



NESsT Venture Fund

A philanthropic investment fund for social enterprise development

Investment Brief: Romania

Fundatia Romanian Angel (Romanian Angel Appeal Foundation - RAAF)

www.raa.ro

Location: Bucharest, Romania

Sector: Health, disability

Stage: Second year, later-stage portfolio



Organizational Information

Date Founded: 1991

Annual Budget: US\$ 7.166.274

Employees: 17 full-time, 13 part-time

Mission: RAAF works to improve the quality of life for youth and families living with chronic illnesses such as HIV/AIDS, and who face discrimination and social exclusion. The organization has more than 15 years of experience in the public health sector, delivering social, medical and educational services to its beneficiaries.

Social Challenge: The World Bank estimates that the AIDS epidemic will grow significantly during the next 5 to 10 years. As of 2008, recorded cases of HIV/AIDS totaled 15,000 in Romania. Although the government runs AIDS awareness campaigns, discrimination is on the rise and the need for education and improved public health services continues.

Social Enterprise Overview

Description: RAAF has launched a social enterprise, FirstBebe, offering a course for pregnant women and couples on maternal and neonatal health care. The organization also produces and sells educational DVDs to expecting parents. RAAF's goal is to train 2,500 couples in 2008 and 2009.

their first child through education about pregnancy, delivery, and newborn health care. Reach direct and indirect beneficiaries with supplemental training on nutrition, first aid, and legal rights.

Social impact goal: Increase access to information and services for parents expecting

Financial goal: Strengthen RAAF's financial sustainability by securing an independent source of income. In year two, repay the loan taken out to cover start-up costs and generate 2.5% of the RAAF budget. In the long term, RAAF aims to generate 10-15% of its total revenues from the enterprise.

Goals for 2010

Financial Support Needed
US\$ 8,000

NESsT will provide the following capacity-building assistance to RAAF:

1. Develop goals and indicators for the 2010 performance management tool.
2. Refine and implement business plan.
3. Implement improvements in financial and accounting systems and performance; cash flow management; complete separate accounting for the social enterprise.
4. Develop and expand organizational capacity and human resources plan, includ-

ing training and performance evaluation, time-sheets.

5. Assess sales strategy, specifically in terms of strengthening RAAF's ability to attract sponsors; promotion strategy and online communications plan.

6. Develop a distribution strategy for the DVDs.

7. Customer relationship management system.

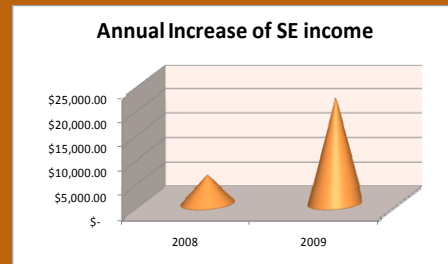
8. Develop a three-year financing plan for the social enterprise.

NESsT will meet periodically with RAAF management one-on-one to review performance and determine how to strengthen the enterprise and facilitate direct consulting and financial support from BAN members and other experts.

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Flagship Indicators - Year 1: 2009

Total N° of beneficiaries	60,618
Total annual SE income	US\$ 21,763
Annual growth rate of social enterprise income	373%
Projections	below
Annual budget	US\$ 7,166,274
Percentage of SE income in budget	0.3%



Beneficiaries reached through the SE:

2000 <- couples trained
users of healthy delivery forum -> **3500**

Key Impact to Date

Enterprise Performance: Sales below projections, but national presence through the DVDs and website; 85% of the clients very satisfied with the trainings.

Social Impact: 2000 couples trained; over 3500 users of the healthy delivery forum.

Organizational Development: Higher visibility for the organization (11.000 users on the website). Cost centers were implemented within the organizational budget.

Financial Sustainability: Attracted 9 donors/sponsors for the social enterprise.

"It was very important for me that NESST trusted me and promoted the quality of the FirstBebe services. I learned that if I have problems, NESST will not fix them for me, but will teach me how to deal with them myself. And I am thankful for this!

- Iulia Sirbu, Coordinator, RAAF



"The interactivity of the NESST workshop impressed me. It was great to have (the BAN member) with us."

- Iulia Sirbu, Coordinator, RAAF

NESST Investment to Date

Overall Support to Date

Financial: US\$ 13,300

Capacity-building: US\$ 18,825

NESST provided the following capacity-building assistance to RAAF:

1. With direct help of a BAN member, advised on the implementation of a human resource information system designed to manage the part-time work of multiple professionals and on further development of an HR evaluation and training system to improve staff motivation.
2. Developed and implemented a sales strategy and sales plan and strengthened RAAF's ability to attract sponsorships. Gave input on

the development of a new website for FirstBebe.

3. Introduced financial systems, in order to process invoices and revenues properly and track the financial performance of the social enterprise.

4. Explored the potential for geographic and service expansion.

NESST held one-on-one meetings with RAAF management three times per year to review social enterprise performance and determine how to strengthen it. NESST also facilitated consulting services and financial support from members of the NESST Business Advisory Network (BAN). RAAF leadership attended NESST portfolio workshops every trimester (marketing & sales, PR, communication, financial management) where they also had an opportunity to interact with NESST BAN members directly.