



Alliance for Responsible and
Impactful Investment
in Eastern Europe



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WELCOME TO ARIEES WEBINAR



THE PROJECT

The project main objectives

Main objectives of the ARIEES project

Help universities (and potentially adult training centers) to improve their entrepreneurship courses by infusing impact investment know-how and upgrading the digital competencies of lecturers/trainers to ensure that the impact investment knowledge can be properly infused into the learners.



THE PROJECT

The project specific objectives

Specific objectives of the project:

- Establish alumni network at an international dimension and therefore international cooperation can maximize this effort;
- Establish a network of 4 ARIEES certification centers across Eastern Europe, this can be strengthened via this transnational cooperation;
- Maximize the dissemination and impact capacity of the entire consortium at a wider scale;
- Create and/or extend contacts and cooperation with organizations coming from similar and/or different fields across the EU.



THE PROJECT

The project Partner Organizations

List of Partner Organizations in the ARIEES project

- University of Lodz (Poland) – Leader
- European Business Angel Network (Belgium)
- Helixconnect Europe S.R.L (Romania)
- Universitatea De Vest Din Timisoara (Romania)
- ISQe (Portugal)
- Foundation for Promotion of Entrepreneurship (Poland)



For more details about the ARIEES project go to: <https://ariees.eu/>

THE PROJECT



Aim of the webinars

Help the consortium to reach a wide number of academic students (undergraduate and postgraduate) and adult learners that will be trained upon the developed content from Result 1 (tailored for Result 2 - webinar formats) and receive their feedback to improve the contents.



WEBINAR

SHORT DESCRIPTION R2 ACTIVITIES

- WEBINAR 1 - Impact investment in clean tech and sustainable startups - by UOL
- WEBINAR 2 - Impact investment in deep tech ICT (artificial Intelligence) Startups - by UOL
- WEBINAR 3 - Impact investment in cultural and creative startups - by WUT
- WEBINAR 4 - Impact investment & startup business model transformation - by FRP
- WEBINAR 5 - Engaging private impact investors for your startup - by EBAN
- WEBINAR 6 - Engaging public impact investors for your startup - by HELIXCONNECT



WELCOME TO WEBINAR 4

Impact investment & startup business model transformation

Aim and objectives of the webinar

The aim of the webinar is to provide an introduction to the topic of building business models for impact investment. Webinar participants will be able to deepen their knowledge on:

- characteristics of influential investors,
- ethical values in the activities of impact investors,
- networking,
- designing a business model (Business Model Canvas).



WEBINAR STRUCTURE



1. Motives for impact investment
2. Impact investment goals
3. Characteristics of influential investors
4. Influential investors' competencies and skills
5. Successful presentation to influence investors
6. Storytelling as a tool to communicate a business idea to investors
7. Value-building ecosystem
8. Ethical values in the activities of impact investors
9. Code of ethics
10. Investments considered ethical in the area of impact investment
11. Designing a business model
12. Business Model Canvas
13. Example of Moltivolti - regenerative business model
14. Networking
15. Creating partnerships

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Taking the initiative to go for impact investment and re-innovate the business models

Motives for impact investment

Non-financial:

- Investor preferences– pro-environmental and pro-social,
- Ethic premises– e.g. investors who are guided by the values of 'Value-driven investors' (VDI),
- Investor's image,
- Psychological / emotional premises - e.g. personal satisfaction,
- Striving for changes in the socio-economic system,
- Values determined by religion.

Financial:

- Searching for financial benefits,
- Risk mitigation.





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Impact investment goals

- Markets related to environmental protection and trading in sustainable development assets,
- Green / clean energy and technology, e.g. energy efficiency, waste management, transport,
- Climate action,
- Responsible consumption and production,
- Job creation - reducing poverty and social exclusion,
- Access to basic services, e.g. education, health care.





