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Getting investment ready: Tools to help early-stage last mile distributors to fundraise

Webinar: 29th November 2022

**Practical
ACTION**

**bop
inc**

The GDC is hosted by Practical Action, alongside strategic and implementing partner Bopinc

Agenda and objectives

- A few words from GET.invest
- Scene setting
- A dive into the tools
- Top tips from an investor perspective
- Reflections from GDC member
- Q&A, poll and wrap-up



Credit: GDC

Who you'll hear from today

GDC Team



Federico Hinrichs
Lead on access to finance
activities
GDC

GET.invest Team



Lisa Poisson-Quinton
Advisor
GET.invest

Investor Perspective



Gavriel Landau
Founder and CEO
Charm Impact

GDC Member



David Wanjau
Founder and CEO
Deevabits Green Energy

GET.invest in a Nutshell

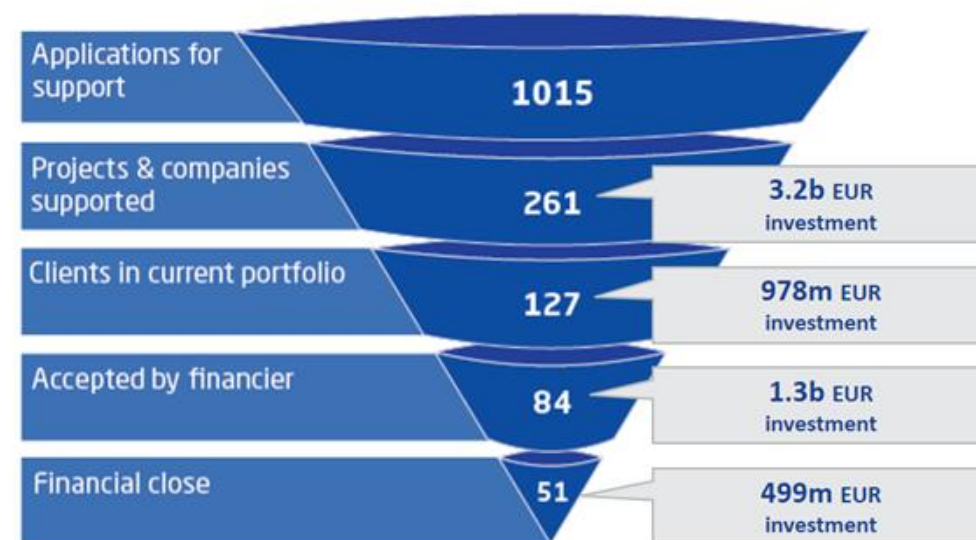
- **European** programme **mobilising investment** in renewable energy, **building a pipeline** of investment-ready projects
- **Supports all relevant delivery models**, incl. on- and off-grid electricity, clean cooking, productive use
- **Broad partner network** incl. many financiers as well as industry associations and others
- **Active in Sub-Sahara Africa** the **Caribbean** & the **Pacific**
- Implemented by **GIZ**, hosted on the multi-donor platform GET.pro, and supported by the **European Union, Germany, Sweden, the Netherlands, and Austria.**



The GET.invest Finance Catalyst

A leading, open, scalable, and flexible TA facility providing **on-demand** advisory to **get projects and businesses ready for finance** and **link them with financiers** → **more pipeline, faster progress**

- Simple application process, “level playing field” access
- 25+ expert advisors that coach and support towards investment-readiness
- Support covers improving business case, financial structuring, finding the right finance, negotiations
- Builds pipeline for financiers, accelerates investment



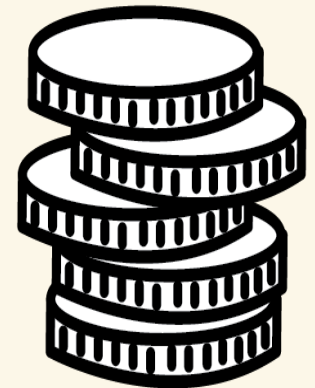
“Funnel” from *intake* to *outtake*.
GET.invest and predecessor programme (2016-05/2022)

“Funnel” from *intake* to *outtake*.
GET.invest and predecessor programme (2016-08/2021)

A walk through the tools

Investment-readiness self-assessment for LMDs

These tools will assist early-stage last mile distributors (LMDs) begin their fundraising journey and pave the way to connect with investors



Investment-readiness tools: what and why



What early-stage investors say...

LMDs struggle to identify suitable investors and to communicate effectively

Key pain points: #1 LMDs missing strong pitch, #2 financial literacy, and #3 data collection

Early-stage funders are willing to be hands-on and support investment readiness



What early-stage GDC members say...

