



Activating agricultural and tourism specializations through Center of Taste

Module 4

Accessing resources - training in innovative access to public finance, crowd funding potential and attracting corporate sponsors



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Activating agricultural and tourism specializations through Center of Taste AGATA

In this Module, you will learn how to assess resources to advance your Center of Taste plans. You will benefit from training in

- 4.1 Understanding the Funding Environment
- 4.2 Carefully Cost your Investment Requirements
- 4.3 Innovative access to public finance
- 4.4 Maximising your Success in securing grants or equity finance
- 4.5 Crowd funding potential
- 4.6 Attracting corporate sponsors



4.1 Understanding the Funding Environment

The 9 Facts of Life in Sourcing Funding, be it public, private or community

1. Money- it does not come in - it has to be gone after
2. It is rarely given - it has to be raised.
3. It is rarely offered - it has to be asked for.
4. Money is the oxygen of your organisation.
5. Money is attracted by strength, not weakness.
6. People like to support winners.
7. Money is not raised at a desks - get out and network
8. People need to be inspired by a vision.
9. If you're not asking your funders for money, somebody else is!



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Starting or expanding a food production infrastructure project is capital intensive - the same barriers of costs faced by your prospective users are also your challenge. In Module 1, you learnt how your center plans should come together based on proven and evident need combined with best practice design of centers.

To make your center of taste a reality, your **funding mix** is likely to combine a variety of public and private sources as you access the capital required to establish or grow. Bear in mind that capital access linked to infrastructural investments is one aspect; you also need to secure working capital to ensure adequate cash flow from the outset.

It is very clear that innovation is needed in terms of leveraging the capital finance required to make a Center of taste a reality.

What do we mean by 'capital' ?

Capital refers to the current available assets such as property, land, savings etc. available for development or investment of the business. **Raising capital** requires much skill and preparation. There are different types of financing that will enable a center to raise capital for their new business. This module explains various opportunities to raise investment capital through grants, borrowings, donations etc.



'For Profit' Food Incubator Business Structure

For Profit	Types of finance available
<ul style="list-style-type: none">➤ Profits generated for the owners➤ Liable for tax on profits➤ Assets distributed to owners after dissolution	<ul style="list-style-type: none">➤ Personal finance or “bootstrapping” is one of the first sources that entrepreneurs use investing funds from their own personal sources.➤ Equity financing- essentially an exchange of money for a piece of ownership in the business➤ Debt financing - loans to the business from bank finance to crowdfunding to angel investors➤ Public funding -from some sources (more later in this Module!)



'Not For Profit' Food Incubator Business Structure

Non Profit	Types of finance available
<ul style="list-style-type: none">➤ Money returned to the organisation➤ Assets distributed to other non-profits after dissolution➤ Funds are raised by soliciting donations and applying for grants	<ul style="list-style-type: none">➤ Public funding -from some sources (more later in this Module!➤ Social and community funding mechanisms

Multi-Stakeholder Structures

The goals of a food incubator can benefit multiple groups (industry, community, government and academia) so a special organizational format may be appropriate. In the US, many incubators are established as cooperatives with multiple stakeholders as above. They are often specifically formatted to maximise the funding opportunities open to them. A multi-stakeholder organization is often identified as containing at least two groups of stakeholders.

A good example is the **Starting Block** (West Michigan's Non-Profit Regional Incubator Kitchen and Entrepreneurial Center), US who has the involvement of the Michigan State University Product Center who add value to the center by assisting entrepreneurs in the development of food and agricultural products and ventures. Staff, including Innovation Counsellors, provide guidance in market identification, product research etc..



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Exercise 1 : Watch Video Case Study - Starting Block, Michigan



Watch video: www.youtube.com/watch?v=MEdDPDam-6U

**Exercise 2 : What business structure is right
for your circumstances and why?**



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5.2 Carefully Cost your Investment Requirements

The finances of starting a Center of Taste need to be carefully set out in your Business Plan. They should bring together

With your potential for Centre of Taste in your Region in Module 1,

- With your Different Models of rural business strategy and How to recognize a potential of your region in Module 2,
- How to stimulating demand - tools to develop a pipeline of new agri entrepreneurs in your region in Module 3
- The type of business entity you will choose (next section in this Module 4)

You are now in a position to determine your investment requirements.

It is very clear that innovation is needed in terms of leveraging the capital finance required to make a Center of taste a reality.

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Who is involved in your plans for a center of taste?

For those from a non technical background, it can be confusing as to who does what ! Here is our simple guide

ARCHITECTURAL	STRUCTURAL ENGINEERS
<ul style="list-style-type: none"> • Detailed Plans, Sections, Elevations with details and specifications . • Layouts indicating locations for heating, cooling, water, light and power, fire , burglar etc etc • Specification on materials and workmanship. • Preliminary Health and Safety Plan. • Management of input from other consultants • Management of due diligence of Tendering Contractors • Issue of Form of Tender. 	<ul style="list-style-type: none"> • Foundation Design • Drainage Design • Structural design on each floor and roofs • Retaining wall design if necessary • Concrete specification • Structural Specification and details • They may need to commission additional soil and underground CCTV surveys as required
OTHER CONSULTANTS	QUANTITY SURVEYOR
<ul style="list-style-type: none"> • Food technologist • Services engineers • Interior Design / Lighting/ Landscape/ Specialist - as Applicable. 	<p>On completion of all the design drawings and specifications from the other consultants, the Quantity Surveyor will measure each and every element in the building and create <u>The Bill of Quantities</u> . This will be the basis for the tender and ensure that all contractors price on a 'like for like basis'. It is also used to cost <u>Variations</u> or changes in the scope of the works during the construction phase .</p>



Issuing tenders

The **Tender stage** of a project is the real meat of a project where all materials and construction, structure and services of all parts of the building are brought together for pricing by a number of contractors. While the lowest tender is not always the one chosen for a number of factors as it sometimes can be unrealistically low which can lead to financial and programming problems during construction.