Characteristics of influential investors

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Learning through experience

Characteristics of influential investors

- Ability to think for yourself
- Willingness to work hard
- Developing the ability to make investment decisions in the absence of complete information
- Avoidance of speculation
- Patience and consistency of action
- Ability to admit mistakes, learn from them and avoid them in the future
- Growth mindset
- Resistance to stress
- Empathy





Influential investors' competencies and skills

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INTO ACTION**Learning through experience****Influential investors' competencies and skills**

Competencies are the total of general knowledge, motivations, traits, self-concepts, social roles, and skills necessary to run a business.

Components of competencies:

1. 1.Knowledge
2. 2. Skills
3. 3. Aptitudes
4. 4. Personality traits
5. 5. Values and principles
6. 6. Interests



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Communication channels and tools used by influencing investors

Channels	Communication tools
Directly	direct conversation, telephone, mailing, messenger, newsletter
Outdoor advertising	billboard, advertisement in means of transport, advertising screen, multimedia newsstand
Place	conference, symposia, meetings, events, exhibition stand
Societies	profile, advertising banner, fanpage, sponsored post
People	presentation
Internet	advertising banner, blog, forum, webinar, e-learning, sponsored content, game
Press, radio, TV	advertising spot, article/audition/sponsored programme, product placement

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Influencing investors skills

- Analytical knowledge
- Ability to make decisions
- Change management
- Innovation and creativity
- Project management
- Learning to learn
- Time management
- Emotional intelligence
- Ability to work in a team
- Interpersonal and communication skills





Successful presentation to influence investors

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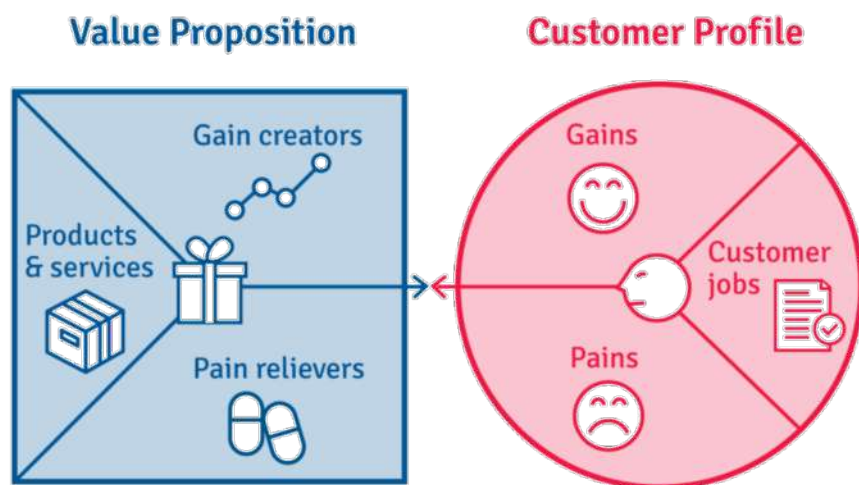
Content for a successful presentation to influencing investors (1)

1. Title page
2. Characteristics of the company/social and/or environmental undertaking
3. Presentation of the team members
4. Characteristics of the problem - identifying the problem that your pro-social and pro-environmental product/service/investment solves, specifying how many people it can support
5. Solution - how the problem will be solved

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Content for a successful presentation to influencing investors (2a)

6. Customer and investor value proposition



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Content for a successful presentation to influencing investors (2b)

Value Proposition

Products and Services – list the products and services you value proposition is built around

Gain Creators – describe how products and services create customer gain

Pain Relievers – describe how your products and services alleviate customer pains

Customer Segment

Gains – describe outcomes customers want to achieve of the create benefits they are seeking

Pains – describe bad outcomes, risks and obstacles related to customer jobs

Customer Jobs – describe what customers are trying to get done in their work and in their lives, as expressed in their own words



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**Content for a successful presentation
to influencing investors (3)**

