



# NESsT News

Issue 2 July/August 2002

A newsletter for friends and supporters of the Nonprofit Enterprise and Self-sustainability Team

## NESsT Venture Fund Awards Eight New Capacity-Building Grants


A May call for tender announced by NESsT has resulted in the award of eight capacity-building grants to nonprofits in Central Europe. The grants, consisting of 10-30 NESsT consulting hours, will help recipients develop either a feasibility study or a business plan for their social enterprises.

Five of the selected organizations will receive NESsT Venture Fund assistance to develop feasibility studies. In Hungary: **Bliss Foundation** plans to sell alternative communication devices for physically-disabled youth. Human rights group **Afrika-Aszia Forum** seeks to rent African costumes and instruments, cater African cuisine, and sell African art. **NIOK**, a nonprofit support center, plans to provide web services to nonprofits. **Partners Hungary** aims to earn income from its conflict resolution trainings. In Slovakia: Cultural, natural, and historical heritage organization **Vydra** aims to run a buffet and cultural activities for tourists at an environmental museum.

Three organizations will receive NESsT support to develop business plans. In Hungary: **Open Garden**, which promotes community agricultural production, is expanding a home-delivery service for organic produce. In Czech Republic: **Transitions Online**, which works to strengthen independent journalism in Central Europe, seeks to increase fees from its online articles and news database and from book and CD sales.

**Tamizdat**, which promotes alternative culture and progressive thought in Central and Eastern Europe, seeks to increase revenues from online sales of music CDs.

[www.nesst.org](http://www.nesst.org)!

 **nextra** Thanks to the generous in-kind design and hosting support of Nextra, a leading internet and technology firm, we have relaunched the NESsT website: [www.nesst.org](http://www.nesst.org). **Thank you, Nextra!**

## NESsT Co-Founder and CEO Nicole Etchart Selected as AVINA Leader in Chile



[www.avina.net](http://www.avina.net)

The AVINA Foundation has selected NESsT Co-Founder and CEO Nicole Etchart as an "AVINA Leader." Joining an impressive network of civil society leaders throughout Latin America, Nicole will receive support over two years (2002-2004) from AVINA to enable NESsT to expand its assistance to social enterprises across Chile. "The investment from AVINA comes at an opportune time in our efforts to scale up the activities of the NESsT Venture Fund (Fondo Nido)," says Etchart. "We've already identified some 50 social enterprises throughout Chile who are candidates for

Fondo Nido. AVINA's investment will help NESsT expand our support to social enterprises and to leverage other resources from corporations, foundations and philanthropists." Founded in 1994 by Swiss entrepreneur Stephan Schmidheiny, AVINA has invested over US\$200 million in leaders working to promote social justice, citizen participation, education, and eco-efficiency throughout Latin America.



Nicole Etchart

"AVINA's investment will help NESsT to expand our support to social enterprises in Chile..."

## NESsT Venture Fund: Portfolio Profile

### P-CENTRUM

Carving out a future of opportunity for Czech at-risk individuals

**NESsT Capital Investment to date:** US\$11,500

**NESsT Capacity-building Investment to date:** US\$18,750

The Centre for Prevention, Treatment and Integration of Persons Endangered by Drug Dependence (P-Centrum) was established in 1994 in Olomouc, Czech Republic. P-Centrum provides prevention, treatment and integration services to persons recovering from drug addiction through a combination of therapy, sheltered work and housing.

In 2001, NESsT invited P-Centrum into the NESsT Venture Fund portfolio to help expand a wood-sculpting workshop providing aftercare program and employment for at-risk individuals. The workshop focuses on the construction of hand-carved benches, slides and other multi-functional wooden sculptures for



Hand-carved wooden benches and slides created by at-risk youth in the P-Centrum woodworking business are sold to municipal parks, zoos and playgrounds.

children's playgrounds, schools, parks and zoos. NESsT support has allowed P-Centrum to relocate the workshop to a larger space and employ more people. NESsT is also working with P-Centrum to conduct "true cost" analysis of its business; to better analyze and expand its market; to develop more sound distribution, pricing and market segmentation strategies; and to raise its profile.

**Visit: [www.p-centrum.cz](http://www.p-centrum.cz)**

## NESsT Business Advisory Network

The NESsT Business Advisory Network (BAN) provides pro bono advice and assistance to NESsT and our fund portfolio. European BAN membership has grown to some 30 committed corporate leaders from the fields of business development, finance, law, marketing, technology, venture capital, etc. A full list of current BAN members can be viewed at: <http://www.nesst.org>.