Too costly and effort-intensive to be investor ready

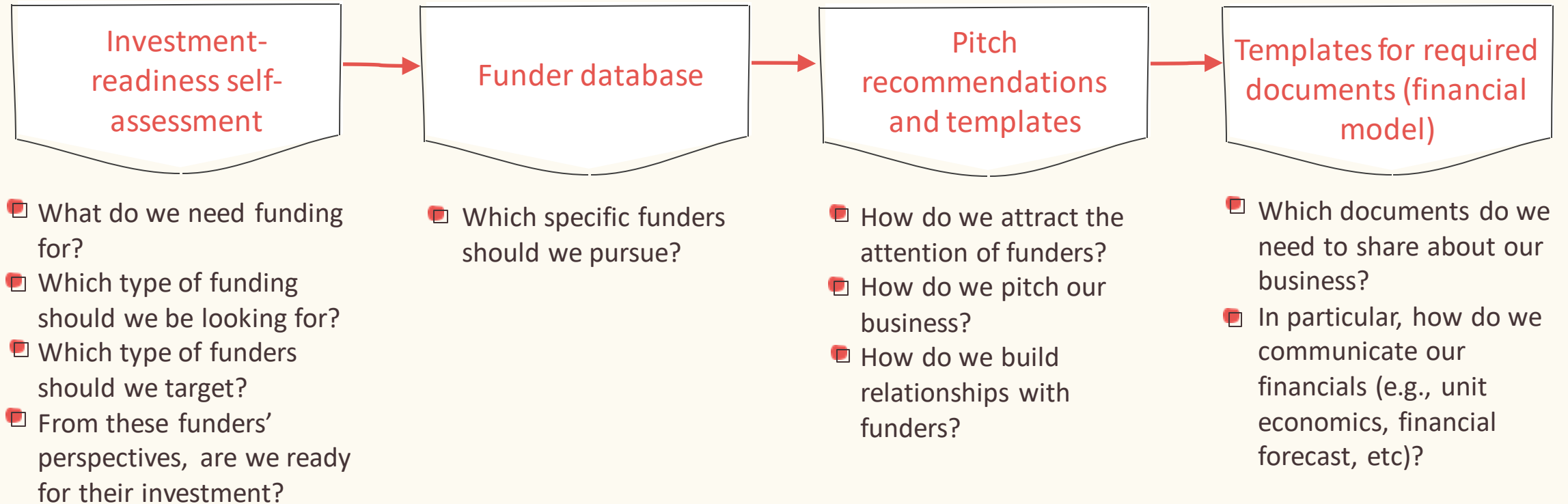
High admin burden. Heavy DD processes and negotiations take too long.

What we are doing (or planning to do) about this...

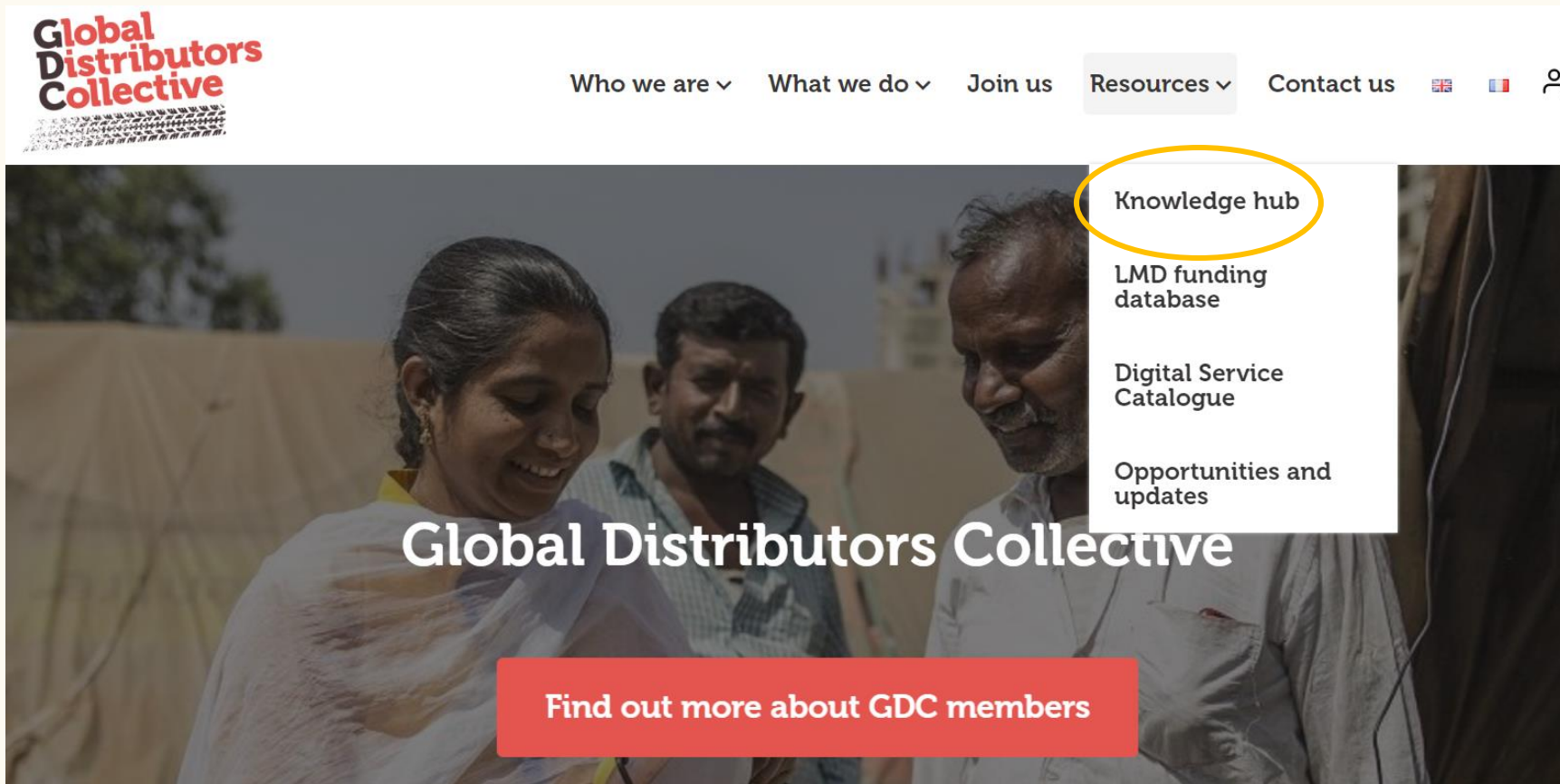
- **Investment readiness tools**
- Increasing visibility of LMDs and data sharing
- Developing new data/benchmarking tools
- Collaboration among funders/funder alliance