7. Characteristics of the pro-social and/or pro-environmental product/service/investment
8. Market size - the size of market preferably in numerical form, size of the target group, planned market share
9. Competition - what are the competing solutions on the market, how strong is the competition (e.g. by indicating their approximate market share)

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Content for a successful presentation to influencing investors (4)

10. Business model - how we intend to make money from the created product/service/investment that is pro-social and/or pro-environmental
11. Sales and marketing plan - how we plan to acquire customers, what channels we intend to use to reach them
12. Road map - what has been built so far, what are our plans for the future
13. Amount of investment and its purpose - what the funds raised will be needed for, planned sales volume, actual costs and when will the return on investment occur
14. Contact details

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Learning through experience

Features of an effective presentation to influence investors

- Coherent
- Clear
- Error-free - correctly edited text
- With uniform graphic design
- A moderate amount of information
- Adequate speed of slide display





Storytelling as a tool to communicate a business idea to investors

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Definition of storytelling

- Storytelling, known as narrative marketing, is a business tool to communicate a brand or product that relies on storytelling.
- Storytelling can be considered one of the strategic tools of market communication that allows, consistent in its essence, to communicate an idea in such a way as to stand out from other similar products or services.



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The essence of Storytelling

- Storytelling is a tool that presents and organises facts in a logical, coherent way and turns chaos into order.
- The interactions between the characters in a story build its appeal in the eyes of the audience.
- The story itself is the primary means of communicating its perspective and perceived values to its surroundings.



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Using storytelling to present a business idea to investors

- With the help of storytelling, you can present your business idea to impact investors by creating an original story about your products/services/pro-social and environmental initiatives.
- Storytelling aims to create and strengthen the bond with the investor and engage him on a much deeper level by influencing his emotions.
- The effectiveness of storytelling lies in the recipients (impact investors) of the stories told, remembering their content much more quickly than if they were presented with figures or facts.





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Ethical and sustainable thinking to deliver impact investment missions

Value-building ecosystem



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Ethical and sustainable thinking to deliver impact investment missions

Financial productivity

- Capital markets have long rewarded companies for investments that drive growth while improving productivity to make growth more profitable.
- As a result, companies have always had to carefully balance expenses and save money, with the added caution that investing for growth is the long-term factor in building sustainable assets.
- Organisations have responded to the capital markets' focus on financial performance by measuring and communicating their financial productivity very well, focusing on it much more than on the non-financial aspects of their performance and impacts.



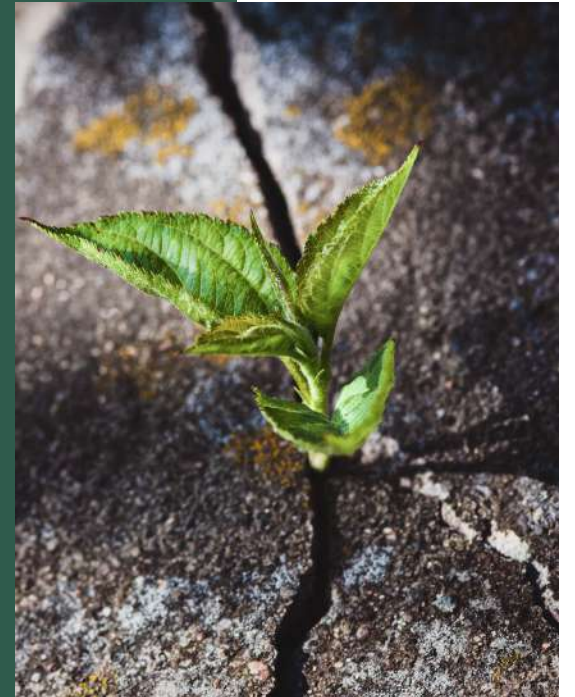
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Ethical and sustainable thinking to deliver impact investment missions

Organisational resilience

A truly resilient organisation has got „the ability to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions in order to survive and prosper.”

