



Toolbox of match-making formats for area home care innovation

D-Care Labs project

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Introduction

D-Care Labs as a transnational structure **aims to create the ecosystems of social investment within our partnership thus improving the access of lab providers and innovators to financial resources and business partners in order to ensure the sustainability of home care innovation structures, services and products.**

There are two levels:

- Each regional lab establishes an ecosystem of social investors (e.g. private investors, banks, foundations, public financiers, refinancing insurances) and potential business partners;
- On the macro-regional level, match-making formats for social investors/business partners and innovators are developed as well as working relationships to transnational operating stakeholders are initiated.

This document is to showcase all the different possibilities for match-making formats between social investors and innovators. It is created as a result of the knowledge and expertise gathered in project partnership and expertise from external supporters.

Following the development and presentation of the Toolbox, formats will be tested - matching social entrepreneurs/ intrapreneurs and social investors (special support will be provided to women) like foundations, banks, impact investment funds and other social finance providers distinguished from mainstream financial investors by their aim of achieving social and/or environmental impact.

The match-making formats are developed with the purpose of facilitating home care innovation structures, services and products.

Authors acknowledge that formats can be tested and/or used as transregional, national, regional or local matching meetings and the document will not address specific levels in those terms. This document will focus on creative applicative support to regional Labs to test and evaluate formats of match-making the social entrepreneurs with the high potential for care innovations involved in the D-Care Labs and the investors who are benefiting from the opportunity to select the most suitable initiative to be their investment option.

A report template to present the results of 9 tested matchmaking formats is an annex to this document.

The content of the document is aligned with the Guidelines for establishing and maintaining communication with key social investment stakeholders elaborating on different investment options and giving practical advice for approaching all types of investors: micro-financing for prototyping, medium-scale financing for implementation of innovations, and macro-financing for acceleration.

ACT Group has a role as an initiator, SI core group coordinator and organisation responsible for building knowledge and motivation for the creation of the project ecosystem of social investment stakeholders and supporters. ACT Group cooperates with various experts - practitioners and academics.

D-Care Lab project partners are responsible for actively contributing to the process of collecting practices and experiences from their regions/countries, as a part of document creation as well as for delivering the reports after the testing of selected formats. Each partner is obliged to test at least one format and report on the developments/results.



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Social innovation events



Social innovation day (or night) is an opportunity to **present innovative ideas in a controlled environment** – as an organizer, you can select and motivate your target group and your invitees, and in advance, prepare your presenters accordingly. You can adjust this match-making event to achieve the best possible results according to the specific needs and potentials. It requires extensive preparation work with investors and other stakeholders, presenters and, of course, the logistic part of the event organizers.

This type of event serves to showcase how attractive innovation is in the field of home care and community-based services.

Attractiveness is the element we want to emphasise for a wider group of social investors but also for the media and the wider public. Since the audience would be a heterogeneous group of people with many different roles, they can take in supporting innovation, it is recommended to build the messages in a comprehensive yet very clear and user-friendly manner. It is all about quality preparation at all stages.

Ideas presented can be followed by a discussion on the impact of the innovative products and accelerate some more processes such as policy, partnership building and similar.

Success in business and fundraising is also about visibility and getting noticed by the right investors, whom you know, and who know you. Attending events is also a great way to achieve this. Attend industry events and network. Social innovation gatherings are popping up everywhere. Try to find out who is attending the event ahead of time and schedule meetings to be productive. This can be pitch nights for presenting your own opportunity and meeting active investors who are there and engaging in impact investing. Consider attending other events where your investors are likely to be. Think outside of the box, i.e. sports events, charity fundraisers, film festivals and trade shows. Research what's happening around your area and attend any local events.

There is no better way to get to know this sector than by surrounding yourself with the actual change agents themselves.

Social innovation events



Suitable for: Lab presentation, outreach, promotion, donor/investors community building, fundraising; Lab products presenting, investors pitch



Tips: Make your message clear.

