type: none">○ only for initial training (dimension related to cultural empowerment)○ for guidance during the entire social impact assessment process (dimension related to the development of the process and the tool)○ for data analysis and reporting

Impact Management (III)

9. Social Impact Management (Management of performance and impact)	
9.1. Outcomes monitoring and evaluation systems (If the organization carries out Social Impact Assessment)	
9.1.1. At what stage of development is the SIA practice, please specify:	
	<ul style="list-style-type: none">○ Planning phase○ Testing phase (SIA is in progress)○ Establishment phase (SIA has been implemented)○ Permanently acquired (SIA is an organizational practice)
9.1.2. Is there an internal function dedicated to evaluation (reporting/impact evaluation)? Which one?	
9.2. Knowledge and management of data collection and visualization software	
9.2.1. Does the organization adopt a system of continuous acquisition/collection and management of data related to its activities (<u>i.e.</u> through dedicated software - Database Management System)?	
	<ul style="list-style-type: none">▪ If yes, is there a person dedicated to this function?
9.2.2. Does the organization adopt data visualization systems?	
	<ul style="list-style-type: none">▪ If yes, for what purpose: for internal updating and learning, for accountability?
9.3. Results communication	
9.3.1. Do you have a strategy for planning results communication?	
	<ul style="list-style-type: none">▪ If yes, is it diversified according to the different categories of stakeholders? In what way?
9.4. Strategic project/program management (feedback)	
9.4.1. Do you use the results obtained from the SIA to replan your activities?	
	<ul style="list-style-type: none">▪ If yes, do you think they are functional for impact management and thus for redirecting your activities towards generating more social impacts?

project objectives



1

Provide an overview of the current **Social Economy education landscape** and analyse the needs in training and skills in SE organisations



2

Pilot **Social Economy Living Labs** in 4 EU countries – spaces for interaction, collaboration and knowledge co-creation connecting HEIs, students, organisations and communities



3

Bridge the gap in supply and demand of SE education and skills by building up an **International Masters programme on Social Economy** and Community Development Strategies.

partners



HIGHER EDUCATION INSTITUTIONS

Aristotle University of Thessaloniki (GR)
Autonomous University of Barcelona (ES)
University of Bristol (UK)
University of Bologna (IT)



SOCIAL ECONOMY ORGANISATIONS

Cooperatives Europe (BE)
A.I.C.CO.N (IT)
FEBEA (BE)



RESEARCH & TRAINING INSTITUTIONS

Stimmuli for Social Change (GR)
AN.KA SA (GR)

Let's define Impact Investing

Joining Social Economy Forces towards Community development, Connected societies, Co-creation of knowledge and Collaborative education practices.

“SE4Ces” is a Knowledge Alliance seeking to create an enabling environment for the Social Economy to thrive by promoting closer partnerships between Higher Education Institutions active in Social Economy, Social Economy organisations and enterprises, as well as community stakeholders. The project is co-financed by the European Commission under Erasmus +.



about social economy

SOCIAL ECONOMY

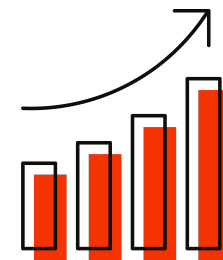
Social Economy aims to make profits for people other than company investors or owners.

As Europe's engine for social innovation, social economy includes cooperatives, mutual societies, non-profit associations, foundations and social enterprises.

UNTAPPED POTENTIAL OF SOCIAL ECONOMY



A WORKFORCE OF
19 MILLION



**HIGH RETURNS IN
ECONOMIC AND
SOCIAL SPHERE**



**STABLE EMPLOYMENT &
SOCIAL INCLUSION**

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