(Denyer, 2017)



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Ethical and sustainable thinking to deliver impact investment missions

Society

- The organisation also creates enterprise value by addressing broad societal challenges and by considering a wider range of stakeholders besides shareholders in making decisions.
- Such an approach can, for example, prevent the destruction of value that can arise from climate risk, or increase value by attracting and retaining more talented, engaged and productive workers through diversity and inclusion programmes.
- In fact, the interests of stakeholders in many cases coincide with those of society, thus creating or at least avoiding damaging the value of the enterprise.





Ethical values in the activities of impact investors

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Ethical and sustainable thinking to deliver impact investment missions

Ethical values in the activities of impact investors

- **responsibility**, which means that the company is ready to take responsibility for the impact it has on society and the environment,
- **transparency**, i.e. sharing information about decisions and activities related to those aspects of the company's operation that are related to society and the environment,
- **ethical behaviour** when all decisions are made and executed in an honest, reliable and credible manner,
- **ethical conduct** is also the personal values and sense of responsibility of the owner of the company, readiness to treat other people as equals, honesty and commitment,
- **active presence in the environment**, the company does not operate in isolation from the environment, engaging in pro-social and pro-environmental projects.



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Ethical and sustainable thinking to deliver impact investment missions

Ethical principles for investing

- You should not get involved in investment transactions, the nature of which is unclear, in particular in terms of sources of potential income.
- You and other parties to the investment transaction should have access to appropriate sources of information, and this information should not be distorted.
- One should be sure that the undertaken investments will not finance activities that may be harmful or infringe the rights of other entities.
- As part of the investment process, the capital of some entities is most often dealt with directly or indirectly by other entities. These entities should act with integrity.





Code of ethics

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Ethical and sustainable thinking to deliver impact investment missions

Code of ethics - the essence

The company's ethical codes are a set of descriptions of the situation, methods of conduct, orders, prohibitions defining the desired behavior in the company and the company's behavior towards the environment.

The code of ethics defines the responsibilities of the management board, resulting from the company's obligations towards society.



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Ethical and sustainable thinking to deliver impact investment missions

Advantages of applying the Code of Ethics by impact investors

- influencing the prestige of the organization,
- acceleration of the decision-making process,
- defining and justifying the limits of deviations from legal norms,
- increasing customer loyalty,
- improving the image and reputation of the company / venture,
- impact on the development of local communities and the natural environment,
- impact on cooperation with contractors.





Investments considered ethical in the area of impact investment

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Ethical and sustainable thinking to deliver impact investment missions

Investments considered ethical in the area of impact investment (1a)

1. Pro-social:

- operating in accordance with the principles of Corporate Social Responsibility (CSR),
- implementing a policy of diversity and equal treatment of employees regardless of their gender, race, religion or level of efficiency,
- applying the principles of corporate governance, transparent management in line with the code of ethics,
- operating for the benefit of the local community.



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Ethical and sustainable thinking to deliver impact investment missions

Investments considered ethical in the area of impact investment (1b)

2. Pro-environmental:

- engaged in activities that protect the natural environment, using renewable energy, secondary raw materials, applying high ecological standards,
- producing high-quality products that are safe for both consumers and the environment,
- conducting research for innovative solutions that save energy, reduce the consumption of natural resources and greenhouse gas emissions.





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Taking the initiative to go for impact investment and re-innovate the business models

Designing a business model

1. The initiation phase - analysis of the current state of the enterprise and its environment
2. The ideation phase - creating ideas for a new business model
3. The integration phase - refining the concept (customers, value proposition, resources, processes, income generation)
4. The implementation phase - model implementation



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Important issues while defining the impact investment business model:

- simultaneous generation of social and / or environmental and economic results by the project;
- treating profit as a necessary element of the company's operation, thanks to which it is possible to solve social and environmental problems;
- creating significant positive social and / or ecological effects while reducing the negative impact on the natural environment and society;
- a sustainable and integrated way of creating and delivering value;
- the attractiveness of the value proposition to both the company's customers and other stakeholders.