For a customer to buy from you, or a donor to support you, they need to understand your initiative.

Make sure that you **articulate clearly** what your **value proposition** is, what your **goals** are, and why you want to achieve those goals. When talking through your business model, don't try to explain every detail. **Focus on the critical elements** and leave out details. Why is your business model different? What makes it stand out? Why is it going to succeed where others didn't?

Demo day



Demo day can be one time or series of open events **showcasing newly developed services and products** in front of social investors and the general public.

Demo day is a common phrase for those in the start-up or venture capital industry. When the invitations are sent to potential investors, they would know what to expect.

It's an event **organised by an incubator, accelerator, or fund**, whereby the founders of organisations, and innovative products, pitch their businesses to a room full of investors, in the hope of securing investment for the next phase.

It is **more business (investors) oriented** in comparison to social innovation events but somehow follows the logic of securing support by presenting the ideas to a wider group of investors and stakeholders.

It is recommended to use different tools to present new services as realistic as possible, experiment with how already built prototypes can be improved and presented publicly, if there are innovation teams/lab products ready to be tested by social investors, etc.

The topic of the demo day is a **celebration of the results achieved**; preparation work should be focused on how to communicate that message properly.

Demo day



Suitable for: Very good instrument for lab presentation as well as for innovation teams Lab fundraising; Lab products and services testing/prototyping, Lab products investment



Tips: Promote your product/service by displaying your views prominently and with the intent of catching attention. Involve users. It is important to plan what value you expect to have created and work from there.

You could start by getting the people to whom you are delivering products or services involved.

Start planning with (some of) your Lab participants and co-create the event where they can celebrate what you created altogether thus attracting more support. This will also help you gain a proper understanding of the value of what you are doing to improve what you do. Sales and marketing aren't dirty words. Money simply provides more ways to create more change. So make sure know what your USP is. Acting, speaking and performing like a business will help cultivate 'win-win' collaborations and also ensure you remain autonomous and not dependent only on donor funds.

Creating your own funding facility



Funding facility creation presents a wider social innovation support approach of the founding organisation focused on both creating and supporting the impact during every stage of the product design, delivery and scaling.

The main idea is creating/supporting the innovation ecosystem.

Acting as a funding facility in addition to the creation and support program in the form of a Lab structure **makes an impact on the ecosystem of social services and social entrepreneurship on a regional level.**

Start your own funding engine by creating the strategy for funding. Strategy development summarises the context research and characteristics of intended beneficiaries that should be used as a basis for strategy development. The focus of the strategy is on details of the intended instrument to be used for funding these nascent social innovations as well as the high-level operational model of the organisation (i.e. foundation), along with sustainability considerations and key risks.

Preparation work includes undertaking an internal and external context analysis in order to ultimately assess the SWOT of the organisation with respect to impact investing. The basis of this work can be desktop research, in-person meetings and context-setting workshops with key actors. The context analysis process gives a solid basis on which to build the impact investing strategy.

Funding strategy comprises analysing the demand and supply side of the future funding chain. By matching the needs and the potentially available capital, it is possible to create funding instruments to be a part of the facility to boost innovation. Setting the goals, and instruments, meeting legal requirements, and setting roles and responsibilities in this process leads us to the flexible facility for financing the innovation and changing the landscape of the sector in long term.

The next step is the reality check on the supply side – fundraising for developed instruments and funding the innovative endeavours.

A shortcut in this process would be to build partnerships with already existing and operational foundations and co-create specific mechanisms for innovators in the Lab process.

Creating your own funding facility



Suitable for: Lab products, lab financial sustainability



Tips: This is a **time and resources consuming process with the potential of creating a long-term impact on the community and on stakeholders.** With proven positive effects on the communities and social service sector, it can create an impact on the widest groups of stakeholders, policymakers included. Additionally, **this kind of format is especially suitable to involve and motivate traditional finance providers to enter into innovative financing** as well.

