



Workshop REPIC

Business models & financial models

Impact Finance

SME Financing: good business models from the perspective of a lender, conditions

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YOUR INVESTMENT HAS A STORY TO TELL

Impact Finance

Investments in sustainable companies with a high social, environmental and economic impact at the base of the pyramid



IMPACT FINANCE FUND



Presentation: Strong focus on investments creating positive impact at the Base of the Pyramid.

Investment targets: Water & Sanitation, Renewable Energy, Business Technologies, Sustainable Agriculture, Social Housing.

Selection criteria: Strong business model and clear business plan and projections. Strong management team and good governance.

Funding conditions: Debt for working capital and fixed assets; 6 months to 6 years; currencies: EUR, USD, CHF; CHF 200,000 to 5,000,000; interest rate 9 to 12% annually, quarterly reporting.

Turning a project into an enterprise

The promoter of the projects needs to:

- Change his mindset
- Define his market
- Improve his team
- Find stakeholders to support him
- Setup a strategy including milestones and targets
- Select the most appropriate legal entity
- Prepare financial projections
- => **MAKE A BUSINESS PLAN !**

	Not-for-profit company	For-profit company
	Equity with no ownership	Equity with ownership
+	No equity to raise	Usually higher amount of equity
-	Low amount of equity, difficult to scale up	Risk of dilution in the mid to long term

