



Guide to financing of your social entrepreneurship

NOW ALSO WITH ADVICE
FINANCING OF SOCIAL BUILDING



**Become a social
entrepreneur!**

**Find tips
and support!**

INTRODUCTION

This guide is designed for you who are or are considering becoming a social entrepreneur. We hope that it will give you enough tips and support to find a financing solution on your own that suits your needs. If you need more help, Coompanion provides free advice when you want to start a cooperative company. We have offices and staff in 25 locations in Sweden.

In this version of our financing guide, we have also included an introduction to financing social construction.

Good luck financing your social entrepreneurship!



The guide is mainly compiled and produced in collaboration between Coompanion Östergötland and Coompanion Mälardalen. Editor: Jonas Lagander, Coompanion Östergötland, Layout: Emil Atak, Coompanion Mälardalen

Special section "Financing of social construction": Mainly developed by Coompanion Göteborgsregionen and Coompanion Östergötland within the framework of the project Diversity - for diversity in urban construction. Many thanks to project staff Ylva Sandström, Kerstin Kärnekull and Staffan Schartner for input in the work.

Read more about the project at divcity.se. Do not miss our information page about social construction, coompanion.se/byggabo

... with working methods

that creates
participation!

ABOUT SOCIAL ENTREPRENEURSHIP AND FINANCING

Social entrepreneurship is basically like any other form of entrepreneurship. It requires financing and good business models for sustainability. Therefore, as a social entrepreneur, you have reason to look at traditional financing solutions for your business. Just like any other contractor.

At the same time, there are clear differences when it comes to business and return targets. This means that there are complementary opportunities to find financing.

What characterizes social entrepreneurship?

Social entrepreneurship includes one or more of the categories below.

1: Social enterprises - where the social benefits are at least as important as the economic ones. Sometimes more important. It is about social entrepreneurship from a broad perspective.

2: Work-integrated social enterprises (ASF) - which, without private profit-sharing opportunities and with working methods that create participation, create paths into the labor market for groups that are far from it.

3: Social innovations - which include processes where the goal is to solve societal problems with new innovative ideas. A borderland between business, public affairs and civil society.

COLLECTION SITES

There are some fully or partially publicly supported social entrepreneurship websites that are worth following. These are updated from time to time, which is why it is important to stay up to date.

Meeting place social innovation (MSI) at Malmö University. Here are reports, latest news and also a list of organizations in Sweden that support social innovations and social initiatives - nörskap. At the time of writing, there is no complete compilation site for the ASF sector.

Website: socialinnovation.se



SKOOPI - about work-integrating social enterprises

"Social companies in collaboration" (sofisam.se) was the Swedish Agency for Economic and Regional Growth's previous information page about "ASF". There was detailed information about the conditions for starting and running ASF - including a page about financing opportunities. Now the business is run in new forms after a new government - assignments and it is not quite as easy to find comprehensive information about ASF.

Of course, information can still be found, including at verksam.se and [Coompanion.se](https://coompanion.se).

Above all, you can find support at SKOOPI, which is the interest organization for the work-integrating social enterprise sector in Sweden. SKOOPI's website and their office are a good start in your search for knowledge.

Website: skoopi.coop

ORGANIZATIONS THAT SUPPORT SOCIAL ENTREPRENEURSHIP

There are a number of different organizations that support social entrepreneurship, in addition to Coompanion. One of the largest and most famous in the world is Ashoka. Ashoka coined the term "social entrepreneurship" and supports social entrepreneurs with funding, education and networking. The organization is currently present in over 80 countries.

In Sweden, there are organizations such as Include Invest, the Center for Social Entrepreneurship in Sweden (CSES) and SE Forum, which in a non-profit form support social entrepreneurs in various ways. Raoul Wallenberg Academy is another organization that, in collaboration with Ashoka, trains young people in social entrepreneurship.

Link list

ashokanordic.org
includesainvest.se
cses.se
se-forum.se
raoulwallenberg.se



IMPACT INVESTMENT

Impact investment is sometimes called "impact investment". In addition to financial returns, it is a matter of achieving various social or environmental goals through active influence. Pope chance investments as a tool for society are under development but are growing steadily. According to an international survey from 2015, influential investors are achieving their set goals to a greater extent, than not yet.

This gives an indication that risk-taking should mainly be sustainable in the sector already today. What seems to be the problem for faster expansion is that there are not enough objects to invest in. This may be due to the fact that training for social entrepreneurs who teach how to reach investment maturity is unfortunately not so common. Nevertheless, the infrastructure for bringing together social entrepreneurs with influential investors is underdeveloped.

There are many different organizations that work with impact investment. The largest international is GIIN - Global Impact Investment Network which does a lot of research on the subject (including the one mentioned above). On their site you can find interesting reports and news. In Sweden, we have Impact Invest Scandinavia, an intermediary for impact investments, and SWESIF, which works to increase knowledge about sustainable investments.