Risks are to be approached carefully, **don't keep the process to yourself** but have a group meeting and try to assess all aspects before stepping into this activity.

Human resources are a topic of interest here. Having the right people included in the process while carefully selecting a specific person to lead the facility. This is a profile not so easy to find in local communities so try searching for knowledge and expertise early in the process.

Create a cushion. Building cash reserves is not always easy, but it is critical to your facility's sustainability. Having extra cash can help with an unexpected delay in receiving funds, a shortfall in revenue for a special event, or unbudgeted expenses. Budgeting for a surplus will allow you to support future innovations and invest in your staff.

Use the materials and knowledge developed within the D-Care Labs project. During Workshops in Zagreb and online, in the Guidelines developed there is a lot of substantial information about financial instruments to help you make a perfect match.

Digital presence, promotional events and online campaigns



Take digital seriously.

In order for people to invest or purchase from you, they must be able to find you online. Rather than relying on cold outreach, boosting SEO and reaching potential customers or investors through the web will encourage them to contact you rather than the other way around. To increase your chances of being on their list, make sure you position yourself to be top of mind.

Social media can be your best friend to test the market, gain attraction from customers and attract potential investors. It makes it easy to be discovered and is still one of the most cost-effective methods of reaching others. You can take an inbound approach with your own posts and updates or take a more active approach with collaborations and leveraging sponsored posts or influencers.

Successful online presence requires the development of some video content created by using storytelling – presenting problems by protagonists and afterwards demonstrating the solution offered.



Suitable for: Lab promotion and presentation, and lab products testing, outreach.



Tips: Direct messaging can be powerful too. If you can get the social profile of well-fitting investors, it might only take one great message to connect with the capital your funding needs. **LinkedIn** can be used for messages or to seek quality introductions to pass the social proof, **Facebook** for meaningful relationships after meeting with an investor once or twice and **Twitter** for thoughtful conversations and engagement with relevant information shared by the investor.



Also, finding Investors through blogging

One way to connect and find investors that fit your company profile is through **engaging in conversation via a blog**. Whether it be your own professional blog, detailing the thought process through each round of fundraising and telling the up-to-date story of your company, or targeting appropriate investors' blogs, instigating a discussion might get you noticed, or even better, a response. Blogging is one of the most underestimated methods of attracting attention, telling your story, and remaining visible through each series of fundraising. The capacity for blogging to remain a valuable tool for finding investors is apparent, but you should consider how to interact with potential investors.

Even without a website or blog of your own yet, you can publish your content and relevant topics. Another good option is to go to the blogs of the investors you are looking to target. They all read their comments and often engage with responses. Leave a thoughtful comment to get noticed and start building the relationship from there.



Don't skip: Emailing Investors

A classic and practical tool for finding capital is through effective **emailing**. **Well-designed email templates** can speed up the process of seeking investors. Like with any method of reaching out, being mindful and personal can help individuals form a more authentic connection with an investor. So, while well-designed email templates are a time-savvy and energy-saving tool, **personalised emails** could improve your chances of connecting with investors. **Double and triple-check** that you've presented a clean, professional piece of writing, with pristine spelling and grammar, well-structured and reads well.

Crowdfunding campaigns



Crowdfunding is a way of raising capital in small amounts from the public to fund either a business, a project, or a campaign.

Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together.

In recent years, some crowdfunding platforms such as Patreon have extended the reach of crowdfunding to offer a way for creative people—artists, writers, musicians, or podcasters to sustain their creative work by receiving a steady source of income.

There are virtually countless online fundraising platforms. They have become highly popular with sophisticated and accredited individual investors, business angels and even banks and funds looking for new ways to deploy their capital. The major platforms run from **peer-to-peer lending sites** which offer business loans to **donation-based, debt and equity crowdfunding portals**. Even if you don't use online platforms to raise all the money you want, they can be powerful for getting noticed. The **key is finding the right match in a platform for your venture and needs**, as well as being realistic about what it will take to make a campaign work.