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Components of the impact investment business model

1. An innovative idea
2. A goal - solution or contributing to some social and / or environmental solution
3. A product / service - it is in the nature of the product / service to solve a selected social problem - pro-social and pro-environmental involvement is the main goal of the company, not an additional activity,
4. Features of a classic business - the enterprise takes benefits from the sale of products / services, employs employees, and is the subject to all market laws.





Designing a business model

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Business Model Canvas



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Elements of business model

Key partners

- Who is our key partner?
- What external companies or organizations do we need to operate?
- What are the key activities our partners carry out?

Identify all the partners of the enterprise on which its operations depend. Indicate what benefits you get from partnership with other organizations.



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Elements of business model

Key Activities

- What actions do we need to take to deliver our value proposition to our clients?
- What actions do our channels of reaching the client and the relationships with them require?

The key activities differ depending on the profile of the company. For some companies, such activity will be the production itself, that is, the production and delivery of goods. For others, solving social and environmental problems will be a key activity.



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Elements of business model

Key Resources

- What key resources do we need to offer our value proposition?
- What resources are needed for the proper functioning of distribution channels?
- What resources do our customer relationships require?

Key resources include material resources (e.g. machines, devices, warehouses), financial resources (money needed to produce value for the customer), intellectual resources (copyrights, patents) and human resources (human capital).



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Elements of business model

Value Propositions

- What value do we generate for our clients?
- What customer problems do we want to solve?
- What matters most to the customers?
- What is the greatest value for them?

A value proposition is something that prompts the customer to choose your product instead of your competitors' products. The value should solve the customer's problems or satisfy their needs. The value proposition can be specific benefits, such as social and environmental benefits.



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Elements of business model

Customer Relationships

- What kind of relationships do our clients expect from us?
- Can we live up to these expectations?
- Is the way of establishing relationships with customers integrated with other areas of the business model?

Describe the type of relationship that the company will connect with each consumer segment. Think about the purpose of these interactions. Your company may, for example, primarily care about acquiring new or retaining existing customers.



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Elements of business model

Channels

- How do I make contacts with clients?
- What channels do I want to use?
- What methods work best?
- What costs are generated by the individual channels?

Define the channels through which you will provide your customers with information about your products or services. Depending on the business model, the channels may be primarily designed to raise the awareness of recipients about the products or services that your company offers. Consider whether you want to use direct channels (such as vendors at the company's premises or your own online store) or indirect channels (partner stores, wholesalers).



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Elements of business model

Customer Segments

- Who is the product / service created for?
- Who can be a potential customer and why?
- Who will be able to pay for the product?

Define which groups of people and organisations you want to reach. Think about the common features of specific customers (e.g. age, place of residence). You can define one or more segments of different size.



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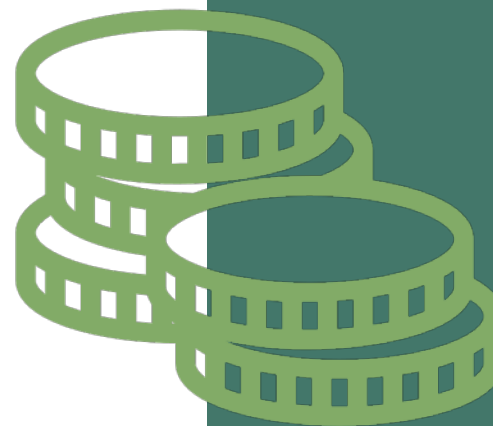
Taking the initiative to go for impact investment and re-innovate the business models

Elements of business model

Revenue Streams

- What are your customers paying for now, and what value would they be willing to pay for?
- How do they pay and how could they pay?
- What is the share of these revenue streams in total revenues?

Determine how much money is generated by the company in individual market segments. A business may have several revenue streams that will differ in the pricing mechanism.



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Elements of business model

Cost Structure

- What activities of the company require the greatest financial outlays?
- What generates the greatest costs?
- Which key resources cost the most?

