

SESSION SUMMARY

Conference: Social Capital Markets, September 9, 2011

Panel Topic: Capital Ideas

Panel Description: In this session, a panel of experts representing private, philanthropic, financial-first, and impact-first capital will work in real-time with the audience to solve a series of challenging financial conundrums. SOCAP participants are being asked to submit live “problems” ahead of time, which they are facing in either finding appropriate social capital or in allocating capital. The session will emphasize collaboration and creativity in connecting social capital with the right opportunities.

Moderator & Panelists:

- Steve Godeke
- Paul Herman
- Bill Campbell
- Justina Lal
- Varun Sahni

Design, Methodology, Approach: Case studies selected by the panelists presented with comments from the panel and audience.

Main Panel Discussion Points:

Q: LaborVoices is trying to raise capital. How do we communicate our business model to investors who are unfamiliar with the space?

A: Focus on the customers that you’re serving, the users and other constituents, not on the “model.” Also refer to existing products and services by other firms (mentioned by panelists).

Q: (distributed energy company in Haiti) Investors often think that we should be looking for donations instead of investments. How do we get around that?

A: Defining the structure differently may help. Start with what your target needs to hear, and also how much capital you’re trying to raise. Other non-profit organizations have spun out separate for-profit organizations to gather financial investments. Also, you have other impacts (e.g., health) so looking at other donors may be interested in this work.

Q: Farmland LP is raising private equity money. Have a hard time approaching non-profits for partnerships through strategic investments. How to best access mission-aligned investors and assets?

A: It’s not a very transparent market; some foundation endowments will make mission-related investments, but many won’t. Try to go for program-related investments, but it’s an inefficient market, and takes time.

Q: Meyer Family Enterprises did a convertible debt series A round. Is this strange?

A: Innovation in capital solutions is key. Providing shared backend services is also useful.

Keywords: Advice, investment, fundraising, labor, supply chains, farming, land, convertible debt, energy, Haiti

Paper type: Review of conference panel.

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