The **EU market for crowdfunding is underdeveloped** compared with other major world economies. For many years, one of the biggest hurdles faced by crowdfunding platforms seeking to offer their services across borders has been the lack of common rules and diverging licensing requirements across the EU.

The Regulation on European Crowdfunding Service Providers (ECSP) for business entered into force on 10 November 2021, applying directly across the EU. The regulation lays down uniform rules across the EU for the provision of investment-based and lending-based crowdfunding services related to business financing. It allows platforms to apply for an EU passport based on a single set of rules, which makes it easier for them to offer their services across the EU with a single authorisation.

Crowdfunding campaigns

The advantage of crowdfunding for a start-up company or individual is its ability to provide access to a larger and more diverse group of investors/supporters. With the omnipresence of social media, crowdfunding platforms are an incredible way for businesses and individuals to grow their audience and receive the funding they need. If you convince people via crowdfunding or organizations that offer social enterprise grants or social enterprise-focused pitch competitions about the worth of your project, you can secure the funds you need to operate successfully -- without giving away a stake in your social enterprise.

These financial backers will not look for anything in return, just a belief that your social enterprise can deliver on its promise to create positive change in the world.

Potential **disadvantages of crowdfunding** include the possible damage to your company's reputation caused by "resorting" to crowdfunding, the fees associated with the crowdfunding site, and, at least on some platforms, if you don't reach your funding goal, any finance that has been pledged will be returned to your investors, and you will receive nothing.



Suitable for: launching and market testing of new product/service.



Tips: As a campaigner, it **might be easier and less risky to go with flexible funding** (i.e., receiving funds as they come); however, regardless of the amount raised, campaigners must still deliver on any promises made. For a backer, fixed funding is more attractive as it is associated with much less of risk.

Crowdfunding platform fees range from 5% to 12%. Look out for punitive fee structures before choosing a crowdfunding platform. **Don't forget about the power of offline, physical meetings to attract additional attention** to the cause. You can use one-on-one meetings and events to invite people to support your campaign.

One-on-one meetings with potential social investors – using our SI maps



To match our needs for financing with different types of support in the market with the purpose of home care innovation support in D-Care Labs we put into use our specific maps of social investor stakeholders.

Social investors provide financial, social and human capital to create social impact as identified in the first sheet in our SI maps. From SI maps we go to the business partners' network and actively build partnerships to support Lab and/or Lab products.

Get your product and price right. No matter how inspiring your mission and how many people benefit from your work, your social enterprise will not succeed unless your product/service is as good as or better than your direct competitors.

Know your numbers. Raw passion is important, but it alone isn't enough to convince people to support you. Do your research and use numbers to prove the social and environmental value you create. **Brush up on your public speaking.** Public speaking isn't all about delivering a captivating TED Talk. Social entrepreneurs are asked to give impromptu speeches all the time. From introducing yourself at a Meetup and explaining your enterprise on a conference call to toasting an investor. Any time you share your idea with someone, how you talk is just as important as what you say. **Make every word count.**

One-on-one meetings with potential social investors – using our SI maps



Suitable for: LAB fundraising; LAB products financing. Very good for launching and market testing of new product/service



Tips: Don't forget the **enterprise** in **social enterprise**. Ask yourself, if you weren't attempting to have a positive impact, would your social enterprise still be viable?

Often, **social enterprises fail**, not because of the factors that make them inherently social, but **because their business model is flawed**. Make sure you carefully consider and critique the non-social aspects of your business. Be realistic about projected revenue. Small and start-up social enterprises are more likely to fall short on the revenue side than to exceed their budgeted expenses. Be sure you identify whether the funds you've budgeted are committed, likely, or possible. It's better to tack a newly funded program onto your budget later in the year when its funding is confirmed than to have to cut back midyear when funds don't come through.

Creating multisectoral innovation teams



Multisectoral innovation teams can be comprised of practitioners and investors, practitioners and policymakers, practitioners and local or regional authorities, as well as authorities with investors and Lab structure, etc.

