



# INSIDE THE SE SHOWCASE

**A SPECIAL ISSUE OF ISIP UPDATES**

MAY 2019

## What's the Social Enterprise Showcase?

The ISIP Social Enterprise Showcase serves as the Demo Day for the SEs of the Social Impact Accelerator Batch 1. It is the culmination of the six-month intensive acceleration program. It serves as moving up ceremony where SEs also showcase their growth within the past six months in the accelerator.

On May 10, all ten (10) SEs pitched to potential impact investors, creditors, and funders. The leaders of the implementing organizations (Australian Embassy, UNDP Philippines, and PhilDev Foundation), and members of the local social enterprise community were also present during the event.

The event was attended by various local and international investors, creditors, funders, and SE supporters, including Manila Angel Investors Network, Aboitiz Power, Acudeen, ADB Ventures, ARQCapital, Capital4Development Partners, Carmenta Funds, Grameen Australia Philippines, ICCP Ventures, Investing in Women, LGT Impact, Morningtide Capital Partners, Ignite Impact Fund, CORE Capital, Land Bank of the Philippines, Spark Project, Villgro Philippines, xchange, and the Department of Trade and Industry.

# Effective tips to get you through Demo Day from Founders who experienced it by Marielle Bordado

The ISIP Demo Day gives social enterprises (SEs) the opportunity to pitch and connect with investors and funders, with the goal of securing funding and creating networks and potential partnerships. In other words, the Demo Day is a crucial day for the 10 SEs.

As a social entrepreneur, how do you make it through one of the most important days, which can set the future of your business? Here are some tips from the SEs themselves which will not only help refine your pitch but make Demo Day a walk in the park for you. No need to be anxious about Demo Day 'cause we've got you covered.

## Make your pitch concise but substantial

Most of the SEs who pitch during Demo Day would like to share as much as they can about their company and the work that they are doing. While this would be ideal, most demo day pitches have set time limits. Investors usually have to sit through an entire day listening to various pitches, so it would be really appreciated if you can focus on the more important information to share with them.

Hiraya Water started with a general deck of 60 slides which they eventually trimmed down to fit the five-minute presentation "It's just five minutes so there's just so much you can convey, so focus on what goals do they share with us. Focus on the essence of your startup. Don't over explain because there's another venue for that. Give a brief overview of your targets and of course, your call to action" said Stephen Larcia of Hiraya Water

"When we prepare for Demo Day, we really exert time and effort on building our deck. We want it to be a showcase of our progress. If you want to attract investors, you have to make sure that your presentation makes an impact." said Oskie King from Cleaning Lady. Oskie and his co-founder Frances Feliciano presented the pitch of Cleaning Lady during the SE Showcase.



STEPHEN LARCIA OF HIRAYA WATER

## Be relatable and engaging

Just like the other SEs, Joji Pantoja of Coffee for Peace also worked hard on refining her pitch presentation. Joji also wanted to engage the audiences during her pitch. She started her pitch by asking the audience "Do you like coffee? Do you like good coffee?" Her opening spiel proved to be an effective icebreaker and a way to connect with the audience.

"I felt good about the final presentation. I think I captured the audience's attention," said Joji.

Hiraya on the other hand, had a different strategy in making their presentation more relatable. "I added some context like the current water crisis to make it more relatable. I realized that our general slide deck could be too technical," said Stephen Larcia of Hiraya.

## Know your social enterprise

Knowing your SE well is the most important thing whenever you pitch. The main challenge during demo day is to effectively convey and capture exactly what your company is doing.

"Be clear about who you are, what you want, and what you're trying to do. If you know what you're doing and what you're about, then people will see it," said Raffy Concepcion of SolarSolutions

"Be true to the mission. Stick to the mission of your company, on what you are trying to address. It could be poverty,

climate change etc. It's not all about money. As you grow, remember what your company's mission is," said Mark Gersava of Bambuhay.

"Clarify your purpose as a social enterprise. If you can identify the parameters that investors consider, then you can align your strategy to that," said Zes Martinez II of FAME.

