



Forum 6: Buying and Selling



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NESsT

NESsT

Nonprofit Enterprise and Self-sustainability Team



**NESsT at the
Social Enterprise
World Forum**

**September 4th, 2008
Edinburgh,
Scotland**

**Gonzalo San Martín
NESsT**





Objectives

1. Provide an overview of NESsT`s work developing and supporting social enterprises
2. Examples from the NVF social enterprise portfolio in emerging market countries
3. Learning and challenges



NESsT Mission



NESsT works to **solve critical social problems** in emerging market countries by developing and supporting social enterprises that **strengthen civil society organizations'** financial sustainability and **maximize their social impact.**



The story behind **NESsT**

Founders: Nicole Etchart & Lee Davis

- 1997: NESsT founded in the USA
European Regional Office opened in Budapest, Hungary**
- 1999: Latin American Regional Office opened in Santiago, Chile**
- 2000: NESsT Venture Fund launched in Central Europe**
- 2002: NESsT Venture Fund launched in Chile**
- 2003: NESsT Consulting Services launched**
- 2007: NESsT starts working in Peru, Argentina and Ecuador**



About NESsT: NESsT Initiatives

1

NESsT Venture Fund

Philanthropic investment fund supporting social enterprise portfolios in emerging markets

2

NESsT “University”

Promoting accountability, innovation, leadership and professionalism in the field

3

NESsT Consulting

Providing professional services in social enterprise development



NESsT Venture Fund

philanthropic investment

1.- Supports
social
enterprise

2.- Financial
and capacity-
building support in
business
management

3.- Long-term
relationship from the
early stage to the later
stage

4.- Participation
of other engaged
philanthropists

5.- Performance
monitoring and
management

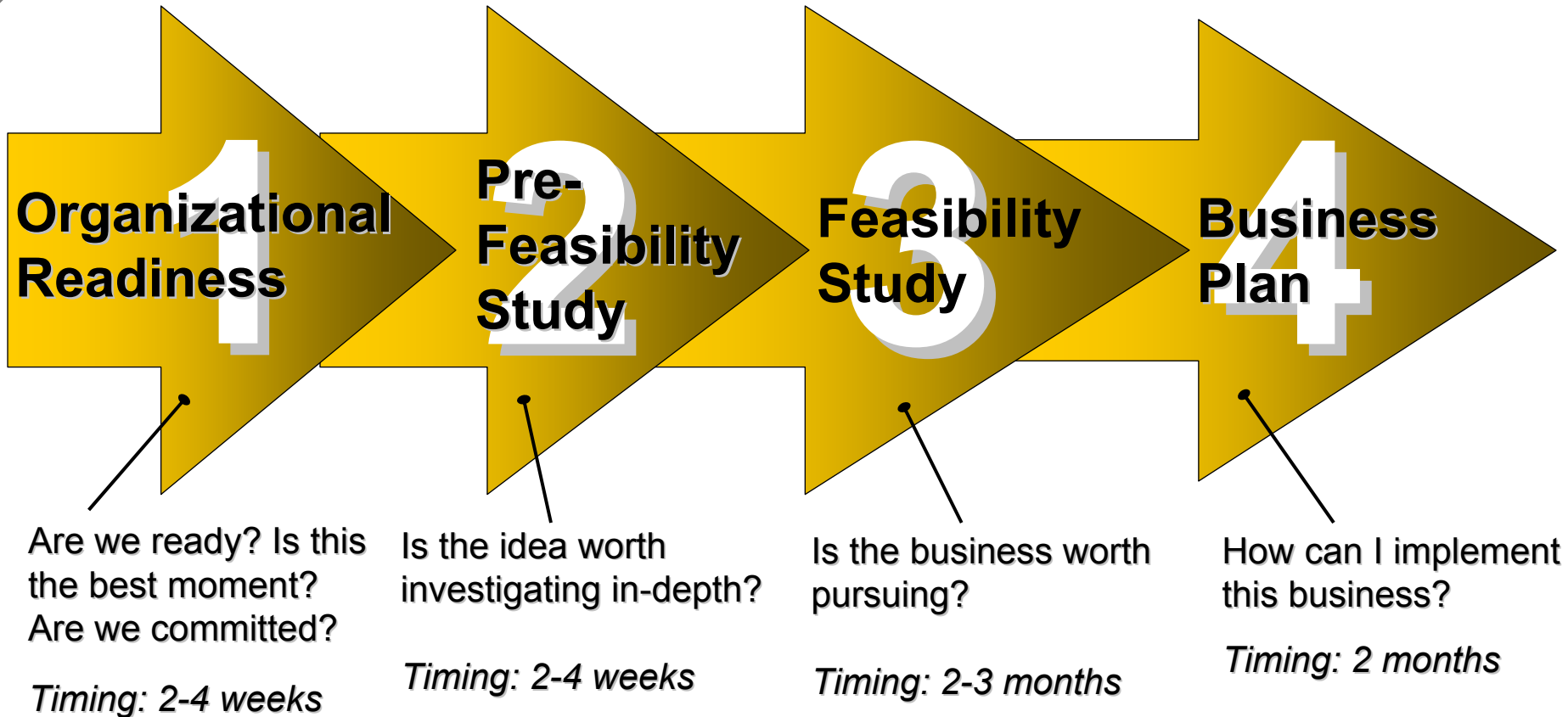
6.- Exit strategy. The
organization is ready to
continue on its own