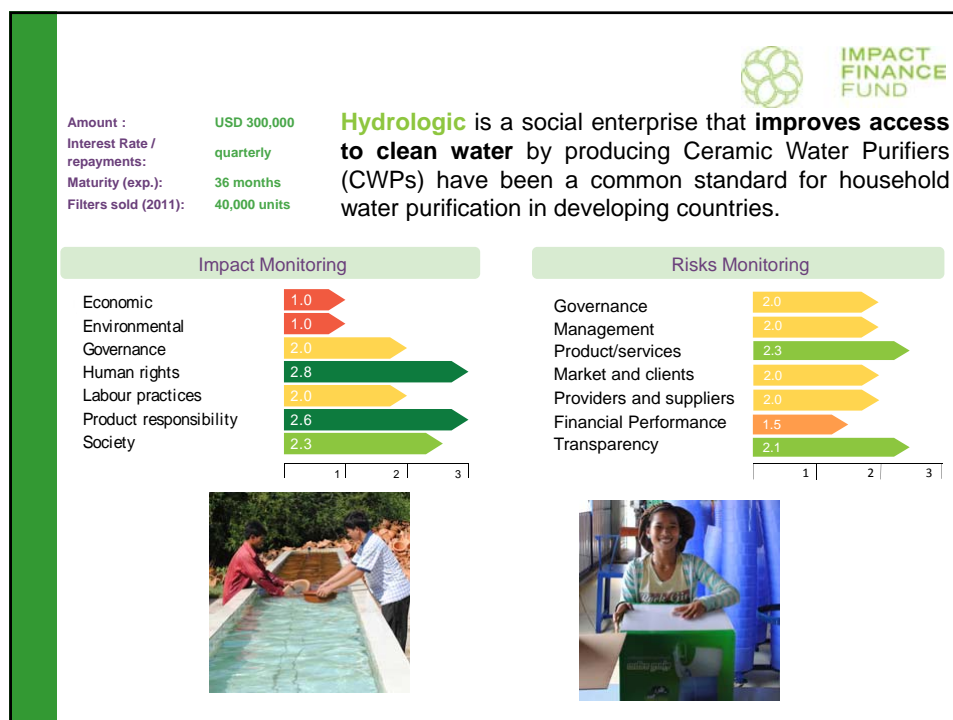
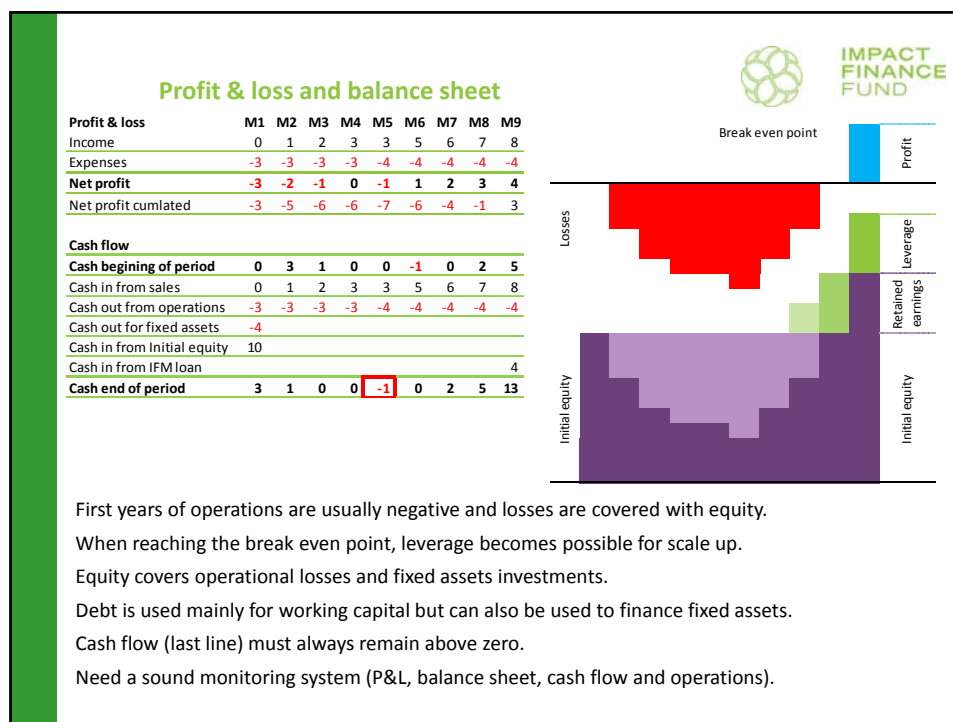
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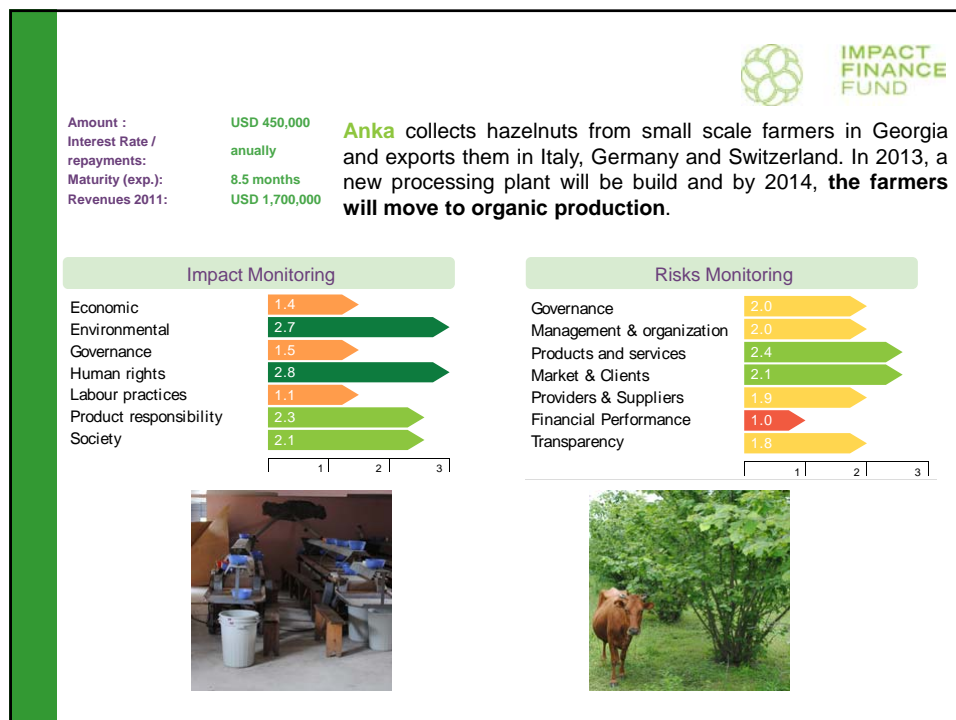
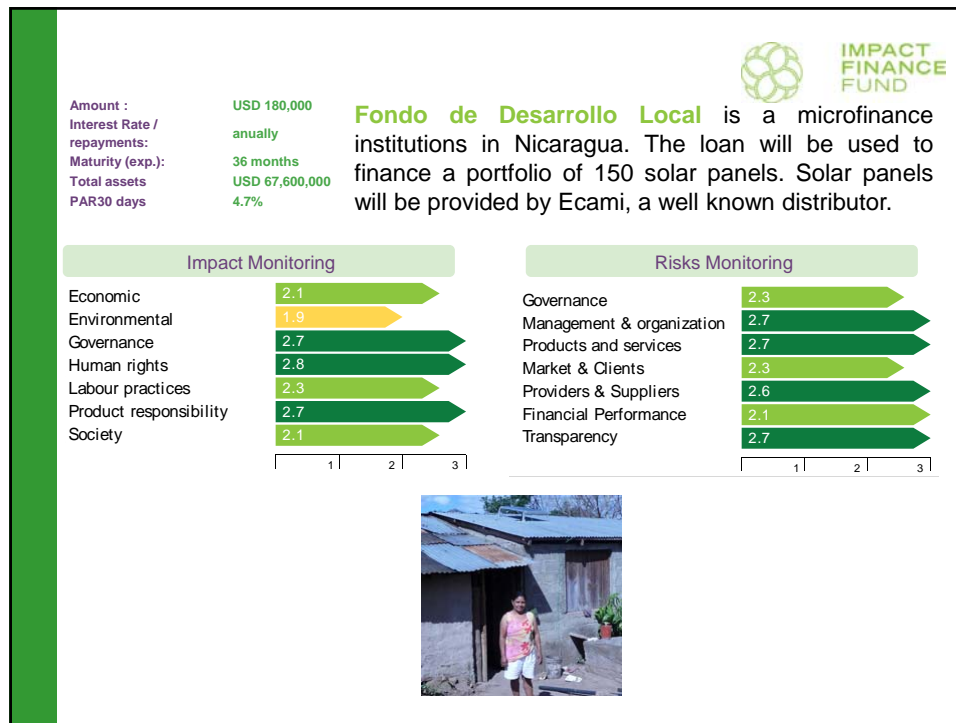