"Just believe in your enterprise and what it can do for others. At the end of the day, public service is everybody's work. Just believe that they can change lives, they can help people," said Doreen Gersava of Virtualahan.

**"Be clear about who you are, what you want, and what you're trying to do. If you know what you're doing and what you're about, then people will see it,"**

-- Raffy Concepcion, SolarSolutions

Continued on p. 3

# Effective tips to get you through... Continued from p. 2

## Be open-minded

Part of attending a Demo Day and generally being part of an accelerator or incubator program includes getting input and feedback from various mentors, experts, and industry leaders. When you go to a Demo Day, be open to suggestions and possible new strategies. These may prove to be very helpful in shaping business decisions and deciding the future direction of your company. Don't be afraid to embrace change. Sometimes, it takes one to unlearn things for more learning to take place.

"During the last pitch practice, we finally decided on which direction to take. We realized that our existing business model is a bit stagnant and has slower trajectory in terms of growth. We felt it was high time to take this risk and take Cleaning Lady to the next level," said Oskie King of Cleaning Lady.

"Be open to all types of possibilities, all types of lessons and improvements for your business," said Yvonne Manalo of Taxumo.

**"We prepared through numerous lengthy discussions with our mentors (Jones Castro and Jennie Alcabao) and the ISIP team on what to prioritize during the presentation and how to better communicate our value proposition."**

**-- Matthew Par, Gaz Lite**

## Show facts & figures

While it's important to tell investors about what you are doing, numbers and evidence would also help a lot, especially in articulating the current state and the growth trajectory of your company. It's very important to present evidence to make your presentation more convincing and credible.

"We tried to do as much so that we can present real content. We wanted to present customer conversions. It's all about content for us. We wanted to present what was actually happening," said Stephen of Hiraya Water.

"We looked at our financial reports to include in our presentation so that people would see the impact that we have now and we're trying to target in the next few years," said Yvonne Manalo of Taxumo.



JOJI PANTOJA OF COFFEE FOR PEACE



ZES MARTINEZ II OF FAME



MARK SULTAN GERSAVA OF BAMBUHAY

## Practice! Practice! Practice!

Lastly, in any Demo Day or Pitch Competition, it helps to practice a lot. Doing your pitch over and over again does not only help familiarize you with your presentation, but it also helps refine it.

"Before the Demo Day I attended a lot of Pitching Competitions. In the days leading to the ISIP Demo Day, I just stayed home and kept practicing. I really prepared for it. Most of the content of my deck, I had to revise. It's because of the mentorship from the SIA," said Mark Gersava of Bambuhay.

"I attended the coaching sessions and pitch practice. I listened to suggestions from the ISIP team and mentors. I tweaked my presentation to highlight the numbers and the social impact" said Robi Del Rosario of UPROOT.

"The pitch practice sessions were helpful in preparing us for the Demo Day. I attended the Pitch Karaoke Session before and had the chance to meet the ISIP project team who provided feedback," said Raffy Concepcion of SolarSolutions.

Remember the Demo Day is not the end goal of your journey. Getting investments may be a bit challenging but bear in mind that Demo Day is not only for you to pitch to potential funders. It is also a venue to link with partners whom you can collaborate with in working towards the impact your SE is trying to achieve. After the Demo Day is over, the real work starts and the more important challenge of creating deeper connections with people you've networked with.

--  
The Social Impact Accelerator is one the strategies of the Innovation for Social Impact Partnership (ISIP), a project co-implemented by UNDP Philippines and PhilDev Foundation, with generous support from the Australian Embassy in the Philippines.

# 5 Most common questions investors ask ISIP social enterprise Founders on Demo Day

by Adriel Nisperos

Preparing your pitch for potential investors is one thing but answering their questions about your business is another. Your answer can make or break a prospective deal. There are no right nor wrong answers but making sure you sufficiently address their questions reflects how well you know your business and helps them better understand if your SE is a good fit with their investment portfolio.

With the recently concluded ISIP Demo Day last May 10, we're sharing the top five questions the investors usually ask SE founders. These questions were shared to us by the SE founders of the ISIP Social Impact Accelerator Batch 1.

