How to secure investments for your MFI

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The big challenge

Ensure matching between investors expectations and MFIs needs
## Adaptation to development stage

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<th>NGO</th>
<th>Tier 2 &amp; 3</th>
<th>Tier 1</th>
<th>Bank</th>
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<td><strong>Savings</strong></td>
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<td><strong>Debt</strong></td>
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<td><strong>Equity</strong></td>
<td>results brought forward</td>
<td>results capital</td>
<td>Tier 2 sub debt results capital</td>
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<td><strong>Donations</strong></td>
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NBFI
Fundraising strategy
A revolving approach

Are you investment ready?

1. Project Definition
2. Formalization
3. Searching for Investors
4. Closing
5. Communicate
6. Gain Loyalty & Notoriety
Project Definition (1/2)
Investment scope

Investment Focus
Social:
- What social mission
- What target group

Financial return:
- Set perspective

Geographic area
Which countries?
What currency?
What language(s)?

Instruments
debt?
capital?
grants?

What Maturity
Match assets & liabilities

Show you evaluated the potential demand
Project Definition (2/2)

Investment structure

- Governance
  - Board Members?
  - Specific Committee?
  - Advisory Committee?

- Legal and regulatory Frame
  - Legal status?
  - Regulation?
  - Authorities?

- Tax Frame
  - For the MFIs?
  - For the investors?
Project Formalization

- Team experience
- Legal documents (bylaws, book of procedures, blind agreement…)
- Track-record
- Independent Advisors
- Business Plan
- Demonstrate on-lending capacity
Investors search (1/2)
Personal & Professional Network

**Investor segmentation**
Adequate screening of the potential interested Investors; identify specific **eligibility criteria**

**Adequate targeting**
After a right selection of the potential investor, select the **right person** within the organization

**Marketing material**
Professional marketing presentation (teasers, PPT,...)

**Be sure you are identified**
Ensure correct and coherent internet presence + social media tools

**Follow-up**
Persistent and consistent follow-up is requested. Send reminders.
Don’t fear to bother!

**Enthusiasm**
Keep enthusiasm in all situations!
Investors search (2/2)  
After first contact

First Step
Schedule the appointments on a relative short period after the first contact

Second Step
Improve the investors presentation after each appointment

Third Step
Answer the Investors questions very quickly

Fourth Step
Keep the contact alive
Inhouse or External?

- Written agreement
- Expected services
- Time limit
- Incentives to fasten the funds raising
Communication

First Step
Create a community of potential investors, develop social media presence for example LinkedIn

Second Step
Give regularly news about the project and its development
BUT don’t sell dream nor wind

Third Step
Visit your investors – don’t wait they come to you
Schedule meetings
Birds of feather fly together
Closing

Gather your Investors
Organize an event to mark the new roundtable
Communicate!

Work begins!
Materialize the Business Plan > look for rapid transformation
Nurture investor participation to Investment Committee / BoD
Share your budget and provide follow up
Demonstrate transparency
Reporting and fidelisation

01 Reporting
02 Meetings
03 Fidelity
04 Develop partnership
48, has over 22 years’ experience in equity financing of cooperative enterprises at the European level through Soficatra, a risk capital investment company for the Social Economy in Europe. He has been collaborating on the CoopEst project since its inception (i.e. over 6 years). Bruno is a member of the CoopEst Executive Committee and in this capacity is involved in all the development challenges of this vehicle of social finance, operating in Central and Eastern Europe and currently holding a portfolio of €38 M across 31 partner financial institutions. He is a graduate in Economic Science from the Free University of Brussels and also studied Political Science at Ludwig Maximilian University in Munich.
Thank you!
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