In business models, cost structures can be either cost-oriented or value-oriented. In the first case, companies will strive to reduce costs wherever it is possible. On the other hand, companies implementing a business model with a value-based cost structure focus more on providing customers with value at the appropriate level.





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Taking the initiative to go for impact investment and re-innovate the business models

Example of Moltivolti - a regenerative business model

- Moltivolti is both a restaurant, and a co-working and meeting space.
- Founded in 2014, by a group of young neighborhood friends with different cultural backgrounds — coming from eight countries: Senegal, Zambia, Afghanistan, Bangladesh, France, Spain, Gambia and Italy.
- Moltivolti is a hybrid business model: it functions as a for-profit and a non-profit at the same time.
- It's purpose is to create a community-based dining experience, a hub for social integration and employment which serves the needs of the community beyond food and nourishment.

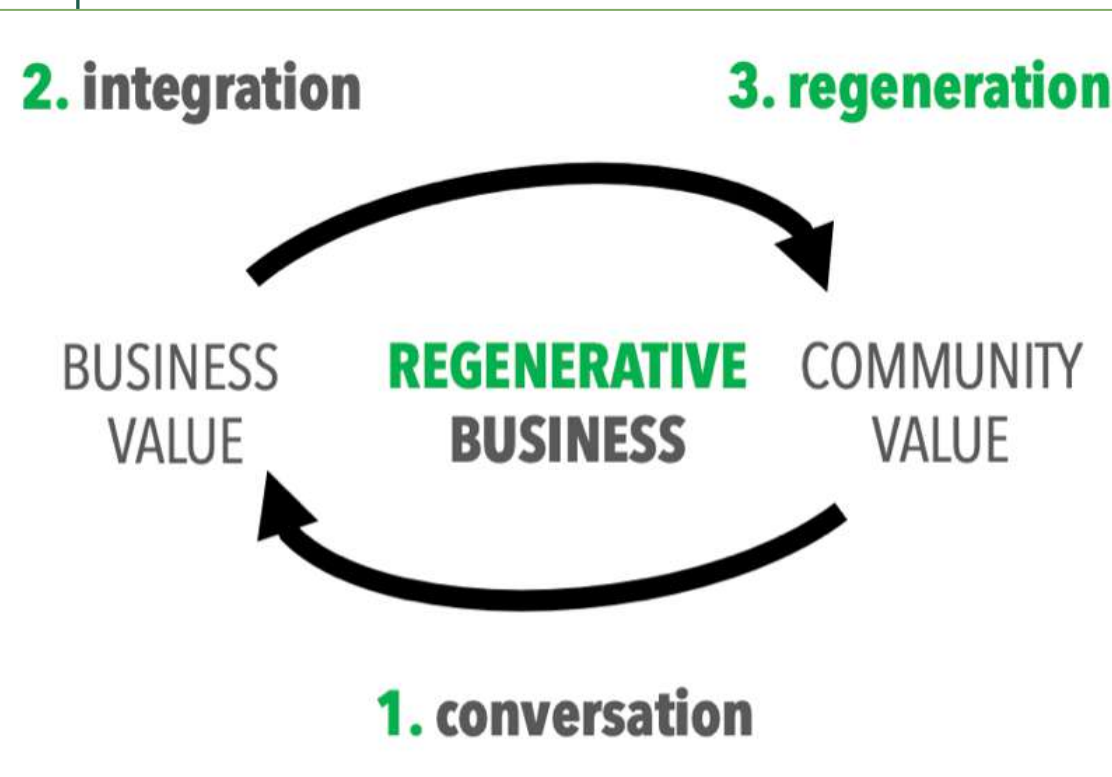


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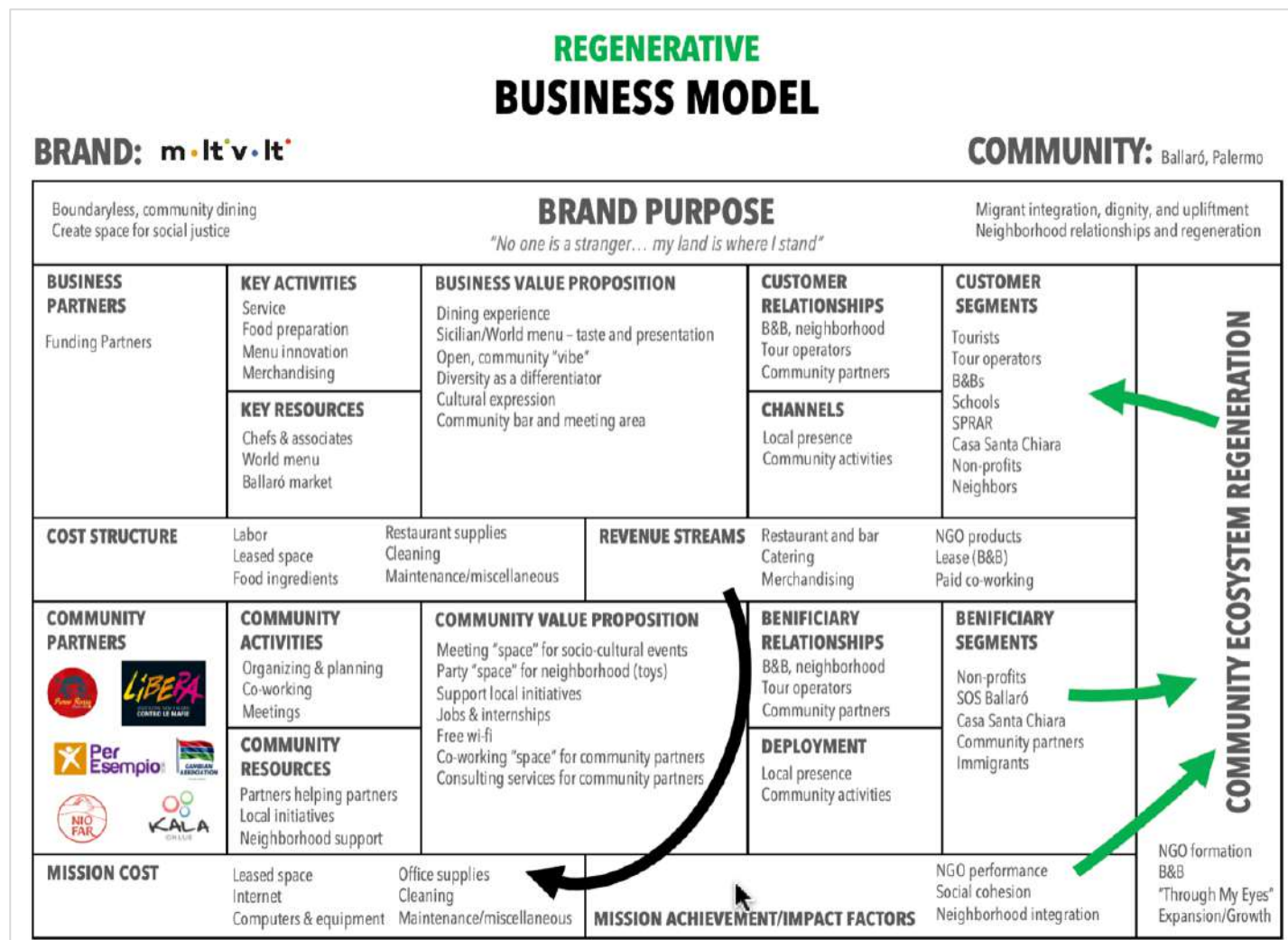
Regenerative business model

What is unique about the regenerative business model is the idea that community value creation is as important as business value creation (www.activistbrands.com)



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Moltivolti Business Model Canvas

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Thank you!