NESsT Venture Fund: Early Stage Portfolio

Enterprise development process



Objectives:

- minimize risk;
- build on previous stage;
- acquire a methodology; and
- build capacity within your organization



NESsT Venture Fund: Later Stage Portfolio

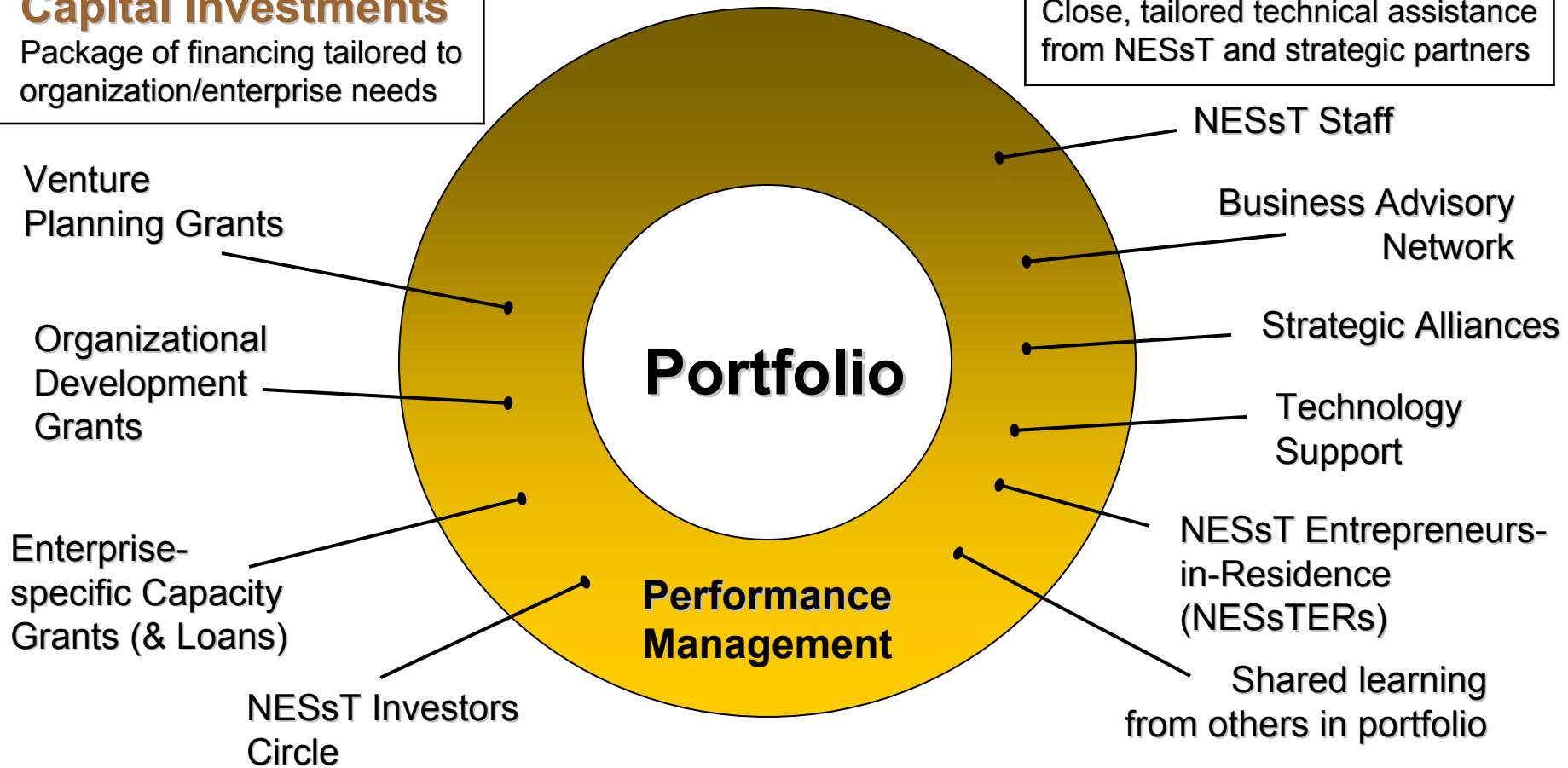
NESsT leverages a variety of financial and capacity-building resources to support our later stage portfolio over a multi-year period:

