



Equal-Invest Guide

3 Recent performance

Recent performance: good recent progress on social and financial objectives

This is part three of a series of five guides for social enterprises seeking to get investment-ready. The content was developed through the Equal-Invest programme.

A great way to demonstrate your ability to carry out objectives is to measure your recent performance.

This is a potentially scary thing to do because it shows you the reality about how you are doing in ways that cannot be overlooked. Exactly how much has your customer base grown? What is your staff turnover? What impact has this had on your financial projections?

On the other hand, it provides a way of gathering evidence for otherwise anecdotal stories that show how well you are doing. How are social and environmental impacts captured? Is this an efficient way to measure these indices? What other ways can you explore to demonstrate the evidence in a compelling way?

Whatever the outcomes, remember that your performance is integrally linked to all aspects of your business. If sales figures have soared, do you require extra measures to cope with demand? If your performance is less rosy than you would like, take another look at your objectives to see if they are realistic given your current ability to execute.

An investor wants to see that you are able to recognise where improvement can be made, and that you have an awareness of exactly how that can be done. Your recent performance also helps you and a potential investor to see where improvements have already been made. It is a great way to help you to continue strategic momentum by keeping track of where you are going.

Equal-Invest Guide

3 Recent performance

Things to consider when looking at your recent performance

- Board reports
- Sales figures
- Partnerships
- Staff turnover
- Separation of activities
- Financial projections based on performance
- Data management

One other benefit of measuring your performance is that it facilitates support through teamwork. Creating a map allows you to see where you can go, but as a team you may need to explore different routes.

It is vitally important therefore to have commonly recognisable landmarks that allow you to communicate clearly about where you are. This allows you to focus on the task in hand, knowing that any difficulties encountered will be picked up by a team that understands the territory and the destination.

Some additional tools to help you when looking at your recent performance

- Customer base statistics
- Financial key performance indicators
- Social and environmental key performance indicators

Compass Peterborough

Compass Peterborough provides outreach, training and advice services for deprived people. Their main income is generated from refurbishing and recycling furniture.

The organisation's vision is to have greater impact on poverty in the city, the demand having risen with an influx of refugees. The team decided to request an investment of £1,000,000 to extend sales space to enable them to grow.

Compass Peterborough had experienced recent financial difficulties, but the efforts of a strong team and board worked to increase turnover by £900,000 within one year.

This effort evidently increased activity which also resulted in support from partners and attention from large customers.

Equal-Invest Guide

3 Recent performance

They achieved a government-recognised qualification to recycle electronic waste, which increased their market, and the measurement of environmental impact revealed a saving of 400,000 tonnes of landfill per year.

Major retailers began to offer them large quantities of goods to refurbish and they calculated that with such increase in both demand and supply, they could double turnover, pay off all remaining debts and increase landfill savings to 1,000,000 tonnes.

In clearly demonstrating how their financial recovery and recent progress on social and environmental objectives linked to increase in the market, Compass pitched for investment and were successful.