Key Drivers in all Design / Construction projects are [TIME / COST/SCOPE](#). The Designs (including drawings and specifications) and Schedule of Works define which specific materials are to be used, where and how they will meet the specific criteria of food manufacture in your country.

Other accompanying documentation must define the specific conditions under which the works are to be carried out and the quantities of each item to be used in the building or project.

How this happens?

Engineers must work with your Architect to provide the most efficient (and cost efficient) design solutions for structure drainage and services .

All conditions imposed from Authorities will be incorporated into the Tender design and Specifications as Amendments (e.g. fire, access, etc)

Do not leave this process solely to your design team. As the developer of the center of taste, you need to lot of input is required during this phase from you, particularly on preferences for internal and external materials and sources/ cost ranges etc.. This may also require the input of a Quantity Surveyor advising on cost / choice options. It is wise to include [Contingency Sums](#) for unforeseen events vary from 5-10% depending on the nature of project but in existing older buildings closer to 10% is advisable.

Other terms used in the preparation of Tender Costings are the following:

- [PRIME COST \(PC\) SUM](#) and
- [PROVISIONAL SUMS](#)



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Working Capital

Now you have established the capital investment necessary to build/modify your center of taste, you need to work out your Working Capital requirements. It has been said that the lifeblood of any business is its net working capital (WC).

Working capital - in simple terms the working capital of a business is that which is used in its day-to-day trading operations. By definition, working capital is the amount by which current assets exceed current liabilities.

Current assets include cash, stock, accounts receivable and other short-term assets to be used within the year.

Working Capital

Current liabilities include accounts payable and the current portion of long-term debt. These are debts that are due within the year.

The difference between the current assets and current liabilities represents the company's short-term need for, or surplus of, cash. If your working capital dips too low, you risk running out of cash. A positive working capital balance means current assets cover current liabilities. A negative working capital balance means the business has a requirement to finance that different



Working Capital Ratio

The working capital ratio is a liquidity ratio that measures the business ability to pay off its current liabilities with current assets. The working capital ratio is important to creditors because it shows the liquidity of the company.

Exercise 3 : Download our Excel Calculator to establish your working capital ratio

Calculate Working Capital	
Enter:	
Total current assets	50,000.00
Total current liabilities	24,000.00
Output: (do not edit fields below)	
Working capital	26,000.00
Current ratio	2.08



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Under-capitalisation

According to entrepreneur.com, **under-captialisation** is '*the condition that exists when a company doesn't have enough cash to carry on its business and pay its creditors*'. It calls it the '*the number-one killer of start-up businesses*'.

Businesses may be under-captialised from the start. Given the high capital cost of food infrastructure, a promoter may under-estimate the capital requirements of the business and this inadequacy of capital can bring pressure at a later stage, that is unaddressed can cause difficulties.

A study by University of Technology, Sydney, cited the following causes for when start up businesses fail. 32% fail due to poor financial management, the causes

- undercapitalised at the start,
- excessive private drawings,
- overuse of credit,
- no or weak budgets,
- inadequate provision for tax payments
- poor cash control.

Source: <https://www.entrepreneur.com/encyclopedia/undercapitalization>



Exercise 4 : Do you have enough capital to establish, survive and thrive ?

Download and complete our template to understand your complete start up fund requirement

Start-up Cost Template for [Business name] - [Year]

START-UP COSTS	Cost (€)	EQUIPMENT/CAPITAL COSTS	Cost (€)
Registrations		Site or building purchase price	
Business name		Build cost	
Licences		Professional fees	
Membership fees		Food Unit Kit Out	
Accountant fees		Security system	
Solicitor fees		Office equipment	
Wages x 3 months		IT system	
Utility connections & bonds (Electricity, gas, water)		List others as appropriate	
Phone connection			
Internet connection			
Computer software			
Training			
Marketing & advertising			
Stock/raw materials			
Insurance			



4.3 Innovative access to public finance

Building your knowledge base of public funding will guide the formulation of the overall funding package.



SUCCESS in SECURING GRANT FUNDING

Like making a cake, it depends on ingredients (you and your project) and following a good recipe !

In the slides that follow, we share our best practice, tips and tricks for sweet grant success. Once you have the ingredients and the recipe right, you will be able to seek funding at a local, national or even European level.

Preparation is key

You need to research your funding target thoroughly. It is essential that you address how does your project fulfil the funder's aims?

Link your project to the funder's key criteria and show how your project furthers their aims and objectives.