Capital Investments

Package of financing tailored to organization/enterprise needs

Capacity-Building

Close, tailored technical assistance from NESsT and strategic partners





NESsT Venture Fund:

Performance Management

The NESsT Performance Management Tool (PMT) monitors, measures and reports the performance of the portfolio.

The PMT uses impact indicators in four general categories:

- both qualitative and quantitative, financial and non-financial;
- incorporate primary (monthly) and secondary (annual) data;
- help NESsT and portfolio organizations better manage, plan and strategize;
- help NESsT and investors monitor, protect and measure the added value of their investment.

1. Enterprise Performance

Relates to the key components of the Business Plan

2. Social Impact

Relates to the quantity of beneficiaries, quality of program, impact on policy, role models.

3. Institutional Development

Relates to the increased capacity of your organization to carry out its mission and programs.

4. Financial Sustainability

Relates to the diversity and sustainability of resources.



NVF Later Stage Portfolio: ONG Forestales Valdivia, Chile

Mission: ONG Forestales promotes the conservation and sustainable management of native forests in Chile.



Social Enterprise: In Chile, **16% of the consumer energy supply is generated from firewood**, often illegally gathered from protected forest areas. ONG Forestales **helped develop a firewood certification program** and also sells certified firewood which is purchased from small producers for a fair price and resold to customers in the southern city of Valdivia



“Firewood National Certification System” (Chile)

Social problem related to the firewood





Conditions promoted by the “Firewood National Certification Programme”



Farmers/land owners

**Well managed
forestry**

**Forestry and
Environmental
Legislation**



Comercialisation

**Formalised
market**



Consumers

Informed

**Efficient and
responsible
use of
firewood**





NESsT Venture Fund: Portfolio Examples

Uniendo Manos (Perú)

Social mission: create job opportunities and improve the quality of life of people in situation of poverty through capacity building, development programmes and public policy advocacy.

Social enterprise: commercialize textiles and crafts produced by trained beneficiaries of their programmes.



