

# ākina



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**IMPACT**  
INITIATIVE

# Impact through Enterprise

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# Why use enterprise as a force for good?

## Enterprises can have positive impact AND:

### Unlike Government...

- Greater access to some priority groups
- Community ownership builds resilience
- Can partner with industry
- Agile and innovative

### Unlike Charity...

- Diverse funding model
- Independence = innovation
- Real employment environment
- Cross-sector partnerships

### Unlike pure for-profit ...

- Justify low return activities
- Can invest profits in impact
- Can attract grant funding
- Leverage volunteers

# Enterprises told us they are having impact in some key areas

Health and Wellbeing	<b>57</b>
Education / training	<b>47</b>
Quality environment	<b>39</b>
Strong/resilient communities	<b>33</b>
Social inclusion / equality	<b>27</b>
Decent work	<b>24</b>
Waste reduction	<b>23</b>
reduced poverty / financial inclusion	<b>13</b>
Māori development	<b>9</b>
Climate action	<b>3</b>

We know what areas they believe they are having impact

We don't know what actual impact they are having

# Impact spotlight

Whānau wellbeing

Mental health

Reducing waste



# The Impact Conversation



# Opportunities

We are beginning to explore potential opportunities for how Government can play a role in supporting enterprise as enterprise achieves positive impact .

## Data

Invest in gathering data from enterprises.

Generate evidence from Govt. data then open source to help enterprise work on the right things.

## Partnership

Go on the journey and pick up the models that enterprise proves work.

Support innovation.  
Payment for performance.

## Pivot

Inclusion. Open funding rounds to include Social Enterprise.

Devolution. Explore opportunities for community-run enterprise to deliver outcomes.

## Learning #1

**If you don't know what impact you are having, it is difficult to make adjustments to increase your impact.**



## Learning #2

**Investors in Impact Investing and buyers in Social Procurement cannot know what impact they are having if the enterprises they are investing in, or procuring from, cannot report their own impact.**

## Learning #3

**Everyone up and down supply chains (and investment relationships) should be supported to measure and communicate their impact in order to increase their impact.**

## Learning #4

**Government Frameworks include long-term outcomes. Enterprises often achieve short and medium-term outcomes. We need evidence to link them up.**

## Learning #5

**Better linking between Government, funders/buyers and enterprises around impact can lead to better partnerships, more effective funding and greater impact.**

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# Growing Impact

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# Finance & Legal workstream: What's the point?

1. **Determine why it is difficult for social enterprises to raise capital in NZ, and grow their business.**
2. **Recommend ways to create a more enabling environment for impact investing.**



## Step 1: Capital Needs report

We commissioned research to better understand the capital needs of the social enterprise sector.

### Opportunities to consider

Examine barriers  
to accessing  
capital

Develop impact  
investing  
capability

Catalyse market  
with impact  
investment fund





## Step 2: Legal structures report

We commissioned research to better understand “specific examples of social enterprises that have been unduly affected by the perceived challenges associated with their legal structure”

### Opportunities to consider

Creating an enabling environment for impact businesses

Increasing private sector contribution to wellbeing in NZ

# Meanwhile in 2019...



# ImpactEnterpriseFund

Market Activity

# Step 3: Demonstrate benefits of solutions

Demonstrate the benefits of...

Ways to create a more  
enabling legal  
environment

Ways that impact  
investing can deliver  
positive outcomes for NZ

Then determine...

How can Government  
best create an enabling  
ecosystem for impact  
investing?

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# Changing Procurement

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# Procurement

Acquiring goods,  
services and works

# Social Procurement

Acquiring goods,  
services and works

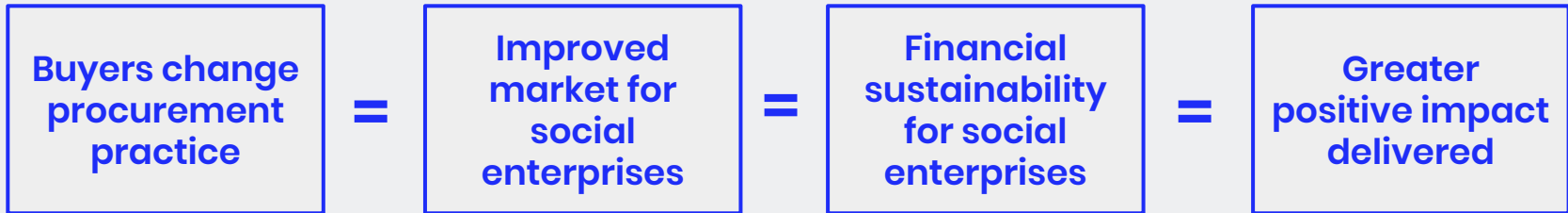
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Generation of social, cultural &  
environmental outcomes

# Why Social Procurement Matters

Social enterprises and impact-led enterprises trade to generate revenue and deliver positive impact. In order to trade, they need access to markets and opportunities.

