



## About the Innovation for Social Impact Partnership (ISIP)

The Innovation for Social Impact Partnership (ISIP) aims to support promising innovative social enterprises in the Philippines to collectively contribute to the achievement, acceleration, and sustainability of the SDGs. It is a project co-implemented by the Philippine Development Foundation (PhilDev) and the United Nations Development Programme (UNDP), with support from the Australian Department of Foreign Affairs and Trade (DFAT).

## Project Implementers



UNDP works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.



The Philippine Development Foundation (PhilDev) is an independent, non-profit organization that aims to eradicate poverty in the Philippines through its three (3) pillars: education, innovation and entrepreneurship.



The Australian Government's development cooperation program in the Philippines aims to accelerate inclusive economic growth and political stability. Australia's aid program will support these goals by focusing on the following objectives as outlined in the Aid Investment Plan: enhancing the foundations for inclusive economic growth; building stronger institutions for transparent and accountable governance; and improving the conditions for peace and stability.

## Strategies

### Education

ISIP also intends to build the capacities of SEs and university-partners on social entrepreneurship through its Education component. Series of trainings and workshops, complementary to the Commission on Higher Education (CHED)'s faculty training program, are provided to expand the entrepreneurial mindset and culture among stakeholders as well as to increase their understanding on STEAM Innovations.

The Education component shall provide organizational training and capacity development to SEs who will eventually fill in the pipeline of targeted SEs of ISIP.

### Entrepreneurship

The Entrepreneurship component intends to provide technical assistance to SEs in order to help them scale up. SEs' growth is fast-tracked through the Social Impact Accelerator, lecture series, workshops, and tailor-fitted mentorships with experts and seasoned entrepreneurs.

### Policy Agenda

In pursuit of SE supportive economic landscape, the project will advocate for policy reforms that will even out the playing field for startups and established businesses.

This will be done through generating research and policy papers that will highlight the SE's role in the national and local government development goals.



Technology Business Incubator Workshop



Onboarding of the SEs in the Social Impact Accelerator





## Social Enterprise Founders attend ISIP lecture series on ICT solutions, Intellectual Property, and Valuation

Robi Del Rosario started his Aquaponics business in 2016 which was then called “Barangay Aquaponics.” He envisioned building a business which would contribute to the well-being of the community and improve the quality of people’s lives. This business evolved and eventually became UPROOT. During the first two years of UPROOT, Robi was running the business on his own. At present, UPROOT is transitioning its business model from sole proprietorship to an incorporation.

As part of the Social Impact Accelerator Batch 1, Robi had the chance to attend the Lecture Series provided to the SE

Founders. He believes that the Lecture Series, particularly the session on Valuation provided valuable insight on how UPROOT can accurately determine the value of the shares of the co-founders, and design a more investment-friendly model for their social enterprise.

“The lecture gave me a clearer picture on how to define our valuation and how the history of the company contributes to its overall value.” Said Robi.

He also emphasized on the importance of transparency in seeking investments. “Proper valuation defined by the

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### UPCOMING EVENTS

- Visiting Professors activity  
Opening of applications
- Social Impact Accelerator  
Batch 1 SE Showcasing

## Neuro-Linguistics Programming: A new method for pitching



Chip Balbuena shares tips to SEs in maximizing Neuro-linguistic programming to improve their pitching skills.

Pitch Karaoke sessions are designed to provide constructive tips and feedback for SEs to improve their pitching skills. The Pitch Karaoke session for SEs undergoing the Social Impact Accelerator held last January 24 was divided into two parts. Chip Balbuena conducted the training on neuro-linguistic programming (NLP) coaching and effective communication. Acudeen co-founders Magellan Fetalino and Yaccine Derradji shared insights and experiences on how to pitch a winning startup.

Chip explained how NLP can be used for effective communication such as engaging people in conversations. This was further honed in through interactive exercises among the SE founders.

Following the discussion on NLP, Magellan introduced Acudeen and their experiences with pitching. He then shared his strategy when preparing for pitches and investor meetings. In 2017, Acudeen earned USD 500,000 equity investment after pitching and

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Social enterprise founders learn about intellectual property rights as added value to their business.