Why ?

Up to 50% of applications received by funders do not meet their published criteria

As a very basic minimum you should read the guidelines published by the funder. Consider: the funder's motivation, the format for applying, the level of funding, submission deadlines, eligibility and the decision making process.



Top Tips for Success in Writing a Grant Application

- Articulate the real and positive differences the funding will make to your center. The use of infographics could be impactful in getting to the core impact the project could make across key metrics such as
- Your rural business strategy developed in Module 2 should give you the scope to be creative, challenging and engaging about your idea, this is your opportunity to distinguish yourself and the changemaker potential of your center.
- Build your credibility and be professional!
Approach the application with a high degree of professionalism
- One of the primary reasons why applications get funded is that the funders are convinced that the applicant organisation is well organised, has a good track record and has a capable promoter or team to carry out the proposed project.
- Don't assume that the funder will have any knowledge of your business, background or new project. Describe your project truthfully and succinctly. Break down the requirements of the application into bite-sized pieces
- Think carefully about presentation; most funders will read many applications and if an application is easy to read and well presented it makes their lives easier.



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Top Tips for Success in Writing a Grant Application

- It always takes a lot longer to put an application for funds together than you think! Remember it is competitive - put your best foot forward
- Write in an interesting way that captures the energy & spirit of your project (journalist style)
- The power of evidence of need. It is not sufficient to say: “we know ... we think....” back it up with relevant research. We covered this extensively in module 1 .
- Show that your project is additional - not competing with others (funders refer to this as displacement)
- Do not over-promise - you will one day have to deliver
- And last but not least, definitely talk to the funding agency before you apply



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Grants - National (Ireland)

We now explore the key funding programmes that can apply to center of taste development in Ireland



Enterprise Ireland is the state agency responsible for supporting the development of manufacturing and internationally traded services companies through funding and supports for companies - from entrepreneurs with business propositions for a high potential start-up through to large companies expanding their activities, improving efficiency and growing international sales.

Of specific interest to center of taste, they also administrate key government funding under the **Regional Enterprise Development Fund**.



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Regional Enterprise Development Fund 2017 to 2020



Center of taste have 2 funding stream options which both carry an **80%** grant rate.

Stream One - Major Regional Change Projects

Support major initiatives with high impact - regional/ multi-regional, nationally.

Grant support ranging from €2m to €5m per project - funding toward Capital & Current Costs

Projects targeted at achieving high impact on economic development/job creation
Center of taste have 2 funding stream options which both carry an 80% grant rate.

Stream Two - Regionally Significant Change Projects

Support significant initiatives with high impact - regional/multi-regional, nationally

Grant support ranging from €250k to €2m per project - funding toward Capital & Current Costs

Projects targeted at achieving high impact on economic development/job creation at regional/county level



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Grants - National (Ireland)



Local Enterprise Offices (LEOs) are the First Stop Shop for anyone seeking information and support on starting or growing a business in Ireland. They are based within the Local Authority network (and are part of the Enterprise Ireland ‘family’ , hence play a leadership role in stimulating local and regional economic development. They champion the food sector through many of their projects and many have played a leadership role in the development of center of taste and food enterprise centres. Of interest to center of taste, LEOs provide a range of financial supports designed to assist with the establishment and/or growth of enterprises (limited company, individuals/sole trader, cooperatives and partnerships) employing up to ten people.

Incubators may be interested in [Feasibility Study/Innovation Grants](#) for those investigating new innovative business projects with assistance to a maximum of 60% of the research, design, and prototype development costs may be awarded subject to a maximum grant of €10,000*.

www.localenterprise.ie



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Grants - National (Ireland)



Other supports include

[Priming Grants](#)
[Business Expansion Grants](#)

These financial supports are designed to provide a flexible suite of supports to LEO clients and potential clients. [Download](#) the brochure on LEO Financial Supports.

Contact the LEO for initial discussion www.localenterprise.ie/insert your county



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Grants - National (Ireland)



Under 35 ? It is a really good idea to apply to the Ireland's Ireland's Best Young Entrepreneur Competition <http://www.ibye.ie/>. Each county has a investment fund of €50,000 for Category Winners.

1	BEST BUSINESS IDEA pre trading
2	BEST START-UP BUSINESS Up to 24 months
3	BEST ESTABLISHED BUSINESS Over 24 months

Shane Bonner of Newmarket Kitchen in Wicklow was a National Finalist in the Best Start Business Category. Up



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EXERCISE 5 : WATCH Shane Bonner, Newmarket Kitchen National Finalist in the Best Start Up Business Category



Difig Fiontair Áitiúil 
Local Enterprise Office

Video link:

www.youtube.com/watch?v=g8AbkHvtEO0



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Grants - National (Ireland)

Other valuable supports include

MENTORING

A panel of business specialists - finance, marketing, technical etc. who contributes independent, informed observation and advice to aid decision making.

ONLINE TRADING VOUCHER

To support small Irish businesses to enhance their online trading presence, Online Trading Vouchers are available under the Government's National Digital Strategy and delivered by LEOs.