Other organisations can use their supply chains to deliver positive outcomes by purchasing from social enterprises. Think of it as spending the same dollar twice (or three times, or four times!)



# The Context for Change

## THREE DRIVERS

Procurement  
wants to and  
needs to  
change

Private and  
public  
spending  
seeks impact

The rise of  
diverse  
suppliers



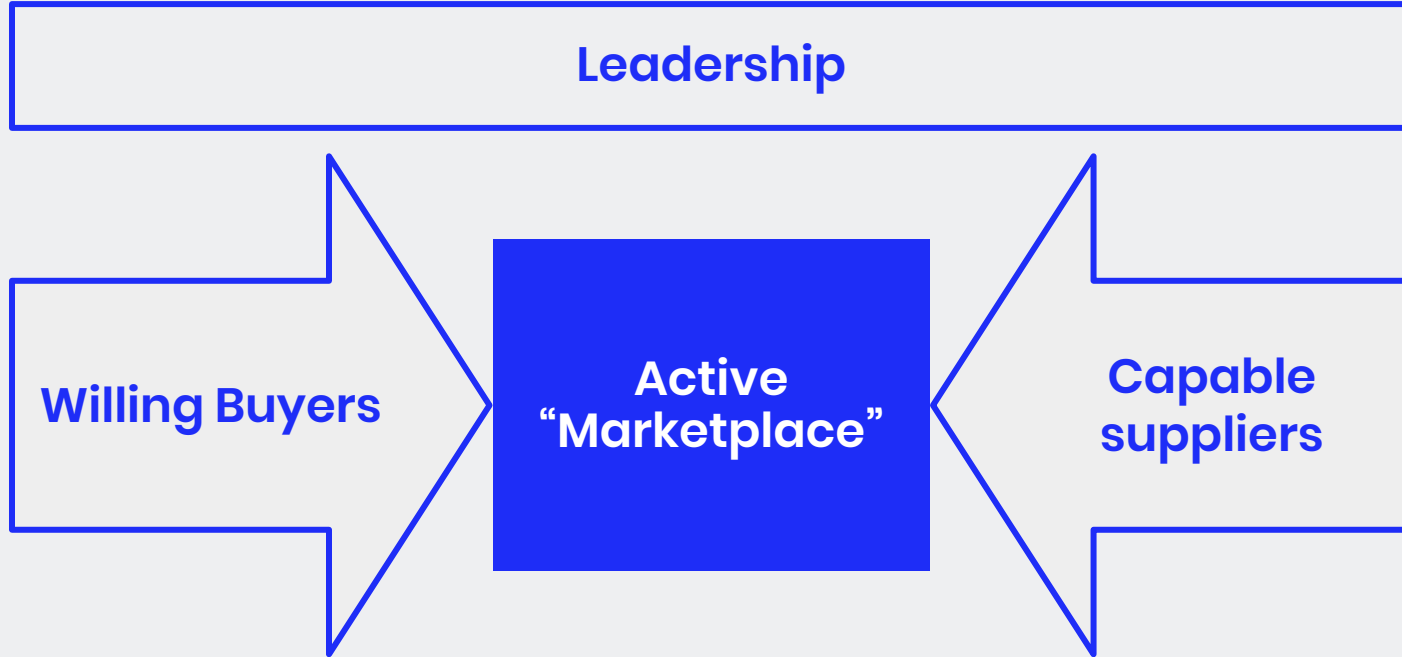
# What is happening in Aotearoa?



HE  
WAKA  
EKE  
NOA

Fast Following +  
Fertile Ground

# The Opportunity for Government



# Key Insights

IMPLEMENTATION AND  
SHAPING PROCUREMENT  
PRACTICE

GROWING NEW  
FIT-FOR-PURPOSE SUPPLIERS

**This will require *change*.**

IMPROVING CAPABILITY AND  
UNDERSTANDING OF BUYERS  
AND SUPPLIERS

PARTNERING FOR OUTCOMES

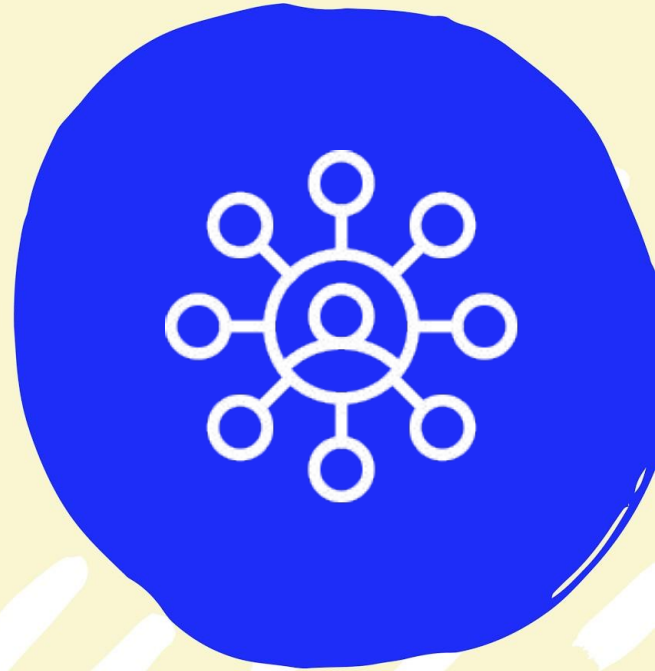
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# Building Capability

