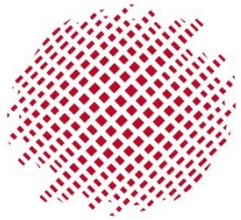


Un progetto di:



avanzi
SOSTENIBILITÀ PER AZIONI



make a change



make **a** cube³

BUONE IDEE ELEVATE A IMPRESA

June 2012

Make a Cube³

Make a Cube³ is the first incubator in Italy dedicated to social and eco-innovators.

Make a Cube³ provides comprehensive advisory to start ups with high potential for creating social and environmental value.

At Make a Cube³ you can turn your ideas into action.

We can provide comprehensive business support services, including back-office, governance expertise, access to knowledge and financing.



A joint venture between Avanzi and Makeachange

Make a Cube³ is a joint venture between Avanzi (80%) and Make a Change (20%). Avanzi is a leading think tank and consulting firm working on sustainable development issues since its foundation, in 1997.



Think tank.

We are constantly seeking the most effective ways to drive sustainability into innovation.

Consulting.

By driving cultural and organizational changes we help business and organisations to become more sustainable.

Habitat.

Avanzi's location is much more than just an office space. It is a marketplace for sustainable innovation where business, ideas and projects can meet.



Make a Change is an Italian association dedicated to the promotion of social business.

The first italian "low profit"

The two shareholders have incorporated Make a Cube³ as the first low profit company, adapting to the Italian context the concept of community interest companies and B Corps.

Socially oriented

Priority to the maximization on the social impact as a statutory provision. Economic sustainability conceived as a mean to achieving sustainable development goals.

Low profit e low dividend

Limitations in the return on investment, a cap to the top management salary and other important features have been introduced, voluntarily and without any tax advantage, in the statute.

Accountability

Evaluation of social, environmental and economic performances and impacts generated through its activities



A stage-gate roadmap for incubation (1)

At **Make a Cube³** we apply a stage-gate roadmap for incubation.

Make a Cube³ incubation process typically ends after 6-9 months, when the start-up is ready for the market, including capital markets.

A stage-gate roadmap for incubation (2)

First we **select ideas** and ventures on the basis of their overall quality, degree of eco and social innovation, consistency with market and environment conditions, motivation of **future entrepreneurs**, capabilities and networks.

Core incubation starts with the **business plan review** and development, in order to build a robust financial and operational model, and continues with all the strategic and day to day assistance necessary to transform a good idea into a successful and **sustainable venture**. Prototyping and market tests are carried out in this phase.

Our services

Make a Cube³ *warm up*

For changemakers with ideas, needing to focus on business model engineering and experimentation. A two days interactive lab, made up of traditional frontal teaching and intensive project works.

Make a Cube³ *121*

Tailor made incubation process, designed around the needs of a given startupper/innovator/entrepreneur.

Make a Cube³ *HD*

High density incubation process, where up to 10 startups are incubated at the same time, for a period of 6 months, after an open call for ideas on a given sustainability issue. The process maximizes the possibility of mutual learning between the startups and efficiently brings them to explore their potential.

Make a Cube³ *B2B*

We help private corporations and local authorities to develop new social enterprises, building on their underutilized tangible and intangible assets.

Are we useful?

Yes, we think so.

There is a large and growing demand of goods and services with a high social and environmental value (ranging from health to assistance, from education to cultural activities, from local public services to responsible financial services, from fair trade to eco-tourism, from organic food to eco-fashion, from green construction to renewables, with technologies linking all of them)

The not for profit sector too often lacks of managerial capacity and vision. Young social innovators as well do not know what being an entrepreneur truly means.

We try to fill this gap, building capacities and providing tools for growth.

Challenges we face (1)

We operate in a typical market failure area. Incubation & acceleration services are highly needed but no one seems to be willing to pay for them, especially in a pre-seed and seed investment stage.

Social innovators and startupper lack of resources and spend all the money they raise in financing their ventures (and their work). They also are debt adverse and risk adverse.

More often than not social innovators lack of entrepreneurial and analytic skills. They clearly understand the social problem they are addressing but they are not able to analyze the market in which they are playing (in terms of size, profitability, maturity).

Challenges we face (2)

Traditional capital suppliers are not comfortable with most social business , especially if they are startups (more risky, too value driven, low ROI expected)

Social ventures are not enough profitable to attract venture capitalists and private equity investors ; but they are not eligible for grants .

They need a specific type of capital providers, e.g. responsible investors that are happy with a blended divided, made of a social as well as an economic return (the latter being inevitably lower than a “normal” one). But where are these responsible investors?

Challenges we face (3)

In Italy, for social enterprises, the prohibition to distribute profits it's a huge limit.

If we want social business to grow into the market, risk capital needs to be rewarded.

What if..

- .. we were able to distinguish social business on the ground of their outputs (and not merely by their legal status)
- .. pre seed grants were provided by European funds (supporting incubators as well as startups)
- .. a specific tax regime for impact investing was conceived



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