

Canadian Venture Philanthropist Launches Business Plan Competition for Social Entrepreneurs

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Plan that best employs disadvantaged populations wins \$15,000 and a chance at up to \$1 million in funding.

TORONTO - Social Capital Partners (SCP) today announced the launch of a business plan competition designed to encourage social entrepreneurship in Canada. The SCP Social Enterprise Business Plan Competition aims to identify entrepreneurs with viable business ideas that employ disadvantaged populations. This is the first competition of its kind in Canada.

Over the next three months SCP will be soliciting and judging business plans from innovative, Canadian social entrepreneurs who can clearly articulate ideas for self-sustaining, revenue-generating social enterprises that employ members of a disadvantaged population - individuals that might otherwise have to rely on government or social service agencies to obtain training and job opportunities.

The winner(s) of the competition will be awarded a cash prize of Cdn. \$15,000 for the idea and will be given the opportunity to work with SCP to create an action plan to launch the business. Like a venture capitalist, SCP will provide meaningful long-term capital based on meeting performance goals. SCP will actively participate in helping meet these performance goals by providing significant "intellectual" capital in the form of its business experience and the partnerships it has developed. If SCP believes that the launch of this social enterprise is feasible, the business could receive up to Cdn. \$1 million in incremental funding from SCP and its partner investors to get it started.

"SCP's business plan competition is a first step towards our vision of creating new funding alternatives for nonprofit organizations in Canada while meeting social objectives," said Bill Young, President of Social Capital Partners. Young was president and CEO of Hamilton Computers, a computer reseller specializing in financial services and systems integration. After growing it from \$15 million to \$250 million in revenue, Young sold the company to GE Capital.

"After a long career in the private sector, I now have the opportunity to apply some of my wealth and experience to create innovative social change," said Young. "We believe that the most significant contribution SCP can make to the nonprofit sector is to become a catalyst for the creation of social enterprises that generate revenue while achieving successful social outcomes."

Many current models utilize government funding to train and teach job skills to disadvantaged populations. SCP hopes to enhance the skill

development of these individuals through job placement in social enterprises. The businesses will strive for financial self-sufficiency, thereby significantly reducing the societal cost of creating positive social outcomes.

What SCP is looking for

SCP is looking for business plans that exhibit the following characteristics:

- The enterprise must employ members of a disadvantaged population
- The enterprise must be a revenue-generating business with a clear financial goal to break-even within a three-to-five-year timeframe
- Jobs offered by the business to the target population must provide job skills or create necessary conditions for individuals to learn job skills over the long term
- The business should have the potential for significant growth
- Start-up capital requirements for the business can reach up to Cdn. \$2 million (assumes Cdn. \$1 million in funding from SCP and its partners and Cdn. \$1 million in funding from other sources such as debt)
- The plan can involve the acquisition of an existing business

Venture Philanthropy

SCP is part of a new generation of social investors or venture philanthropists, committed to using entrepreneurial approaches to solve social problems. Venture philanthropy applies the principles of private sector venture financing to nonprofit organizations, by combining the monitoring and support practices of venture capital with strategic grant making. The concept has gained momentum in the U.S. but is just emerging in Canada.

About Social Capital Partners

Social Capital Partners is a venture philanthropy organization created to invest in and incubate revenue-generating social enterprises that employ at-risk populations outside the economic mainstream in Canada. The goal of these social enterprises will be to develop a national scope, exist without government funding, and create improved social outcomes and financial self-sufficiency for the populations they employ. Founded in 2001 and headquartered in Toronto, SCP is one of the only organizations of its kind in Canada.

For more information on Social Capital Partners, please call 416-646-1871 or send e-mail to info@socialcapitalpartners.ca. Visit SCP on the web at www.socialcapitalpartners.ca.