Overview of investment-readiness tools for LMDs

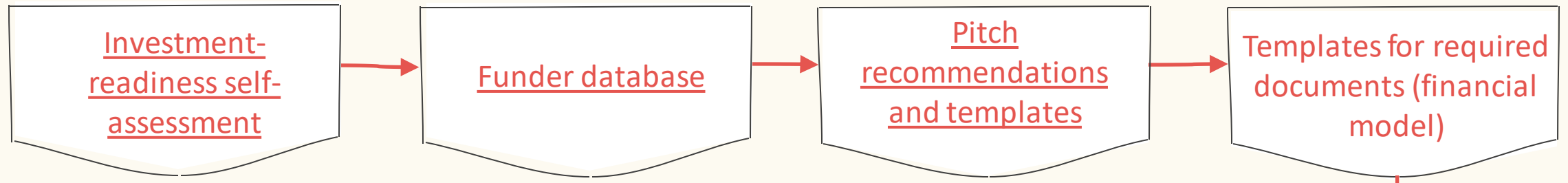
A set of simple tools for last mile distributors (LMDs) looking to begin their fundraising journey



Where can you find the tools?



What's next?



We will support LMDs on investment readiness by:

- Continuing to develop/improve tools
- Collaborating with and sharing opportunities from partners on this topic

Stay tuned for updates!

Charm Impact

Top tips for establishing a relationship
with investors



Charm Impact

Dos and don'ts for engaging investors

Dos:

- Clearly understand and be able to articulate the type of capital you need
- Understand your unit economics and your financials
- Show the strengths of your team
- Be honest about where you need to improve
- Research the investor and understand what they are looking for

Don'ts:

- Miss meetings or calls (even if you're in the field)
- Keep quiet
- Partially submit the required information
- Oversell yourself
- Rely on consultants to sell your company for you

Charm Impact's mission is to combat financial exclusion for clean energy entrepreneurs across Sub-Saharan Africa who have challenges accessing the financing they need to grow their businesses. Charm helps companies develop a credit history through a series of commercial loans ranging from £10k - £350k that last up to 24 months.



Deevabits

Fundraising insights and tips from a
last mile distributor



Deevabits Green Energy (DGE)

Dos and don'ts for engaging investors

Dos:

- **Build social capital**
 - Be real, be genuine, be authentic
 - Make meaningful connections
 - Seek support – advisors & mentors
- **Be prepared, over prepared**
 - Know your business well
 - Have a mastery of your numbers
 - Know your market, product or service
- **Get warm introductions**
 - Search for common contacts in your network and secure an introduction

Don'ts:

- **Work in your business and forget to work on your business**
 - Sales matter but you've got to start making your business investment ready
- **Talk to the wrong investors**
 - Ticket sizes, industry or geography focus
- **Understate your funding need**
 - It shows you don't know your business well
 - Insufficient funds can lead to failed business

DGE is a for-profit social enterprise headquartered in Kenya that distributes and finances solar lighting products, to rural off-grid households through a team of village social entrepreneurs, comprising primarily of women and youth.

DGE's approach improves energy access, enabling rural households to grow their savings and improve their living standards; and creates jobs for women and youth living in rural areas.



Q&A



Thank you and wrap up

- Feedback poll
- Slides and recording
- Next webinar: Cookstoves tradeshow

Contact us:

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Credit: GDC

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