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**How do we, collectively, build the capability of social enterprises throughout Aotearoa to achieve impact?**

# Key insights from consultation

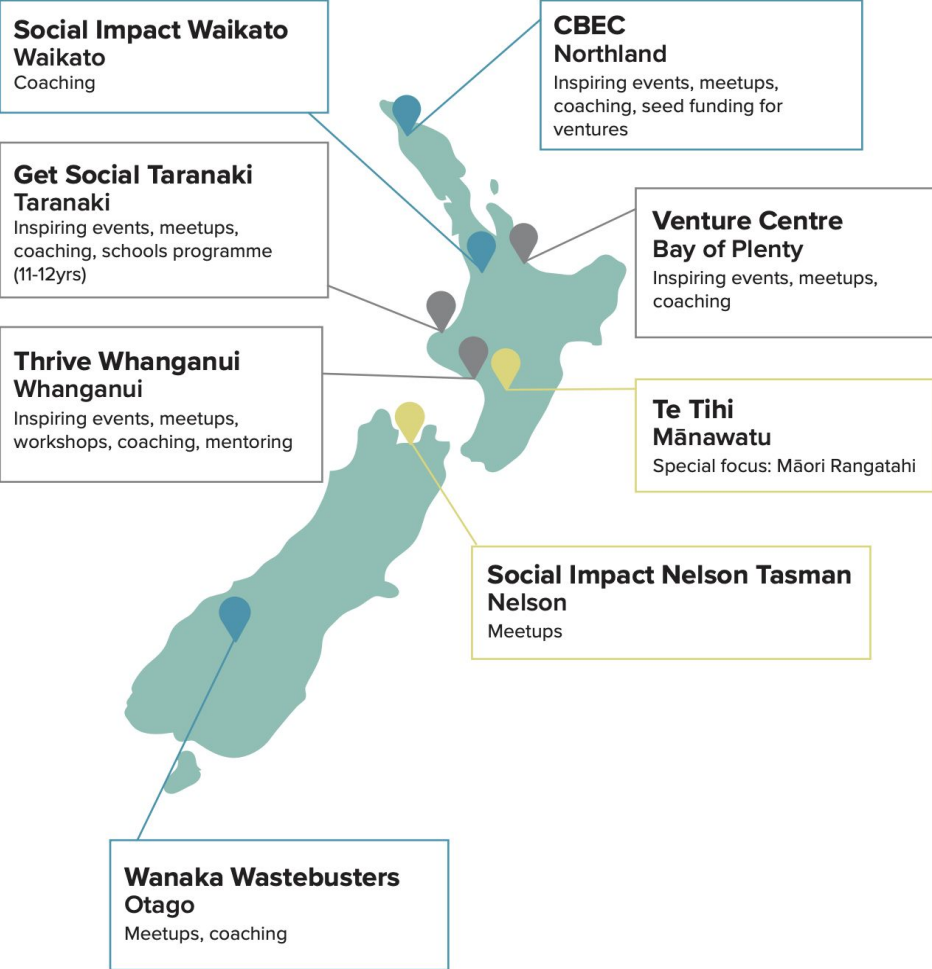
- Access to support remains a challenge
- Capability builders work in a voluntary capacity
- Support is badly sign-posted
- Equity is still lacking
- Importance of wrap-around and community support

# Three areas of opportunity

1. Increase the visibility and accessibility of support
2. Offer more relevant and meaningful tools
3. Build a more connected ecosystem



# A connected network of 'Regional Hubs'



## Learning #1

**In-person coaching plays a decisive role in the trajectory of an early-stage social enterprise.**

## Learning #2

**Peer-to-peer learning and community connections accelerate capability and confidence.**

## Learning #3

**Seed funding is key for early-stage social enterprises to move from aspirations to reality.**

## Learning #4

**The co-delivery model allows for each partner to play out their strengths, and leads to better outcomes for all.**

## Learning #5

**Connections and peer-to-peer learning amongst regional capability builders are beneficial to evolve local delivery models.**

## Learning #6

**Seed funding for local capability builders is a key enabler to their longer term sustainability if unlocked at the right time.**

## Learning #7

**Being present in a community, alongside our local partners, is necessary to create meaningful and long term impact for the community.**



# So what makes an effective place-based approach in Aotearoa NZ?



# The opportunity for Government



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# Sector Engagement

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# Ākina / CENT partnership



Cliff Colquhoun & Louise Aitken signing MOU between Ākina and CENT – May 2018

# Engaging with the sector