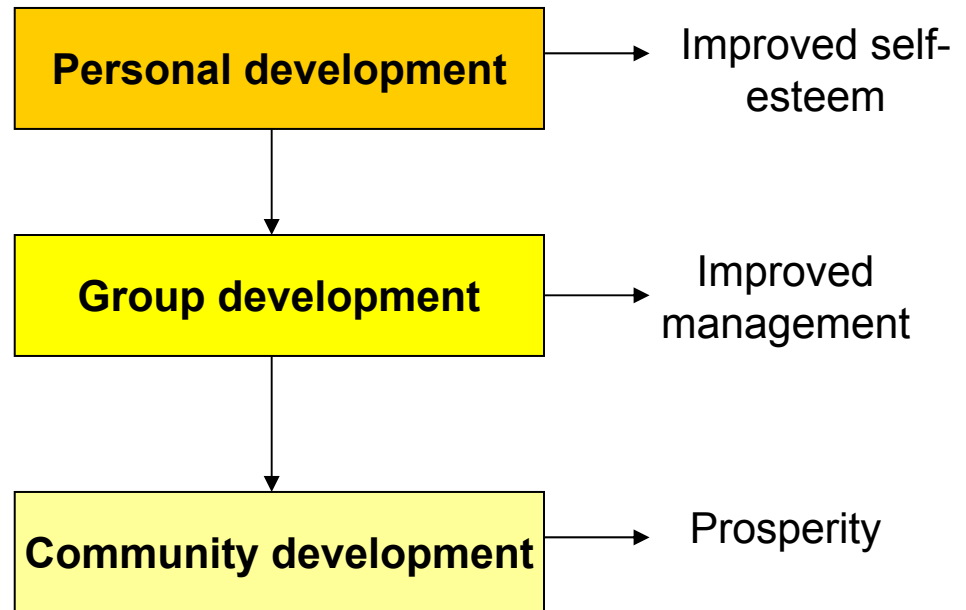


NESsT Venture Fund: Portfolio Examples

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NESsT Venture Fund: Portfolio Examples

RUF Cunco (Chile)

Social mission:
Creating economic opportunities for indigenous Mapuche families

Social enterprise:
Product line of high quality skin care products made from native plants.





NESsT Venture Fund: Portfolio Examples

Uniendo Manos (Perú)

Social mission: promote and contribute to the development of Perú through high value added volunteering, locally and internationally.

Social enterprise: Volun-tourism services for international middle career breakers willing to contribute to communities in Perú.





NESsT Venture Fund:

Key Accomplishments



Since 2001, the NESsT Venture Fund has provided over **US \$3.0 million** in **capacity-building and financial support** to social enterprises in emerging markets:

•**40 CSO social enterprises** in the Venture Fund portfolio (advanced stage)

•**366 nonprofits trained** in feasibility studies, business planning and overall social enterprise development

•**1335 nonprofits trained** in self-financing principles and tools



Lessons learned from NESsT methodology:

NESsT

Scaling up and replication:

- Develop a model to sell to larger, more diversified or better-connected players for business expansion:
 - Open Garden (due to HR issues)
- Channel through a network:
 - telecenters (start with pilot project and replicate within the network).
 - “Enterprising Mentality”
- Sell brand:
 - *Budapesto*: royalty/franchise





Lessons learned from NESsT methodology:

NESsT

- Add services: It contributes to repeat sales.
 - Example: telecenters add training and access to information services (Sri Lanka)
- Look for partners to avoid/reduce competition risk
 - (La Esperanza, Chile)
- Opportunities by separating the buyer/client from the end user
- The more flexible and adaptable the product/service, the better (specially for the technology based ones)
- Always watch the market (avoid having a product first and looking for the market later)
- Rigorous due diligence produces natural selection
- Get funding to develop a prototype: it might save money



NESsT

Challenges: NESsT methodology and RAMP PERÚ:

- Overcome the lack of skills: market analysis, costs and break-even point, risk analysis, marketing plan (requires permanent support)
- Avoid having one person with too many hats
- Manage the overly optimistic plan: a realistic plan avoids frustration.
- Keep strict deadlines for motivation
- Different challenges arise from different business models (RAMP PERÚ):
 - Small enterprise
 - Professional services
 - Alliance with other entrepreneurs
 - Copyright permission in exchange for a job, royalties or other benefits
- Develop additional actions to increase women participation



