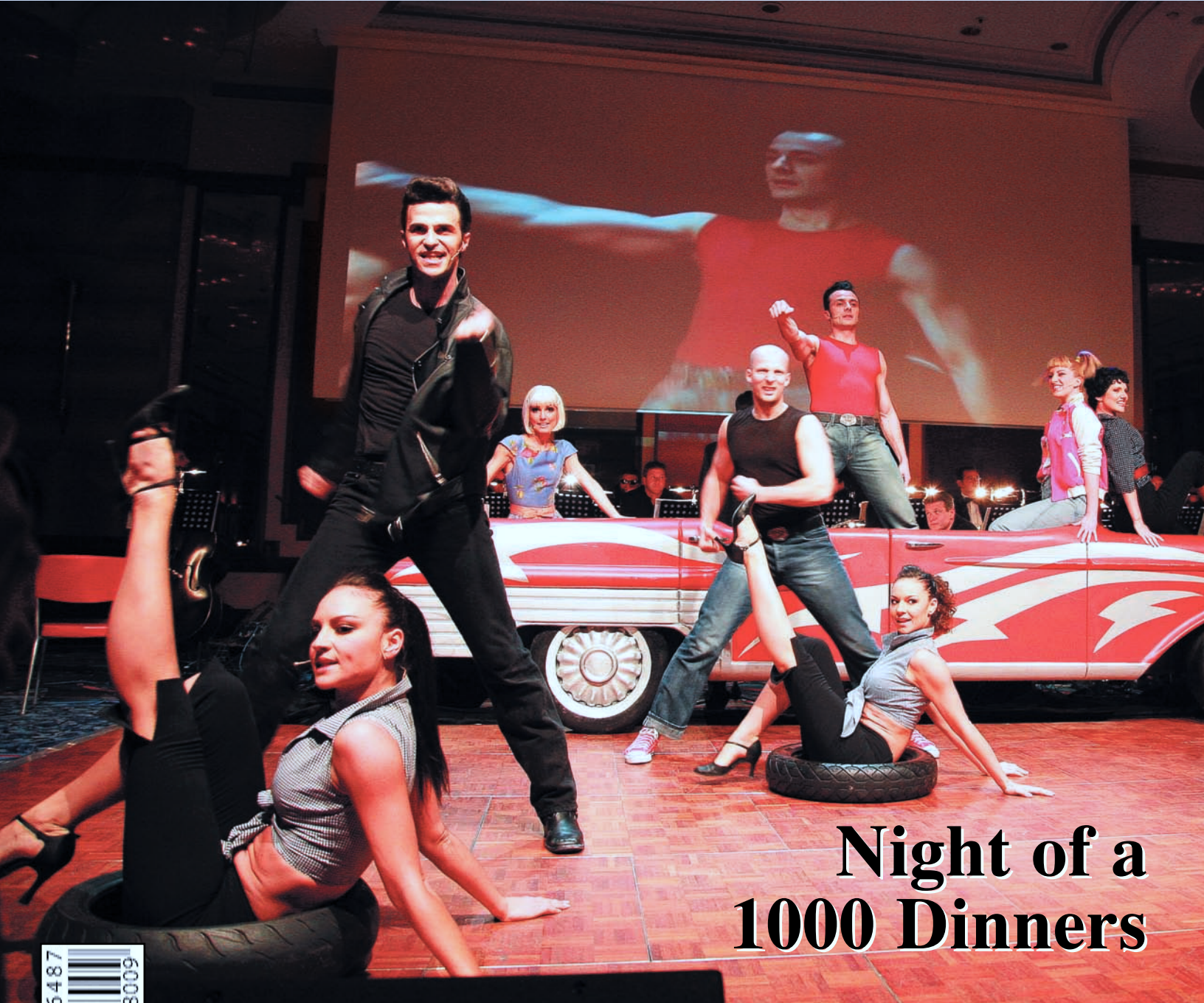


NEWS & VIEWS

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**Night of a
1000 Dinners**



Self-financing Activities and Social Enterprise

On March 28, 2007, the **Academy for Educational Development** (AED, www.aed.hr) and the **Nonprofit Enterprise and Self-sustainability Team** (NESsT, www.nesst.org) co-organized a conference on Self-financing Activities and Social Enterprise in the Non-profit Sector. The conference, held at Hotel International in Zagreb, gathered 95 representatives from the nonprofit, business, and government sectors to discuss how Croatian nonprofit organizations can diversify their funding base through social enterprise.

NESsT uses the term "social enterprise" to refer to enterprises owned by or operated to benefit nonprofit, civil society organizations. These enterprises typically have a double-bottom-line objective: 1) social impact (e.g., creating employment or job training opportunities for marginalized groups or communities); and 2) financial impact (e.g., generating financial resources to support the social mission of the nonprofit parent organization to help complement donations from philanthropic donors).

The conference included presentations, group discussions, and workshops on how

Croatian nonprofit organizations can start to develop social enterprises. One of the topics covered was organizational readiness for social enterprise, or how organizations assess the impact of the entrepreneurial activity on their mission and whether they have sufficient capacity, stakeholder support, and funding to successfully plan and launch the enterprise. In addition, conference participants learned about pre-feasibility study for social enterprise, which represents the beginning of the planning phase, during which the organization conducts preliminary market research and financial analysis to assess if the enterprise has potential.

One session that drew particular interest was the venture philanthropy seminar co-sponsored by AmCham. The seminar introduced participants to the field and concepts of venture philanthropy, a hybrid approach to donor giving that integrates the philosophy and practices of venture capital models from the for-profit sector with the grant-making principles of the nonprofit sector. Sometimes called "engaged philanthropy," the strategies of venture philanthropy combine financial

"investments"- such as grants, loans, or quasi-equity - with additional capacity-building, mentoring, or management assistance to help nonprofit organizations succeed in meeting their long-term goals. Seminar participants were also able to see how venture philanthropy works in practice: Organizacija za građanske inicijative (OGI), a nonprofit organization, presented its business plan to offer financial management consulting services to nonprofit organizations in the Osijek region to a jury of mock investors who provided feedback on the soon-to-be launched social enterprise. The conference was also an opportunity for NESsT to announce the launch of its second social enterprise competition in Croatia. The competition, supported by the Emerging Markets Charity Benefit (EMCB), The Staples Trust, and AED, aims to support the development of social enterprises through a combination of long-term capacity building and financial support provided to nonprofit organizations that seek to launch or expand social enterprises activities.

For more information, see <http://www.nesst.org/croatia.asp>.

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