## Social Enterprise Founders...Continued from p. 1

organization gives investors a better idea on the equity of their investment and creates a more transparent environment allowing UPROOT to attract more investment opportunities” added Robi.

As part of the activities for social enterprises (SEs) under the Social Impact Accelerator of the Innovation for Social Impact Partnership (ISIP) project, SE Founders attended three capacity-enhancing lectures: Information and Communication Technology (ICT) Solutions (January 9), Intellectual Property (January 18), and Enterprise Valuation (January 23).

### Creating social impact through ICT

According to the Social Innovation Mapping Report of Ashoka and Intel Foundation, ICT helps entrepreneurs

create social impact as it increases productivity on business operations and facilitates community involvement.

At the “Technology Conversation” session, the lessons focused on Oracle-NetSuite’s ICT Solutions aimed at improving the business operations of SEs to better facilitate attainment of their intended social impact. Oracle-NetSuite Grant Administrator Anna Bianca Sarte and Account Manager Jonathan Agngaray acknowledged the challenges of SEs on business compliance and accounting matters, which hinders them to amplify their impact. From a user perspective, Senior Account Executive Joanne Pacho talked about the journey of Risa Chocolates and how they are able to systematize their process and properly track orders through the Oracle software donated to them.

With the opportunity presented by Oracle, ISIP SE founders can apply best practices mentioned in the Social Innovation Mapping Report: infusing technology in enterprise operations increases self-sufficiency, employability, and the opportunity to use ICT tools to solve social challenges.

In addition, the report also mentions the importance of stakeholders’ engagement in technology adoption. Opportunities like this enable the SE founders as technology adopters to interact more with new technologies that aid them in their businesses. As a result, these technologies enable creation of community networks where knowledge sharing is fostered.

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## Neuro-Linguistics... Continued from p. 1

bagging the Global Winner award at the Seedstars World Competition held in Switzerland. On that same year, Acudeen was also recognized as Founder Institute’s Best Global Fintech award recipient.

Through regular Pitch Karaoke Sessions, SEs are expected to improve their pitch to potential investors, increasing their chances of getting funded.



Magellan Fetalino of Acudeen shares to the participants how to prepare a winning pitch.



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### Value-adding social enterprises through intellectual property

Science, Technology, and Innovation (STI), according to the Philippine Development Plan (PDP) 2017-2022, can lead to the development of new public goods and services (or new methods of delivering public goods and services) that provides solutions to the needs of the society, especially of the disadvantaged. However, the 2018 Global Innovation Index showed that the Philippines ranked 73rd among 126 economies in innovation. In addition, the PDP cited that weak STI culture hinders innovation. This means that people and institutions lack the awareness on intellectual property, commercialization of research results, and development of research culture in the universities.

According to the World Intellectual Property Organization (WIPO), an intellectual property (IP) right is just like any other property right in the form of scientific, literary, or artistic productions. Intellectual Property spurs economic growth through the development of new jobs and industries. The presence of legal protection increases commitment for additional resources to improve innovation.

The learning session led by Maria Minda Del Rio, Chief Information Officer V of the Intellectual Property Office of the Philippines (IPOPHL), discussed the different categories of IP being offered in the Philippines, namely: Patents, Utility Models and Industrial Designs, Copyrights, and Trademarks.

According to IPOPHL, their mandate is to protect and secure the exclusive right of scientists, investors, artists, and other gifted citizens to their intellectual property creations. They also added that IP is territorial, that is why applicants should clearly specify important details in their IP applications. An example of this is specifying if a product/invention/idea is to be recognized internationally. To date, investors and banks already consider Intellectual Property Valuation as collateral.

While some of the SE Founders are familiar with the topic, they recognize the importance of protecting their intellectual



Mikko Perez, founder and CEO of Ayannah, discusses the importance of enterprise valuation in fundraising.

properties and how they can use them to scale up their business. Ryan Gersava, Founder of Virtualahan, is one of the SE Founders who recognizes this important role of IPs and how it this will help them improve the positioning of their company. Ryan shared, "Learning about an asset-based SE can help us position ourselves to be one".