More about the Online Trading Vouchers

Vouchers are available to a maximum value of €2,500 or 50% of eligible expenditure (exclusive of VAT), whichever is the lesser;

Applicants must attend an information session and voucher approval must be gained prior to incurring any expense;

Own labour is not an eligible expense;

Third party costs only will be considered.



Oifig Fiontair Áitiúil
Local Enterprise Office



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Grants - National (Ireland but LEADER is available throughout Europe)

The Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs is the programme manager for LEADER where the overall LEADER budget is €250m and it is focused on "*promoting social inclusion, poverty reduction and economic development in rural areas.*"

It is implemented through Local Actions Groups

- find yours on



<https://www.pobal.ie/Publications/Documents/Local%20Action%20Groups.xlsx>



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Grants - National (Ireland but LEADER
available throughout Europe)

is

Of relevance to center of taste...



Leader Theme	Economic Development, Enterprise Development and Job Creation	Social Inclusion	Rural Environment
Leader Sub Theme	Rural Tourism	Basic Services targeted at hard to reach communities	Protection and Sustainable use of Water Resources
Leader Sub Theme	Enterprise Development	Rural Youth	Protection and Improvement of Local Biodiversity
Leader Sub Theme	Rural Towns		Development of Renewable Energy
Leader Sub Theme	Access to Broadband		



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Grants - National (Ireland but LEADER is available throughout Europe)



Funds are more limited than previous Leader programmes, however ...

- Maximum grant rate for private promoters is 50%
 - Maximum grant rate for community organisations is 75%
 - Training activities may be funded up to 100%
 - Benefit in kind may also be used.
- 1) Expressions of interest form - note calls on are on open and closed basis.
 - 2) Based on your information provided, an Eligible in Principle notification issues which invites you to make a full application for funding.

The submission of an Expression of Interest for LEADER grant assistance or this acknowledgement itself may not be taken as an indication that the project is eligible or will be awarded grant aid)



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Social Entrepreneurship Funding Opportunities

Center of taste are transformational and innovative business models - hence they work well as social enterprise structures. Many centers are social enterprises either as private or community sector social enterprises. It is a business categorisation that opens up new funding opportunities (but must be stated as such in your company constitution or formation documents).

The UK Department of Trade & Industry definition of social enterprise is:

businesses with primarily social objectives whose surpluses are principally reinvested for that propose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners

- Social enterprise is now outstripping conventional SMEs in terms of growth and resilience
- Social enterprise is about local heroes. They are grounded in the community, provide services for local people.
- Social enterprise is about innovation. They identify needs that are not adequately addressed (if at all) and devise innovative solutions. They often look at what is being delivered and devise better ways to meet the need. E.g. community timeshare kitchens to help food entrepreneurs with very little resources to set up their own businesses



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Is your Center of Taste a Social Enterprise?

EXERCISE 6 : COMPLETE OUR CHECKLIST

- Is your center a profit-making business set up to tackle a social need ?
- Does it retain and reinvest profits back into the cause which motivates it ?
- Does it strive for transformational improvements, not incremental gains ? Big ambitions ?
- Does it innovate and experiment more than traditional models of business ?
- Is it designed to fill a gap in existing services that cannot or will not be delivered by the public and private sectors?



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Case Studies - [Food Cloud](http://www.foodcloud.com) - www.foodcloud.com

Founded in 2013 FoodCloud is a social enterprise that connects businesses with surplus food to local charities and community groups in Ireland through a technology platform. It matches those with too much food with those who have too little. They believe in building a culture where everyone has the chance to celebrate good food and learn about its benefits & believe communities built on shared food can be rediscovered.



Financial support from [Social Entrepreneurs Ireland](http://www.socialentrepreneursireland.com) was vital to developing the business.





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EXERCISE 7 : Watch Video Food Cloud Case Study



Iseult Ward and Aoibheann O'Brien explain how FoodCloud and FoodCloud Hubs are working together to maximise the surplus food redistributed to charities in Ireland.

Click to Watch: <https://www.youtube.com/watch?v=QAh1j6OTA9s>



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Business Models in Social Entrepreneurship

Some of the most common frameworks we see successful social enterprises using are:

- **Cross Compensation** - one group of customers pays for the service. Profits from this are used to subsidize the service for another, underserved group. I.e. some tenants pay full price which subsidised a lower price for others
- **Fee for Service** - Beneficiaries pay directly for services provided by the social enterprise - kitchen space rental
- **Employment & skills training** - The core purpose is to provide wages, skills development, and job training to the beneficiaries: the employees.
- **Market Connector** - The social enterprise facilitates trade relationships between beneficiaries and new markets.
- **Cooperative** - A for profit or non - profit business that is owned by these members who also use their services, providing virtually any type of goods or services. We see many examples of co-operatives in the food sector.

Deciding which business model would work best for your circumstances can be a challenge. Go back to Module 2 and you will build the knowledge you need.



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Accessing Resources for Social Enterprise Social Innovation Fund Ireland

Social Innovation Fund Ireland provides **growth** capital and **support** to the best social innovations in Ireland, helping them to **scale** and maximise their **impact**. Their assessment guide is interesting...

