

SET Conference
Workshop Session
28 July 2014

Setting up a Venture
Philanthropy Fund

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Inspiring Scotland

A case study;

**A Practical Social
Investment Model –
Origins, Outline, & Findings
of Gates/Cambridge report
on “Added Value to Social
Ventures”**



avpn.asia

AVPN has ambitious plans for growth with your support



Origins & Driving Forces

- Largely demand side;
- Short-term funding
- Fragmentation of funding
- Collaboration lost in competition
- Complexity of key social challenges
- Call for more rational environment
- The “2006 exploration”



Underpinnings, values & the model

- Tri-sector approach (Government, Private & Non-Profit)
- Business plan of venture drives investment period
- Importance of human capital (paid and pro-bono)
- Need for venture collaboration
- Failure is OK.....possibly necessary
- The model, grant-based;

Baseline ---Investors ---Venture identification ---High
engagement ---Report openly



Investors Why

- Leverage/ Multiplier effect
- Shared cost of base lining and due diligence
- Capacity and reach
- Sharing allows a longer term to be given
- Part of a “New Vision”



And Why Not

- Lack of recognition
- Ceding of control
- Perceived cost of engagement
- Cause misalignment
- Economic meltdown!



And after 5 years....

3.2bn TBH Invested in 60 plus ventures plus similar level of leverage

- Many successes a few failures!
- 200 strong probono pool
- Issues such as Youth Unemployment, Early Years, Free Play, Asset Based Community Development
- Cambridge University/Bill and Melinda Gates Foundation Validation;
<http://www.inspiringscotland.org.uk/blog/2013/12/11/the-practices,-impact-and-implications-of-inspiring-scotland%E2%80%99s-first-five-years>



Cambridge University/ Bill and Melinda Gates Report December 2013

- 4 year research into non-cash impact on ventures
- Stronger venture governance
- Management teams developed
- More robust logic models underpinning programmes
- Wide range of visible collaborations
- Clearer articulation of outcomes
- Growth in SE income streams
- High leverage
- Wider networks around ventures
- A strong validation of engaged philanthropy



Learning

- Invest In Fund Start up Phase (Time and money)
- All Funders Must Share A Common Vision
- Risk and Learning From Failures
- Investee Trust Vital
- Portfolio Spirit Takes Time
- Non-Cash Investment Key But Undervalued
- Aim High/Back Ambition