The Incandescent Lab

The Incandescent Lab is the TA unit of Impact Finance. It's main purpose is to support early stage projects to develop an accurate business model that matches the local environment. It offers the following dedicated services :

- Conducts market studies to assess the feasibility to implement a pilot project in a specific environment with a focus on emerging countries.
- Supports such projects to fine tune their business models and adjust it to specific local conditions.
- Prepares a road map with the project to rollout the pilot project.
- Coaches the pilot project to establish a sustainable stakeholders' network.
- Prepares financial projections with several scenarios for scale up.







Difficulties

Hydrologic:

Difficulties to clearly estimate the sales growth.

Insufficient equity.

FDL:

Difficulty to assess the quality of the solar provider.

Difficulty to assess the microfinance market in Nicaragua.

Anka:

Confused business model.

Weak governance.

Element of success

Hydrologic:

Committed shareholders.

Proven technical solution.

FDL:

Effective impact on rural population.

Risk is mitigated by strong experience of the MFI.

Anka:

Strong partnership with Swiss importer.

Business skills of the General Manager.



Investment Process

- First contact
- Information & discussion
- Pre-Selection Committee
- Due diligence in the field (2 days)
- Investment Committee
- Investment & monitoring

Preliminary Documents

- Business Plan and financial projections
- Audited and non-audited accounts
- Legal documents (bylaws, license, etc.)
- Management presentation
- Shareholders & Board members

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