



A SHORT GUIDE TO NON-FINANCIAL SUPPORT

Building Organisational Capacity for Greater Impact

NON-FINANCIAL SUPPORT (NFS):

Support services Venture Philanthropy Organisation or Social Investor (VPO/SI) offer to Social Purpose Organisations (SPOs) to strengthen their three cores areas of development:

1. Social Impact	The social change on the target population resulting from an SPO's actions
2. Financial Sustainability	The assessment that an SPO will have sufficient resources to continue pursuing its social mission
3. Organisational Resilience	The degree of development of the management team and organisation of an SPO



MAP VPO/SI'S ASSETS

- Map NFS and determine **core NFS to offer** depending on the investment strategy of the VPO/SI
- Map **assets** – i.e. internal & external human resources needed/available to deliver NFS
- Assess and **monetise cost** of delivering NFS



Tools: EVPA NFS mapping, EVPA Asset mapping, EVPA NFS monetisation tool



ASSESS NEEDS OF THE SPO

- Both VPO/SI and SPO map the **needs of the SPO** in the three cores areas of development
- Perform SPO's **"light" needs'** assessment to assess if investment opportunity fits with VPO/SI's NFS offer
- If there is an initial match, then the VPO/SI and SPO perform an **in-depth needs' assessment** together



Tools: EVPA needs' assessment tools (a "light" version + in-depth/full version)

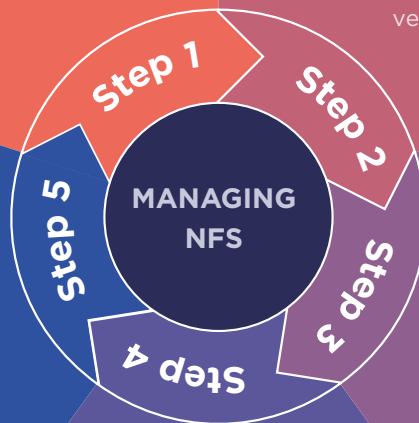


ASSESS THE VALUE & IMPACT OF NFS

- Assess **how the SPO perceives the value of NFS** to evaluate efficiency and effectiveness (this is ideally done by an external, independent third party)
- Measure improvement of SPO in areas of development



Tool: EVPA NFS impact assessment



DEVELOP THE NFS PLAN

- Prioritise and match areas of development of the SPO with NFS offer of the VPO/SI
- VPO/SI and SPO work together to develop an **NFS plan**, which should be formalised and included in a charter of engagement between both parties



Tool: EVPA NFS plan



DELIVER NFS

- Deliver NFS in different ways depending on SPO's needs: trainings, access to network, etc.
- Goal achievement and delivery monitored using the NFS plan as a dashboard
- Corrective action are implemented, if needed
- The NFS plan highlights when the collaboration between the VPO/SI and the SPO should end



Tool: EVPA NFS plan

THE NON-FINANCIAL SUPPORT JOURNEY

Moradigna © Yunus Social Business (left)
© Impetus-PEF (right)



STEP 1: Set Objectives

1. MAPPING NFS

Generic NFS: Strategic and operational – e.g. legal support, marketing and sales.

Specific NFS for each of the three areas of development of the SPO:

- a) Social Impact**
- Theory of Change & Impact strategy
 - Impact Measurement (IM) system

Impetus-PEF provides SPOs that enter its programme with hands-on support to develop their Theory of Change through the "Driving Impact Workshop".

- b) Financial Sustainability**
- Fundraising & Revenue Strategy
 - Financial Management

NESsT helped an SPO find follow-on financing in the form of a loan, and provided a guarantee for it.

- c) Organisational Resilience**
- Governance support
 - Human Capital Support

Investir&+ offers the SPO support in recruiting key team members, with punctual advice on the missing expertise, through its network of board members and expert entrepreneurs.

! Start-ups often need legal support and business modelling support as first step!

Prioritisation: the VPO/SI assesses what types of NFS are core to offer given its overall investment strategy.

2. MAPPING ASSETS: WHO PROVIDES NFS?

- Internal support** (VPO/SI's paid employees or board members) → provide core support
- External support** (pro-bono or low-bono contributors or paid consultants) → provide specific and technical support –e.g. legal- or non-core support

3. HOW MUCH DOES NFS COST AND HOW TO MONETISE IT?

- For the internal resources:

$$\frac{\text{Salary}}{\# \text{ days spent on delivering NFS}}$$

- For pro-bono / low-bono resources:

$$\text{Expenditure} = \text{"cash value"}$$

→ See EVPA's guidelines for monetisation

UnLtd looks at the rates that corporates and consultants would charge normally and multiplies it by the number of hours/days of work they put in.

STEP 2: Analyse Stakeholders

LIGHT NEEDS' ASSESSMENT

- What are the general needs of the SPO?
- Are these needs addressed by the VPO/SI's core NFS strategy?

If this first analysis is positive



IN-DEPTH NEEDS' ASSESSMENT

Yunus Social Business (YSB) starts by performing a light screening, explaining to the SPO which tools and methodologies YSB needs the SPO to apply. YSB then goes through a more detailed process of interviews and field visits to understand the support the SPO needs and whether YSB can provide sufficient support through its network and programme.

! The VPO/SI might want to check that the SPO's objectives are realistic and the claimed impact is achieved.

THE NEEDS' ASSESSMENT TOOL

The Needs' Assessment Tool provides a **visual representation** of the SPO's needs and helps match them with VPO/SI's resources.

