



SOCIAL  
ENTERPRISE  
**WORLD  
FORUM 2015**

MILAN - ITALY   July 1-3

# What makes a “social” investment, social?

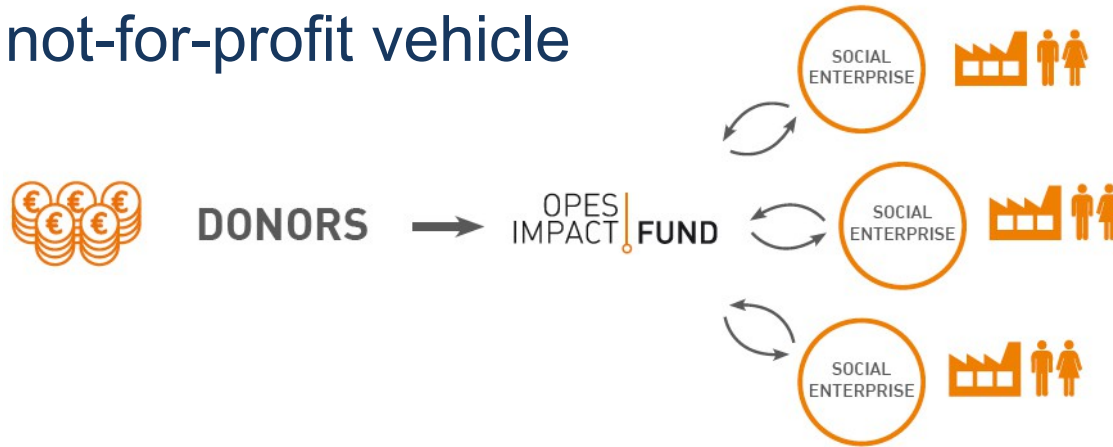
Giovanni Gerola

Director of Investments - Opes Impact Fund

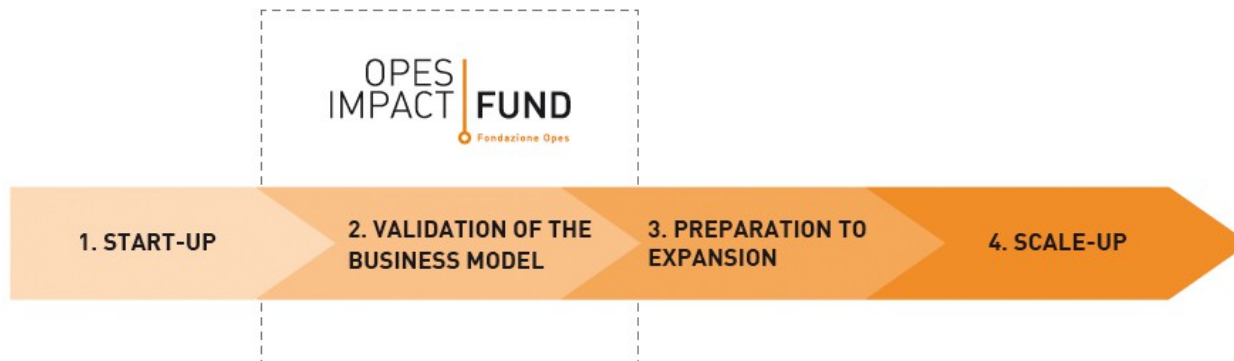


# Opes Impact Fund (Fondazione Opes)

Hybrid not-for-profit vehicle



Focused on **early stage** social enterprises





**Geographic focus (1st phase):** East Africa (Kenya, Uganda, Tanzania) and India. As of next year we will expand to other countries and Italy



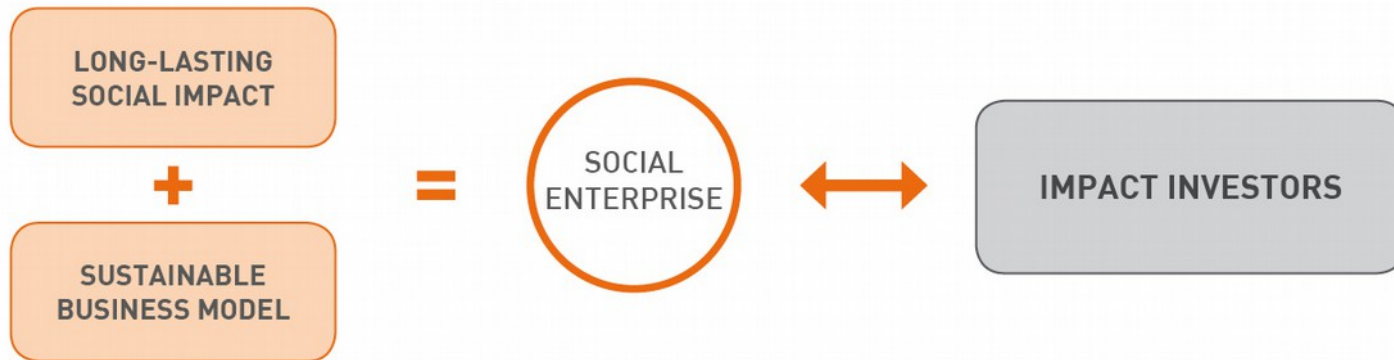
Operations started on Apr 2013. As of Jun 2015,  
investments in **6 social enterprises** (7 by end July)  
For details: [www.opesfund.eu](http://www.opesfund.eu)



# What makes a “social” investment, social?

«INVESTMENT»: nature of the financial support (NOT a grant in disguise...)

«SOCIAL»: nature of the Investee = Social Enterprise





## Social Enterprise, according to Opes:

The SOCIAL IMPACT MODEL has to be **embedded** in the business model (not just an add-on).

The ENTREPRENEUR has to be sincerely **motivated** by the social mission, **talented** in managing a business and very **knowledgeable** about the market

The BUSINESS MODEL proposed by the enterprise is sound and **financial sustainability can be reasonably expected.**



**NB: Social Enterprises have 1 less “degree of freedom” in their path towards financial sustainability.**

Acknowledging it, Investor and Investee should jointly

**Avoid SHORTCUTS:**  
Financial return cannot be pumped up if it would mean jeopardizing the impact model

**Avoid “RUSH TO SCALE UP”:** Investment horizon should be long enough to allow for healthy growth on both financial and social performance

**Pursue FULL STRATEGIC ALIGNMENT:** ensure full agreement on deal terms + apply proper governance + maintain frequent and transparent communication