Aligned to ISIP's objectives, SEs are strongly encouraged to file their IPs to make their business more investible. ISIP seeks to achieve at least 24 filed IPs by 2020 among the SEs that are undergoing the ISIP Social Impact Accelerator. This is aligned to contributing to the country's drive in increasing the number of IPs generated by Filipino inventions and innovations by 2022 as envisioned in the Philippine Development Plan.

### Understanding the "value" of a social impact

According to a study published by Jackie Csonka-Peeren, titled "Business Valuation of Social Enterprise: Exploring Current Understandings and Alternatives", valuation is concerned with cash flows and risks associated with those cash flows. It is a key process of

fundraising, an essential step to sustain a social enterprise. SEs of the Social Impact Accelerator batch 1 are gearing towards raising funds to scale their operations.

To educate them further on this fundamental aspect of business growth, a lecture on Valuation was conducted led by Founder and CEO of Ayannah Mikko Perez and Director of ICCP Venture Partners Jennie Alcabao. Mikko discussed the various preconditions to consider in raising money, as well as the various levels of funding sources along with the accompanying associations on return, funding sizes, and gestation periods. He also shared about his journey in building Ayannah, his investments in other companies, and anecdotes of how other startups raised funding. In addition, a short interactive segment on calculating the DuPont equation as guidance on what to prioritize financially in operating one's business was also demonstrated. Finally,

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## Social Enterprise Founders... Continued from p. 3

he showed a sample capitalization table to show respective infusions and dilutions as one continues to fundraise for his/her business.

Jennie, on the other hand, talked about the different methods in assessing the value of one's business, which includes conducting a comparable company analysis, looking at precedent transactions, and using the discounted flow method (DCF). The first two methods involve deriving external comparable of publicly traded companies. This needs an internal tool to get pertinent data to use in extracting comparables (banks and investment firms have this). The DCF method uses information from internal business financial data points but needs an assumption on the level at which to set the discount rate.

SE Founders recognize the significant role of Valuation in terms of investor relations. According to Robi Del Rosario,

Founder of UPROOT, the lecture provided them with ideas on how to better present their business to investors through valuation and how they can use this as a point of reference when going into business deals with their investors.

"We are talking to a lot of investors, and this [lecture] gave us an idea on how to go about our dealings," Robi shared. This is aligned with an Esquire India article where it articulated that knowing the value of one's business can help steer the direction of the business' strategies.

For Joji Pantoja, Founder of Coffee for Peace, the lecture equipped her with new knowledge to accurately determine the value of her business which will be useful when facing venture capitalists and raising funds for her social enterprise.

Joji further emphasized that, as a social entrepreneur, determining the social impact they create is just as important.

"We also need to know how to compute for the social value and the impact value our social enterprise made" Joji said.

Ultimately, it is important for businesses to have their proper financial statements and projections in place to serve as strong basis for potential investors to follow through on.

For the SE Founders, measuring the value of their business includes capturing also the value of the impact they create. They identified one of the key issues they encounter when looking for investment: levelling off funder expectations and the goal of their social enterprise, which includes willingness to raise money externally or whether they prefer to bootstrap using their net incomes and founder capital infusion.

### Lecture Series

*Based on the 5 Success Factors modules developed by Dado Banatao, the Lecture Series aims to build capacity of social entrepreneurs by focusing on key topics. It is part of the activities under the Social Impact Accelerator offered to SEs who are part of the accelerator.*



### KNOW YOUR INTELLECTUAL PROPERTY RIGHTS

#### TYPE OF INTELLECTUAL PROPERTY RIGHT

#### DESCRIPTION

#### VALIDITY OF RIGHT

##### Patent

Having a patent protection means an invention cannot be commercially made, used, distributed, or sold without the owner's permission.

**20 years**

##### Utility Model & Industrial Design

If an innovation does not meet the threshold for patent application, then it falls under these intellectual properties.

**Utility Model: 7 years  
Industrial Design: 15 years**

##### Copyright

A copyright is given to creators or authors of literary and artistic works.

**50 years**

##### Trademark

Trademarks are granted after a registration of goods and services.

**10 years**