### BAN Profile: Daniel Lynch



**Daniel Lynch,**  
Senior  
Investment  
Director,  
3TS Venture  
Partners AG

**"I came to the region eleven years ago to help it grow. I hope that my skills can make a difference."**

**Daniel Lynch** is a senior investment manager in the Prague office of 3TS Venture Partners AG, a Swiss-registered venture capital firm operating through offices and teams located in

Prague, Budapest and Warsaw. Dan is active in investment structuring, negotiations and investment management. Previously, he was an Investment Director in charge of Telecoms and Technology for the AIG New Europe Fund based in Warsaw. While there he

led several transactions in the wireless GSM and broadband sectors totaling over US\$125 million. A US citizen, Dan has continuously lived and worked in Central Europe for over eleven years. He has an MBA from University of California at Berkeley.

Dan was first introduced to NESsT during a presentation at the Czech Venture Capital Association (CVCA) in Prague given by NESsT Enterprise Development Director Joanna Messing. Finding the NESsT philanthropic investment approach appealing and building on his long-standing interest in community involvement and children/youth issues, Dan became a member of the NESsT BAN and a key supporter of NESsT Venture Fund portfolio member P-Centrum in Czech Republic.

## Inside NESsT



**Jayne Morgan** has joined NESsT as Finance and Operations Manager. Jayne has primary responsibility for financial manage-

ment, human resources, technology and improving organizational operations at NESsT. A certified public accountant, Jayne joins NESsT from PricewaterhouseCoopers where she was an auditor and consultant, assisting clients in compliance, internal controls, litigation support and fraud investigation. Jayne holds a B.S.B.A. in Accounting, International Business and Spanish Literature from Washington University in St. Louis, and currently lives in Santiago.

**Chris Crigler** has been promoted to Office Assistant to Operations Manager for NESsT Europe in Budapest. Chris is currently completing his MBA through Case Western Reserve University, studying at the International Management Center in Budapest. Chris has lived in Budapest since 1993 and previously worked with AOL and Quark, Inc. in Sales, Marketing and R&D.



## NESsT in the Press



### Prophets for Nonprofits?

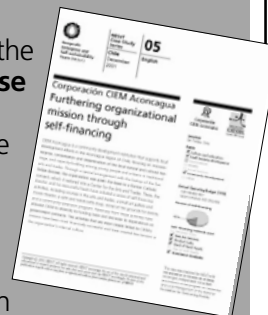
**Alliance Magazine** invited Lee Davis and Nicole Etchart of NESsT to serve as guest editors for a special issue on venture philanthropy. Published in London, *Alliance* is aimed at international funding organizations (foundations, companies, NGOs, governments, and multilateral organizations). The June 2002 issue examines what the nonprofit world can learn from venture philanthropy, and how useful the model can be to nonprofits in developing and transitional countries. The issue includes contributions from enthusiasts and skeptics alike, with perspectives from a venture philanthropist, a social entrepreneur, a venture capitalist and a 'traditional' grantmaker, plus examples from around the world.

**Visit:** [www.allavida.org/alliance/sys/al\\_latest.idq](http://www.allavida.org/alliance/sys/al_latest.idq)

## NESsT Publications

NESsT has launched the **NESsT Case Study Series**, the first of its kind to focus on entrepreneurship in the nonprofit sector. The first nine cases in the series (available in English and Spanish) come from countries throughout Latin America and examine various challenges of social enterprise. Modeled on the case studies of leading business schools, NESsT cases document practical lessons learned by nonprofits that operate businesses to generate income and further their missions.

View the list of available cases and case abstracts on the "NESsT Publications" link at [www.nesst.org](http://www.nesst.org).



## From dot-com to dot-org: NESsTERS in the News

**Cy Hersch** and **Sofia Michelakis**, both NESsT Entrepreneurs-in-Residence (NESsTERS) in



Santiago, were recently featured in the article "From Dot-Com to Dot-Org: Seattle Venture Capital Lawyers Shift to Venture Philanthropy in Latin America" in the on-line *Social Entrepreneurs Magazine* published by Social Entrepreneurs of Washington (Seattle, USA). View the article at the "NESsT in the Press" link at [www.nesst.org](http://www.nesst.org).

## NESsT News

*NESsT News* is a bi-monthly publication of NESsT. To learn more about NESsT and/or to subscribe to *NESsT News*, visit our website at [www.nesst.org](http://www.nesst.org) or write to Lee Davis at [nesst@igc.apc.org](mailto:nesst@igc.apc.org).