There are many options and opportunities for creating partnerships that will bring different perspectives and thus resources to the cause.

Start from pains in home care and community development, but pay attention to the pains of all other stakeholders in order to map those with whom you share the vision for more innovative service and stronger service providers.

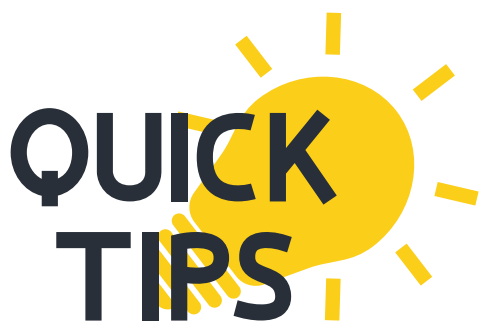
Try to organise meetings with stakeholders and find partners with shared interests and different resources for creating viable business models.

A compelling mission and a strong business model are only as successful as the strength of the individuals that implement them. Productivity is an essential skill, but it also requires team structures with motivated, knowledgeable, and credible experts responsible for different phases of the innovation process. Besides more and more evidence on multiple gains that social innovation brings into the sector of home care and generally social service provision, still, only a few piloted ideas were introduced as a practice and institutionalised. This practice can be accelerated by designing multisectoral diverse teams with clear goals and mandate to advocate/institutionalise proven innovation ideas.

Creating multisectoral innovation teams



Suitable for: LAB advocacy; LAB products development



Tips: Make impact measurement matter. Everyone on your team should understand why gathering data is important. One way you can do this is by explaining all the ways in which that information will help with your business. Find a way to make measurement an essential part of your daily business. Within the Transnational lab learning structure, we worked on developing impact management and measurement system to help us understand and present multiple gains of the Lab's innovative products.

After all, you are not just gathering data, you are gaining a better understanding of how to bring value to your customers, beneficiaries, and community. **Involve your Board, your staff, and other main stakeholders in budget processes and allocations.** This not only fosters a more accurate and comprehensive financial plan but also ensures buying across the board. An inclusive budgeting process can be challenging and messy and with a great deal of debate. However, it presents a great opportunity to unite various perspectives.

Use impact as a guide, not a short-term strategy. Use impact as a compass. Creating impact is a long-term commitment, not something to trot out when convenient or solely to bolster brand image. Be patient and realistic. Creating impact takes time, hard work, and vision. More than you imagined. It's okay if things are a little slower than expected. **Be realistic, persevere and stay focused.**

Creating and developing corporate partnerships



Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable to itself, its stakeholders, and the public. By practising corporate social responsibility, also called corporate citizenship, companies can be conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.

Engaging in **CSR** means that, in the ordinary course of business, a **company is operating in ways that enhance society and the environment** instead of contributing negatively to them.

Search for companies with a CSR strategy that supports innovation and investigate if you can offer lab structure as implementing agent for their strategy. Instead of spreading limited resources, embrace collaboration to build capacity. When it comes to creating social change, your competitors may be your best supporters. Collaborate, don't duplicate.

Mapping, researching, and reaching businesses directly or indirectly connected with home care innovation is the first step in the development of joint CSR partnerships.

Annex I

Reporting template / Template to be used by partners/Lab structures to present their match-making activities and lessons learned.

Please fill in and submit your data [here](#).

Information gathered through this activity will be a part of the report on social investment activities within the D-Care Labs project.

Instructions:

- Please use and submit as many templates as you used different tools to secure funding/sustainability for Lab or Lab products. In the end, your reporting should reflect your efforts with social investors thus collected and presented by end of the Project.
- If you use some of the formats not presented in this toolbox, make a report also by filling in the template.
- Questions are pretty open, so the diversity of pilots and answers can be accommodated.
- Templates are to be filled in and sent to ACT Group by end of October 2022.
- Visuals are welcome, just attach them and connect with the content by giving the same name or number as the part of the report you want to be presented.