

Don't Sit on your Assets

Earned Income.....

Pauline Broomhead – CEO FSI

Sector's Annual Income.....?

**£35,498
Billion**

2007/08

Earned Income on the Rise

- Earned Income
 - Fees earned for services and goods from non-government sources
 - Fees earned for research and other consultancy activities
 - Sponsorship
 - Trading

7,032 Billion

Context:

- **Statutory Income** – Public Sector Fees/Payments/Contracted Services
- **Raised Income** – Trust & Foundations – National Lottery – Individuals – Other Fundraising Methods including Corporate Income

Myths and Misconceptions

- The ultimate goal of an earned income strategy is to generate funds
- Earned income is always more sustainable than donations or grants
- Earned income is always a good thing because it helps to diversify your funding base
- The best way to generate earned income is to start a totally separate, unrelated business dedicated to profit making
- By relying more on earned income, your organisation exposes itself to valuable market discipline.

Mission Based Earned Income?

- A coherent plan of action that generates earned income, even if that income does not cover all the costs associated with it.
 - Revenue generated by the commercial exchange of a product or service between a buyer and seller. (For this exercise we do not include Statutory Income from Government i.e. Public Sector Contracts.)
 - Distinct from grants and other charitable donations which are gifts independent of any commercial exchange (even when restricted).



Three paths to follow

Getting paid for what you already do

Launching a new business venture

Building revenue relationships

One.....

Getting paid for what you already do

- Benefits
- Risks & Challenges
- Key Success Factor

Getting paid for what you already do

Two.....

Launching a new business venture

- Benefits
- Risks & Challenges
- Key Success Factor

Launching a new business venture

Three

Motivational Driver

Mutual Benefit



Building revenue relationships

Considering a Mission Based Enterprise?

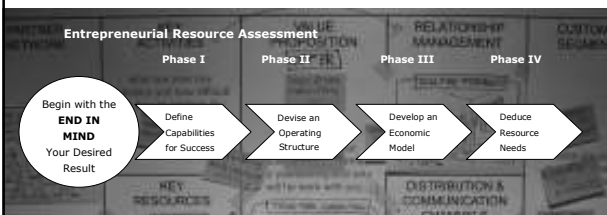
Next Steps:

1. Reaffirm your charity's mission
2. Brainstorm your options
3. Assess total mission impact
4. Evaluate feasibility
5. Develop action plan

Summary

- ❑ Earned income is not primarily a financial strategy
- ❑ There are a wide range of options
- ❑ Be aware of mission drift
- ❑ Involve as many stakeholders as possible in the planning process
- ❑ Develop a viable action plan
- ❑ Earned income is not for everyone

Are YOU Thinking Like a Social Entrepreneur?





My Mission Based Enterprise Started Today