Q&A





Prof. Kovin Naidoo
ICEE, South Africa

INCREASING ACCESS TO EYE CARE VIA A SOCIAL ENTERPRISE

Prof. Kovin Naidoo

Diane Wallace



giving sight giving sight giving sight giving sight giving sight giving sight giving sight giving sight

Leading Causes of Blindness: 1998



River Blindness (Onchocerciasis)



- Cataract



Trachoma



Childhood Blindness



Low Vision

giving sight

ht giving

ng sight giving sight

Refractive Error: *Global Magnitude*



- **153 million** in the world have significant vision impairment (<math><6/18</math> in their best eye) due to **uncorrected refractive error**
 - WHO Press Release on World Sight Day 2006
- Including 13 million children and 45 million working-age adults
- At least **8 million with blindness** (<math><3/60</math> in better eye) due to distance URE



Global magnitude of visual impairment caused by uncorrected refractive errors in 2004

Serge Resnikoff,^a Donatella Pascolini,^a Silvio P Mariotti^a & Gopal P Pokharel^a

WHO Region	Sub-region	Total Cases (thousands)	Blind, among cases (thousands)	Unadjusted GDP loss (millions IS)	LFPR	ER	Adjusted GDP loss (million IS)	Ratio adjusted: unadjusted
Africa	Afr-D	3,422.9	786.6	3,457.0	0.595	0.763	1,613.3	0.47
	Afr-E	3,325.8	769.6	4,322.6	0.615	0.673	1,932.9	0.45
		6,748.7					3,546.2	
AMR	Amr-A	6,081.7	0	71,960.8	0.642	0.923	43,942.1	0.61
	Amr-B	6,782.2	318.3	20,511.3	0.647	0.872	11,925.4	0.58
	Amr-D	1,018.3	96.0	1,604.3	0.553	0.873	773.7	0.48
		13,882.2					56,641.2	
EMR	Emr-B	1,631.3	352.5	2,215.7	0.485	0.706	2,602.0	0.47
	Emr-D	1,817.5	175.7	2,215.7	0.446	0.666	854.5	0.39
		3,448.8					3,456.4	
EUR	Eur-A	8,343.9	0	71,443.4	0.583	0.884	38,998.0	0.55
	Eur-B	3,224.6	0	7,924.4	0.553	0.768	3,645.0	0.46
	Eur-C	3,737.4	0	12,198.1	0.599	0.906	6,923.2	0.57
		15,305.9					49,566.3	
SEAR	Sear-B	6,411.5	232.8	11,263.3	0.651	0.860	6,932.4	0.62
	Sear-D	48,689.2	4,871.7	60,375.7	0.662	0.875	37,470.9	0.62
		55,100.7					44,403.3	
WPR	Wpr-A	1,592.2	0	15,264.1	0.614	0.932	8,988.4	0.59
	Wpr-B	61,975.4	1,347.9	139,672.8	0.764	0.944	102,236.0	0.73
		63,567.6					111,224.3	
Global		158,053.8	8,724.5	427,716.4			268,837.7	