## 01 | What is your social impact?

According to the 2018 Annual Impact Investor Survey of the Global Impact Investing Network, impact investors are motivated to make impact investments because of three main reasons: mission, impact goals, and commitment as impact investors. Therefore, expecting a question that focuses on your business' social impact should not be surprising at all.

Zes Martinez II, Founder of Futuristic Aviation and Maritime Enterprise (FAME), shared that one of the investors asked them about their social impact and whether it fits to their company portfolio. As an SE seeking for funding, aligning your business' impact goals to your potential investor's impact goals is key. "We need to align more to them and make sure the timing is also right, in terms of the stage we are currently in right now," Zes notes.

Matthew Par of Gaz Lite shares some insights when it comes to addressing questions on social impact. "You have to always go back to your business model. As a social enterprise, your activities for revenue generation and impact generation need to be one and the same," said Matthew.

## 02 | How much equity are you willing to share for funding?

Acquiring investments is not just a one-way street. There are investors who seek equity in exchange for funding offer they'll bring in. Determining the amount of equity which you can share to an investor can be tricky, but it can be best determined by knowing the value of your business.

In the ISIP Social Impact Accelerator, a committee is formed to help the SE founders define the amount of equity they can share to an interested investor. This is to make sure that no party is on the losing side as these exchanges may affect the future of the business.

Joji of Coffee for Peace was hesitant at first to do business with equity investors for fear of losing control over the enterprise. but later on she realized, "I was assured during conversations with equity investors that they are not interested in taking over my business... They just want to help."

## 03 | How will you use the funds?

The investors are keen to know how you're going to use the funding they'll bring in to your SE, up to the last cent. According to Martin Zwilling, a veteran startup mentor and an angel investor, you have to identify your focus and priorities when you're allocating your funds. One to three allocations are recommended.

Stephen Larcia, Founder of Hiraya Water, shared that many of the investors who came to them during the ISIP Demo Day probed about how they are going to use the funds they're asking. "...there were investors who approached us, asking if we are considering equity. What's most important about the discussion are the questions about future plans and the use of funds, particularly on the manufacturing aspect," Stephen shared.

## 04 | What is my return on investment (ROI) going to be?

Although impact investors may tend to focus more on realizing impact goals, asking you about their ROI is still a valid question you may want to prepare for. An SE is not only about creating social impact but equally about generating profit for sustainability. The investors are interested on how fast they can make money out of their investments, which is an inherent interest for them. As a founder, you should be aware of your business' ROIs whether in the social impact-side or profit-side.

According to Raffy Concepcion, Founder of SolarSolutions, they talked to familiar people at the ISIP Demo Day since some of them were also guest speakers in the

learning sessions conducted in the past six months under the ISIP Social Impact Accelerator. The conversations during the Demo Day were more in-depth.

"Before, it [investor/mentor questions] was more on the product, concept and execution. The conversations today were more on the return of investment, cost per unit, and other business-specific questions," Raffy said.

## 05 | When can we discuss further?

At the end of the ISIP Demo Day, Jones Castro, Executive Vice-Chairman of PhilDev Foundation and a serial startup mentor himself, shared that there can only be three outcomes after meeting an investor or funder. It can be a "Yes," a "No," or a "When can we discuss further?"

Now, this is another tricky situation for SEs. This question can mean anything since it's neither an accept nor reject answer about the investment. At least, it is better than a straightforward "No, thanks." So the next time you have the chance to meet, be sure to have all your ducks in a row and seal the deal with your investor.

Raffy of SolarSolutions notes, "This is not the end, this is just the start. There are so many people to connect with in a more in-depth level. It's a reality check for us that certain people have certain expectations."

These five questions are only some of the most common ones investors usually ask an SE founder. Managing your expectations, however, is essential as investor interests vary depending on who you're doing business with. Remember that your goal is to acquire the funding you need to be able to reach your business and impact goals, and this will entail a lot of preparation on your part. So the next time you face an investor, have a look at these questions to help you seal the deal.