It is filled in by both VPO/SI and SPO independently, and used to discuss, which increases transparency and open dialogue.

STEP 3: Measure Results

! Decisions should be taken **together**.

Acumen and the SPO develop a joint long-term roadmap to help prioritise needs based on SPO's key milestones and strategic funding requirements.

What does the NFS plan include?

Baseline
The SPO's initial situation, based on results of Step 2

Goal
Final objective of the SPO by the end of the investment period

Milestone(s)
Major progress points to achieve final goal

Outcomes
The changes, benefits, learnings or other effects resulting from the activities

VPO/SI's support to the SPO
What support is needed, how the NFS is provided, and how the support makes the difference

Deliverables
Information on what internal & external supporters have delivered to the SPO

Good practice is **to sign the NFS plan** during the Deal Structuring phase.



Investir&+ signs an agreement with each SPO on the NFS to be provided. It is not legally binding, but the signature stipulates the mutual agreement and engagement of the VPO/SI and the SPO.

STEP 4: Verify & Value Impact

WHAT ARE THE DIFFERENT DELIVERY MODELS THE VPO/SI CAN OPT FOR?

Taking a seat on the SPO's **board**

Offering **trainings, coaching or mentoring**

Investir&+ has one person sitting on the SPO's board to give strategic advice, and one as coach of the SPO's management.

Taking SPO to external **events**, offering access to **networks**

Omidyar Network and Investir&+ organise investee meetings at global portfolio & regional levels. Entrepreneurs appreciate learning from peers.

Outsourcing NFS to intermediaries

Passerelles & Compétences identifies the competences needed by SPOs and find the best volunteers to support.

HOW CAN THE DELIVERY OF NFS BE MONITORED?

Big Society Capital and Yunus Social Business have a monitoring/valuation committee reporting data used for the annual portfolio review and as feedback to improve the work with each SPO.

The results of the monitoring constitute the **learning** on what works and what does not.

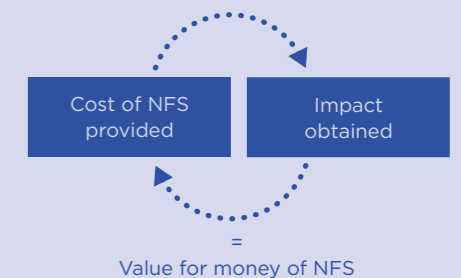
STEP 5: Monitor & Report

HOW DO VPO/SIs MEASURE THE VALUE OF NFS?

Satisfaction surveys, independent study (by third party), perception reports

Reach for Change asks the SPOs in its portfolio to anonymously answer a survey at the end of each Incubator year. The VPO/SI can then evaluate the impact of the NFS and assess whether the SPOs correctly appreciate the value of the services offered.

HOW DO INVESTEE VALUE NFS?



HOW TO MEASURE THE IMPACT AND EFFECTIVENESS OF NFS?




Best practice is a combination of:

- Third-party perception surveys
- Objective measures of organisational evolution against the milestones
- Assessment of the cost of NFS

Questionnaire structure to assess impact of NFS:

STEP 1 Assess what NFS is provided and the cost of NFS	Data taken from the monetisation tool
STEP 2 Assess the value perceived by the SPO	Questionnaire to assess the value perceived by the SPO
STEP 3 Objective measure of development	Objective measures of the improvement of the SPO on the three dimensions

MANAGING NFS IN THE INVESTMENT PROCESS

	INVESTMENT PROCESS					
	Investment Strategy	Deal Screening	Due Diligence	Deal Structuring	Investment Management	Exit
WHAT?	STEP 1: Map VPO/SI's assets	STEP 2: Assess needs of the SPO (light assessment)	STEP 2: Assess needs of the SPO (in-depth assessment)	STEP 3: Develop the NFS plan	STEP 4: Deliver NFS	STEP 5: Assess the value & impact of NFS
RECOMMENDATIONS TO MANAGE NFS	 <p>Core NFS</p> <p>delivered by internal staff or paid/low-bono consultants.</p>	<p>Assess SPO's needs and match the NFS provided by VPO/SI's.</p>  <p>Have a good local network if working in a different geographical area.</p>	<p>Carefully select partners, based on good matching of needs and resources.</p> <p>Understand: the needs of the SPO, the tools available, and the capacity of the VPO/SI and the SPO.</p> <p>Transparency and communication are crucial.</p>	<p>Define terms and conditions, roles and responsibilities, governance and scope and intensity of NFS.</p> <p>Develop milestones and KPIs but manage expectations.</p> <p>Integrate programmes to achieve higher efficiency.</p> <p>Make sure NFS is included in the deal and linked to IM system.</p>	<p>Provide, measure, monitor and assess the value linked to IM system - e.g. perception surveys.</p> <p>Develop specific intervention/delivery model for specific SPO.</p> <p>Have a good local network if working in a different geographical area.</p> <p>Keep an open and honest two-way dialogue.</p>	<p>Evaluate through independent evaluations.</p>  <p>Feedback loop from investees' evaluations into internal organisation.</p>

FOR MORE INFORMATION



Read the full publication "[A Practical Guide to Adding Value through Non-Financial Support](#)"



Register for our "[Fundamental Course on Venture Philanthropy and Impact Investing](#)"



Contact us at knowledge.centre@evpa.eu.com

Disclaimer

The case studies presented in this report feature organisations that are continuously working on their non-financial support strategies. As a result, all cases are evolving organisations and thus their non-financial support solutions are continuously improving.

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