- What **SOLUTION** do you have to a **SOCIAL ISSUE**?
- **INNOVATION** - How is it different/better than everything else out there?
- **MEASURABLE IMPACT** - What can you show & describe?
- **GROWTH** - Is it ready to grow? Are you willing to grow it to other communities? What would it take?
- Could it create **JOBS**? How could it be **SUSTAINABLE**?
- <http://www.socialinnovation.ie/>

Community Finance (Ireland), is a Charity which provides loans (not grants) exclusively to other third sector organisations such as community groups, charities, and social enterprises in the Republic of Ireland. Since 2001, as part of the wider UCIT Group, they have committed in excess of €70 million to over 360 organisations across the island of Ireland.

Why are they attractive ? Unlike banks, they do not require a personal guarantee from the promoters/directors.

<https://www.communityfinance.ie/>





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Are Funds Available From Philanthropic Foundations for Center of Taste?

Philanthropic foundations have a growing interest in center of tastes and the wider local and regional food systems.

Why?

Center of taste can play a key role not only in terms of economic development and job creation but also in terms of delivering impact for community, health and environment projects.

Philanthropic Foundations look for specific outcomes or impacts that a center of taste may achieve as part of its work e.g. improving access to healthier food in a specific neighbourhood, reducing greenhouse gas and other pollutants, food access, economic development and environmental sustainability.



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Equity Financing

This type of financing is essentially an exchange of money for a piece of ownership in a new business. This type of financing can usually be provided by venture capitalists and angel investors.

An advantage of using equity financing as a way to raise capital is that the new business owner can pay back the loaned amount throughout a fixed duration of time. In addition, the new business owner can focus on making their project profitable rather than worrying about paying back the investors immediately.

- Seed and start-up capital can come from successful entrepreneurs and executives who have achieved wealth from their gains in previous investments. These people are known as Angel Investors aka Business Angels and “informal private investors”.
- Angel Investors also contribute their know-how or experience in company management and can offer valuable expertise and guidance.
- Angels usually seek active participation in the company in which they invest. Angel Investors are primarily motivated by return on investment and Angel Investor involvement can often help secure access to venture capital or traditional bank loans.

Source:

<https://www.enterprise-ireland.com/en/Invest-in-Emerging-Companies/Source-of-Private-Capital/Business-Angels-BES,-Angel-Networks-.html#sthash.iRxug024.dpuf>



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Angel Investors - average investments

- The average initial investment by Angels Investors in the EU ranges between €50K and €250k individually, or can form syndicates (partnerships with other Business Angels) for investment up to €500k and beyond.
- Business Angels generally invest in the region where they live and in areas in which they have greatest expertise/knowledge.
- They may not necessarily look to invest in new technologies, although some specialise in providing finance in innovative and high potential projects (such as center of tastes across Europe).

The ideal Business Angel will have the following:

- a strong commercial track record;
- excellent business credentials;
- capacity to invest;
- ability to identify commercial opportunity;
- time to invest in the creation of a new company;
- vision to transform new opportunities into solid businesses;
- established links and relevant industry contacts.



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6 things Angel Investors care about the most...

1. The quality, passion, commitment, and integrity of the founders.
2. The market opportunity being addressed and the potential for the company to become very big.
3. A clearly thought out business plan, and any early evidence of obtaining traction toward the plan.
4. Interesting business model & intellectual property.
5. An appropriate valuation with reasonable terms.
6. The viability of raising additional rounds of financing if progress is made.

Equity Financing

One possible disadvantage of utilizing equity financing to raise capital is that you may lose partial or complete autonomy over the new business.

Often times, angel investors or venture capitalists may want to have a large share in their invested company as well as have a say in business decisions.



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Considerations

- Do you expect enough revenue growth to feel confident you can repay a loan or investment?
- Do you have a business case and documentation that will instil confidence that you are a reasonable investment risk?
- Significant equity (enough of your assets already paid for) in the incubator
- A written business plan
- Tenant agreements or commitments that support your application
- Financial records or robust projections
- Are the terms of the equity/investment/loan competitive, reasonable, and within your means to repay without detriment to the business ?



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International Resources - worth looking at

As outlined earlier in this module, research is key to identifying opportunities and maximising your funding search success.

EXERCISE 8 : RESEARCH INTERNATIONAL GRANT AND FOUNDATION FUNDING - click on the following hyperlinks and list those that could apply to your Center development and funding mix

International and Foreign Grantmakers. Listing of relevant international websites which will be a an excellent resource for grantmakers.

[Council on Foundations](#). Provides tools to over 2,000 grantmaking foundations and giving organizations that are members of the Council on Foundations worldwide.

International Grants. Fundsnet, a lengthy list of links to international grants, initiatives, foundations and directories on the web.

International Human Rights Funders Group. Although the International Human Rights Funders Group (IHRFG) does not make grants, the site provides information about funders that do. You can search by geography, issue (many relate to food), type of support etc.



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More research (Ireland only)

In Ireland, two excellent resources of information on foundations are:-

- **Philanthropy Ireland** is the Association of independent philanthropic organisations in Ireland, including grant making trusts and foundations . They have an excellent Looming Deadlines webpage
<http://www.philanthropy.ie/2017/01/24/funds-and-the-looming-deadlines>
- **Active Link** www.activelink.ie Free resource.

The online network for Irish non-profit organizations

The website is updated daily and the latest information on grant/foundation opportunities is published and circulated once a week by email.