269 billion dollars lost productivity

LFPR – population weighted regional labour force participation rate

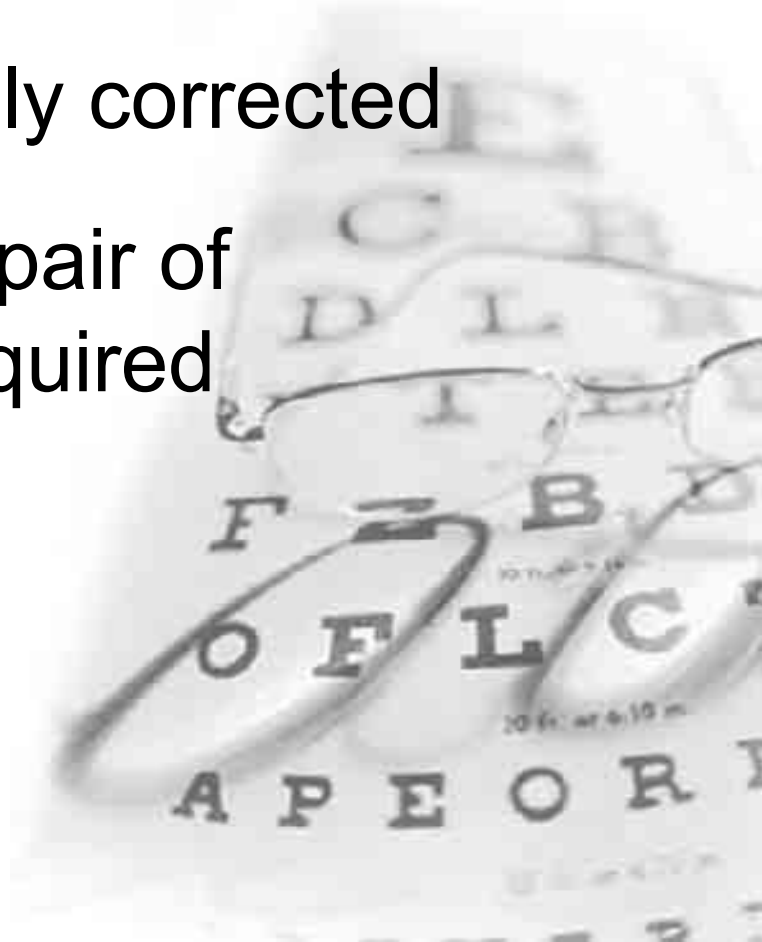
ER – population weighted regional employment rate

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Refractive Error: *The Good News*



- Easily diagnosed and measured
- Quickly and cost-effectively corrected
- In most cases, a suitable pair of spectacles is all that is required
- Most 'treatable' cause of vision impairment



Process Flow



Global Burden of Disease



Collaboration
of
NGOS



Increased
Buying
Power



Impact On Unit Costs



Accessibility to Patients
and
Communities Increased



ICEE
giving
SIGHT

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What is the G.R.C

The Global Resource Centre is a service aimed at NGO's and Government Organizations that deal with Eyecare.

We believe that by combining the buying power of all Eyecare stakeholders within the NGO sectors, we can ultimately influence the cost of Eyecare goods, so that Eyecare products become affordable for the communities we all serve.

Quality Assurance

We have a Dispensing Optician who carries out quality assurance. We have a GRC team that is dedicated to carrying out quality checks, on the goods upon entering and leaving the GRC.

Ease of service

This low cost benefit is open to your organization in 3 easy steps

1. You register your Organizations Account on our site
2. We approve your account
3. You Procure from us through our website



ICEE P 004
Plastic Optical
Frame: Min order
Quantity: Box of 12
\$1.50



ICEE R 007
Ready Made
Spectacles: Min
order Quantity: Box
of 12
\$1.35



ICEE R 015
Ready Made
Spectacles: Min
order Quantity: Box
of 12
\$1.05



ICEE M 007
Metal Optical Frame:
Min order Quantity:



KITWE SERVICE DELIVERY

V3.02

- Home
- Correspondance
- Financials
- Reports
- Stock Items
- Templates
- Setup

Add RX

Clinic: Clinic Number: Optometrist:

Rx MTO: MTO Frame: MTO Tint:

Sphere	Cylinder	Axis	Prism	ADD	Segment	PD	VA
<input type="text" value="-3.25"/>			<input type="text"/>			far: <input type="text" value="65"/>	<input type="text" value="6/5"/>
<input type="text" value="-3.25"/>			<input type="text"/>			near: <input type="text" value="63"/>	<input type="text" value="6/5"/>

Refractive Error

HRI Anti Reflective Hard Coating UV400 Glass

Comments:





THANK YOU

