

## Activity 4.23 Bottle Top Investors (Social Enterprise)

### Module: 4. Planning Social Action

Duration:

**Social Development Themes:** Social Enterprise

#### Summary:

An active experience enabling participants to take the role of investors and think through what influences their decisions to invest money or give donations to social enterprises.

#### Learning Outcomes:

Team Ability to support, learn and share through, dialogue

Social Enterprise Strategic Planning

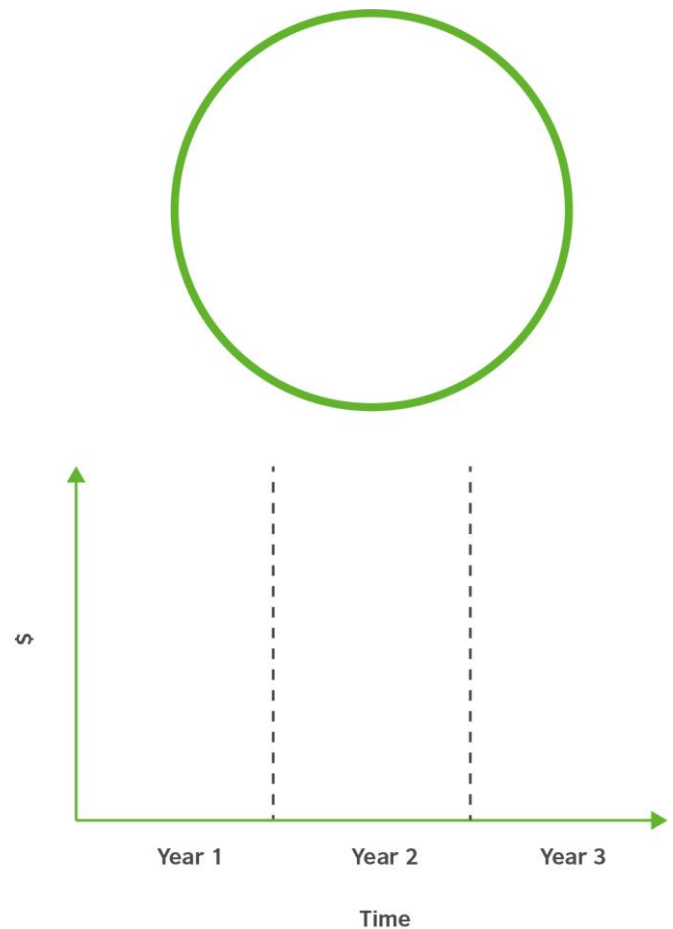
#### Preparations and Materials:

Ensure the case studies to be used are suitable for the group. Adapt as appropriate. Facilitators may want to write out bullet points for each case study on a card to prompt memory.

5 tokens per participant, for example old bottle tops, beans, stones, blades of grass, stickers, cut up pieces of paper etc.

#### Approach:

1. Introduce the activity by telling the group they all get to be investors! (The opposite of the usual relationships social entrepreneurs find themselves in).
2. Give out the bottle tops or other token and explain that each one is worth the local equivalent of £1000 (ie. a total of £5,000) or appropriate amount for the local area.
3. Ask for three volunteers to play the part of 3 different social enterprises looking for investment – ask them to stand in different parts of the room.
4. Stand with each volunteer and introduce the three different social enterprise that can be invested in – see the next page for examples. Each social enterprise to make a pitch for their money.



5. Prompt the group to think about how they will spend their money! They could keep it all, spend it all in one place, or they could split it up and invest in more than one social enterprise.

6. Invite all participants to make their investments! They have 3 minutes to make their choice!

- Encourage participants to make quick decisions, and to move and discuss with other investors.
- Encourage the volunteers representing to pitch, lobby and influence to try to get investment.

This is a very fun and interactive moment – participants can discuss their options and move around the room to make their investments.

7. Give a 30 second warning to add importance and excitement, and then bring the opportunity to invest to a close. Ask the three volunteers to count up their tokens. While they are counting, reflect on the exercise by asking for thoughts from the rest of the group. Useful questions can be:

- Who decided to keep all or part of their money? Why?
- Who invested all of their money in one enterprise? Why?
- Who spread their money between two or three enterprises? Why?
- What was the most important thing that influenced your decision?

Summarise and clarify the points the group makes.

8. Ask the volunteers to reveal the amounts of investment they got. Celebrate and encourage the group to applaud the amounts raised. This is a fun end to the activity.

Alternate Approach:

The activity can be run a second time if participants would like to practice their own real pitches or you can start with them.

Bottle Top Investors: Examples

#### **A. Wild Energy**

Social Purpose: Sustaining a rural community, helping the people and the place do well

Products:

Community shop and bakery, and now developing its own micro-renewable energy projects

Organisation:

- A rural community development organisation
- Trading for 10 years
- 10 local community leaders on the board of directors
- full time staff
- £300,000 in assets – land and buildings

Social Impact:

- Provides services and affordable energy for the local community
- Inspires young people to stay and grow the local community
- Creates local jobs
- Green energy – not fossil fuels (e.g. coal)

Financial Model:

- Sells surplus energy to the government and larger energy companies

Investment:

- Needs to raise £5 Million
- It is offering shares in its new micro-hydroelectricity scheme
- Annual dividend is payable to shareholders
- Shares locked in for a minimum of 5 years
- Could result in a return of 20% when sold

#### **B. Five Senses Cafe**

Social Purpose: Supported employment for people with learning disabilities

Products:

Healthy vegetarian food, served and prepared by people with special needs. Customers write out their own orders on pads removing a barrier for waiting staff who can't write

Organisation:

- A social firm in the city
- 60% of employees have a disability
- 15 part time staff, most of whom would never be employed in a commercial business
- 5 years trading
- £200,000 annual turnover

Social Impact:

- Social inclusion and employment for people with learning difficulties

Financial Model:

- Café income, catering contracts, grants and contracts with the local government to provide supported employment

Investment:

- A crowd-funded loan of £80,000
- To expand their model by buying existing cafes for sale and converting them to a social enterprise model.
- The loan will be repaid over 10 years
- 8% interest for investors
- No repayments for the first 2 years

**C. Screen Time**

Social Purpose: Sustainable work, for people with long-term health issues

Products:

Website providing online recruitment and flexible work opportunities for people with chronic health conditions, unable to work or use their skills in normal employment.

Organisation:

- Online start-up
- Trading for 1 year
- No financial accounts yet
- 1 director and 2 volunteers

Social Impact:

- 500 people already signed up and working from home on flexible projects online
- 70 employers signed up, contracting short projects from members at affordable rates

Financial Model:

- Sales from employer fees and advertising income
- Grants and donations, plus their own money and time

Investment:

- Needs to raise £40,000
- Asking for donations or grants to help get started
- Aims to build staff numbers and pay wages
- Employing 2 new people, and making sales to 100 more employers
- Reaching a further 3000 new members
- £0 return for investors – donations only

Note:

- Key information is missing in each example, so facilitators can ask what else participants might want to know.
- Financial amounts should be changed to reflect local currency and appropriate scale.

**Debrief:**

Useful debrief questions can be:

- Have we learned anything that can improve the design of our social enterprise?
- What have we found is the difference between investment and grants or donations?
- What can be the investment be used for? Starting, testing, growing, changing, improving, buying assets, replicating?
- What types of sources of money can we think of? (eg – grants, donations, loans, crowd funding, shares)
- Do we feel the goal of gaining investment is a start or and end point?
- What else might we want to know before making an investment?
- What do investors need or want from us