Excellent Facebook page www.facebook.com/ActiveLinkIreland



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4.4 Maximising your Success in securing grants or equity finance

Preparation is the key to success so consider the following before writing your grant application:

- Identify the problem/ goal for which funds will be sought.
- Develop relationships with funders/grant makers when possible.
- Communicate with funders/grant makers about your work periodically, even when you are not in the process of submitting an application. This may help you learn about future funding prospects, as well as increase your chances for a successful proposal in the future



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Consider the proposed project/goal's fit with the identified funder(s).

- Learn the funder's grant making philosophy, programme interests, and criteria.
- Does the funder make grants that meet your needs?
- Check the purpose of grants offered: Seed capital investment (not ongoing operating expenses)? Direct Service? Other?
- Check the size of grants offered, including minimum and maximum awards.
- Determine whether you will need to apply for multiple grants and investigate whether this is allowable under the guidelines of each funder.



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Check out the timeline for submission, and the funding cycle

- Check other restrictions (e.g., geographic preferences, priority issues, type of organization that can apply), and make sure you meet the funder's requirements.
- Look at the number and type of past awards given by the funder and determine whether your project fits their model and warrant the effort it takes to prepare a competitive grant proposal.
- Examine how there is an organisational fit between your group/ project's mission and that of the funder. How does your group's work reflect the funder's values and goals?
- This is really important and at the heart of success - you could waste your time applying for grants that may not be a good fit.
- How does your proposal advance the funder's mission while staying true to your group's mission?
- Check to see if you meet the eligibility criteria. Is there a potential partner for this grant?
- Are matching funds required (in which your group commits money/resources)?
- Before beginning, determine if you have the necessary time, energy, and other resources to prepare an effective grant application.



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If you can, arrange a meeting with the funder

- Learn the funder's preferred method of initial contact (e.g., e-mail, phone, face-to-face meeting).
- Check to see if the funder offers a one to one meeting, a conference call or web conference briefing session - if so, attending may be well worth your time.
- Before the meeting, check to see if the funder offers Frequently Asked Questions (FAQs) on their website, and review these in detail.
- There is always value in a pre-application meeting, and if the funders' guidelines don't tell you otherwise, consider requesting a meeting with the grant making agency.



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Back to doing your research and great preparation:

Set out best practices approaches might work in your situation. Indicate how you will adapt the center of taste model or “best practice” to fit the needs and context of the needs of your potential clients

Provide Evidence of Need

Describe the active involvement of the target market, the community, key stakeholders in defining the lack of food production problem and goals of the project and planning the approach for the center.

Document evidence of the problem, including data on the scope or level of the problem. Back to your Module 1 research



Bring great clarity to your planned project

- Outline the vision and mission of your project.
- State the objectives of your project or effort.
- State the context and conditions under which the problem or goal exists that may affect the intended outcomes (e.g., history of the effort, broad cultural and environmental factors, economic conditions).
- Identify inputs, resources and barriers - include both resources or supports available and constraints or barriers to meeting the incubator objectives
- State activities or interventions - what the center of taste does to bring about change and improvement (e.g., providing a place to produce, information and training skills, enhancing support, routes to market etc)
- State outputs - direct results or products of the group's activities (e.g., numbers of companies using the center, the numbers they employ, the products produced, the number of people trained, or activities conducted).
- State intended effects - more broadly measured outcomes or results (may include shorter-term, intermediate, and longer-term effects).
- Describe the results you expect to achieve as a result of the funding

Be realistic

- Describe potential sources of resistance to the project, the forms it might take, and how resistance could be reduced.
- Describe potential barriers to the project, the forms it might take, and how barriers could be removed or reduced.
- Set goals and objectives for what "success" would look like.



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Prepare a budget for the project

- Based on your investment costs outlined in Exercise 4, clearly outline the funding requested for each type of cost heading (e.g., for build & equipment, salaries, marketing). You will know from your funding research who will fund what (e.g. some funding organisations will fund capital but not salaries). Make sure your research in this area is robust.
- Create a budget justification (i.e., a description of why each type of expense is needed).
- Be clear on the % level of grant support available and identify appropriate matching funds or resources.



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Plan for sustainability of the project

- Funders want to see a plan for how the project or group will be maintained (sustained) after the grant period.
- Make sure to include a sustainability section in your business plan to anticipate what resources will be necessary to sustain the organization or effort in the medium and long term.
- Identify specific tactics to be used to sustain the effort (e.g., sharing positions and resources, becoming a line item in an existing budget).



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Before submission

- Review and critique your draft proposal using the funder scoring criteria to see if it meets the proposal requirements. Have someone with limited knowledge of the proposal give you feedback based on the review criteria.
- Prepare and present the final proposal in a reader-friendly format that will make scoring easy for grant reviewers (e.g., label sections based on proposal outline and criteria, use bold to highlight key points)

TIP - Follow up with the funder

- Follow up to confirm that the proposal arrived.
- Identify a contact person at the grant making agency.
- Be clear on the communication channels that will be used from this point.



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Be Determined!

- Securing one grant sometimes takes multiple applications. Don't wait to hear about one application before applying for another.
- Once word has been received from the grant making agency about the funding (or lack of approved funding), have a debrief to consider lessons learned and next steps.
- Continue efforts to diversify the types of funding and types of funders that support your work.
- Be persistent. Very persistent !



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OVERCOMING A 'NO' WHEN SEEKING FUNDING

- If the recipe isn't right, and you don't get the approval you wanted, be sure to use these rejections as a learning experience!
- Encountering a no can be disheartening.
- But don't let it get the better of you. Consider the following steps to increase your chances of being reconsidered, improve your potential for obtaining financing in the future and in general relieve the stress of securing funding.

Reflect on your approach - be honest with yourself. Did you rush the application? Did you really think you met the priorities or did you not do yourself justice in writing about your project?

Ask for feedback- even if your rejection letter specifies a reason for your rejection, asking for verbal feedback will sometimes bring you a fuller and more open response.

Act Professionally. Even though disheartened, be as professional as possible. If you thank the possible supporter politely for his/her time, and follow up in a few weeks when you've gathered more information or adjusted your business model, you will have a much better chance of getting that funding second time around.





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OVERCOMING A 'NO' WHEN SEEKING FUNDING

Find out what did get funded

Funders often publish lists of what they did fund.

- What can you learn from the projects that got funded?
 - Were the projects at a different stage to you?
 - Were you asking for much more (or less) money than they received?
 - Were you applying for activities that this funder hasn't supported?

- **Contemplate Your Options.**

There's no right or wrong way to pursue funding. If one channel seems to be generating more obstacles than opportunities for progress, it might be time to change up your strategy. Increasing your chances of getting a yes could be a simple matter of choosing the right funding source to use to cultivate funding.

- **Look At Your Business Model.**

Use the rejection as a learning opportunity. Take a look at your business model for any major flaws or weaknesses. Fixing these gaps will make your overall business idea more attractive to other potential funders or investors, and could be enough to change your initial rejecters' minds.



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4.5 Beyond grants, look at crowdfunding

Crowdfunding is the financing of a new project by raising many small amounts of money from a large number of people. Thousands of businesses and organisations across Europe have raised funding through crowdfunding platforms, of which there are around 600 crowdfunding platforms in Europe.

Organisations use crowdfunding not only to raise money online for their project but simultaneously build up a support community and create awareness/improve visibility.

Crowdfunding stands for a variety of different ‘fundraising’ models. It can take the form of

Charity - when people donate to an individual, project or organisation while receiving no financial or material return in exchange

Pre-selling - when people donate towards the creation of a specific product e.g. a timeshare kitchen could presell production time for an upfront fee

Peer-to-Peer lending - borrowing from a number of lenders via an online platform, each lender lending a (small) amount in return for financial compensation - used for social entrepreneurship projects

Different platforms facilitate different fundraising models. Finding the right funding model for your project is vital for a successful campaign.

Advantages: Crowdfunding can provide access to capital without equity stakes or rigid bureaucracy.

Disadvantages: Most crowdfunding platforms have an “All or nothing” model meaning that if the funding goal of the campaign is not reached, all the contributions are returned back to the backers. A lot of projects never get off the ground which can be frustrating given the amount of time you can spend setting up the campaign.

Some donation-based crowd funding platforms allow for “Take it all” meaning that even if you do not reach your target amount, you can still keep the amount donated into your campaign.



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Different platforms apply different charges depending on the model you chose.

- **Platform Hosting Fee:**
Some platforms, although not all, charge an initial cost just for hosting your campaign. This cost varies from €0-300 and will be charged to all projects, be that successfully fundraised or not. Ask platforms what fee applies to them before starting the campaign.
- **Success fee:**
The majority of crowdfunding platforms will take a percentage of the total amount raised. The percentage varies from platform to platform and ranges between 3% and 12% of total raised.
- **Payment processing fees:**
Look out also for a service fee for every transaction made. Usually this fee is on average 3%. For instance, for every €100 donation/investment, only €97 reaches the campaign.

Check each platform carefully to assess the real costs behind same.



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Let's look at key crowd funding platforms - [Peerbackers](#).

Consistently recognized as one of the top crowdfunding websites in the industry, peerbackers, focuses on funding entrepreneurs and innovators. The platform has hosted thousands of entrepreneurial projects from around the world

After seeing such a high industry failure rate for crowdfunding projects, peerbackers launched Crowdfunding Academy to offer education and support to those who want to crowdfund.

<http://crowdfundingacademy.com/>

By enabling retail investors to invest directly in a range of credible investment vehicles and build a truly diversified portfolio, UK based Investing Zone bridges the gap between mainstream investing and unlisted equities.

<https://www.investingzone.com/pitches>



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Example Crowd Funded Food Training, USA

Muscolo Meat Academy ran a successful crowdfunding campaign to support the training and certification of 15 students through an intensive, hands-on 9-month program in Chicago, IL. Goal to raise \$30,000 was exceeded by \$1,147. Link to campaign: www.barnraiser.us/projects/help-enroll-tomorrow-s-butchers

BARNRAISER DISCOVER PROJECTS FOR BUSINESS

Ex: Artisan Cheese

Help Enroll Tomorrow's Butchers

By **Muscolo Meat Academy** Training the next generation of butchers through Certification: Muscolo Meat Academy

Follow

\$31,147 of \$30,000 goal		
\$31,147 PLEGGED	104% FUNDED	FUNDED AUG 8, 2015
Successfully Funded!		

SHARE Favorite

This project will only be successful if \$30,000 is pledged by 8/8/15 at 05:59



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Irish CROWD FUNDING PLATFORMS

Linked Finance:

Irish owned crowdfunding site with favourable commission rates.

Rate: 2.5% commission

Website: www.linkedfinance.com

iCrowdFund:

An Irish crowdfunding company from the Rate: 4% commission

Website: www.icrowdfund.ie





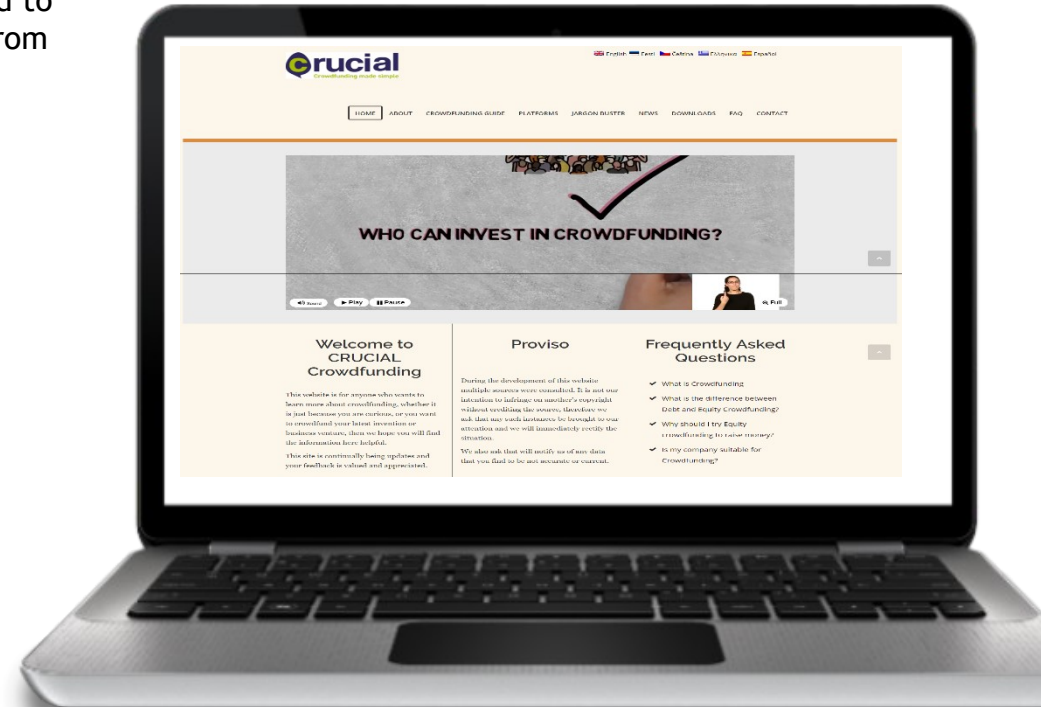
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CRUCIAL Crowdfunding is an ERASMUS+ supported project, designed to inform all the different stakeholders who can potentially benefit from this innovative means of funding business ventures.

Project website: <http://crucialcrowdfunding.com>

Crucial Crowd Funding Resources -

<http://crucialcrowdfunding.com/downloads/>



Exercise 9: Download and Review Crucial Crowdfunding Resources - how do they apply to your plan?

Languages available

English Eesti Čeština Ελληνικά Español



4.6 Attracting Corporate Support

Corporations spend millions of euro each year on corporate sponsorships. Center of taste can attract such funding (e.g. The Food Hub, Ireland attracted a 5 figure sum from a national retailer). The steps

1. Research corporations or companies with a strong presence within the food community and identify those with commitment to your food incubator mission.
2. Leverage Personal Relationships - Ask your contacts for their contacts.
3. Develop your offering: Prepare a well thought out proposition that provides a variety of options to get involved and support your work
4. Understand Sponsors' motivations - in the main these are Brand building: Marketing, Corporate Social responsibility. If your project aligns with their philanthropic efforts you have a better chance of attracting their support.
5. Craft and send a letter - Be passionate: If you and your committee are enthusiastic about the cause and your community/ social enterprise it will shine through and will be infectious to people around you. Include a clear call to action for the next step, what do you want them to do- meet you, visit your project etc
6. Follow up - You must assume prospective sponsors will not contact you directly; it is your responsibility to contact them
7. Deliver what you promise: You can never express enough appreciation for the support of corporates with regards to your project. Overdeliver!



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Increase your Chances of Attracting Corporate Support

- Build a strong online presence through social media and a great website.
- What do you know about your demographics? Do you know who engages with your incubator and why?
- Have you worked with corporate sponsors before? Do you have testimonials from corporate executives about the value of your organisation? Do you feature the connection in press kits or other marketing materials?
- Are other organisations similar to yours getting corporate sponsorships?
- Different types of donors require a different approach. It is important to note that corporates may donate cash, but they may also donate the use of their services or advertising support. They may also set up employee volunteer groups that then donate their time and skills. This can be very valuable.