If you are interested in impact investments, we recommend that you contact one of the Swedish organizations that work with this. ALMI Invest can also be a possible entrance, even if that organization mostly works with traditional venture capital in the private business sector, there may be some knowledge and guidance to be found for a social entrepreneur.

Norrskan Foundation is a privately funded organization that supports and invests in both for-profit companies and non-profit organizations, depending on which solution it believes can create the most positive impact on society. The focus is on combining innovative technology with global societal benefits. Norrskan Foundation, which is based in Stockholm, also runs Europe's largest hub for innovation in this field - "Norrskan House". Recently, a hub was also started in Rwanda.

Connect Sweden is a non-profit organization that matches entrepreneurs with skills and capital from the business community. Here is venture capital to apply for if you have a really good and credible business idea. Social entrepreneurs are not a traditional target group for Connect Sweden, but since venture capitalists are individuals, there may be opportunities to find a match of interests. However, it requires a little luck, good preparation and a really good business model with good growth potential. Connect Sweden also offers training, coaching and mentors for companies in different stages of development and investment needs.

- Link list
- thegiin.org
 - impactinvest.se
 - swesif.org
 - almi.se/Almi-Invest
 - norrskanfoundation.org
 - connectsverige.se



PROJECT FINANCING

Running projects with public funds is a common way to start social enterprises and implement other initiatives linked to social entrepreneurship. The criteria for different fund programs change in many cases year by year. Therefore, it is important to stay updated regularly if project financing is something you want to work with.

Even private charities can sometimes be helpful in finding funding. These exist both locally, regionally and nationally. The Crown Princess Couple's Foundation, which provides funding for activities that promote children and young people with disabilities, is an example.

There are some distinctive organization sites and collection sites you can use to stay up to date. We recommend the following.

Link list

EU funds

eufonder.se

Swedish and Nordic funds /
project funds

arvsfonden.se

arvsfonden.se/andra-fonder

sjv.se (only for rural projects)

si.se

vinnova.se

The County Administrative Boards' joint
foundation database

Website: lansstyrelsen.se



Local led development through Leader Local

Led Development (LLU) with the leader method is for you who want to run development projects in rural areas. 42% co-financing is required, the most common being that this consists of non-profit hours worked. This is a common way for local associations and companies to be involved in developing the countryside where they themselves operate.

Contact those or the leader office responsible for your municipality to learn more about this project form of support. You will find all offices on the Swedish Board of Agriculture's website.

Website: sjv.se (subpage about LLU)

10 tips for you who want to apply for project funding:

- 1: Find out which applications are relevant right now. Keep up to date.
- 2: Set up your work so that you focus on the goals of the call in the first place.
- 3: 4: Develop a lot of facts that strengthen your "case".
- 3: 4: Show clearly who you should have help with, when and how much. Increase your credibility with, for example, credible people on the board or through recommendations / references.
- 5: Write the application yourself or in teams with colleagues and not after a finished template. Keep realistic goals and frameworks.
- 6: Lobby, call, ask and go to meetings.
- 7: Be careful with counter-financing. Describe what the social enterprise / cooperative is willing to invest in money and its own work. A little more than the minimum is recommended.
- 8: Show clearly who will carry out your project. When presenting, bring the key people.
- 9: Be very careful with the budget description, breakdown of cost centers and so on.
- 10: Keep in mind that the certain EU grants and the Swedish Institute require cooperation with other European actors. Read the rules carefully. Think about who and why you can benefit from these. "



EQUITY

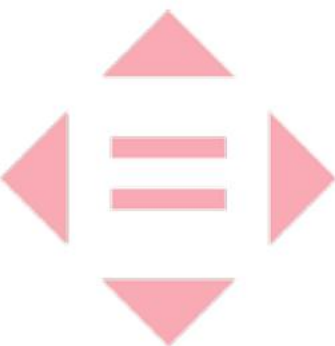
All companies need equity, which in most cases is also a prerequisite for obtaining a bank loan. Borrowing from relatives and friends can be tempting - but here there is a risk that if things go badly, you will lose valuable social ties.

There are different strategies for managing your equity well. In "business language", this is called "bootstrapping" - to work actively to find solutions that reduce the need for liquidity and thus preserve the solidity of the business.

Examples of bootstrapping can be that:

- borrow resources from others without interest
- costs be careful in choosing suppliers and compare these against each other to find the best price (please let them know that you work that way)
- use barter agreements (B2B barter) to reduce the need for liquidity to carry out transactions
- Find collaborative partners who let your brand be exposed in their marketing free of charge
- create several different uses for a given asset
- charge in advance
- find public grants
- lease resources to the company according to need and liquidity
- build competence free of charge by engaging students in degree projects
- use study associations for study circles
- seek customers who request consulting assistance in an area you want to immerse yourself in, the first customers can then finance your own skills development

A simple strategy might be to simply pay attention to bootstrapping opportunities as they arise and make sure to use them. Act immediately, save your liquidity in the short term and promote your solvency in the long term.



KEEP AN EYE ON YOUR EQUITY!

IMPORTANT TO KNOW:

What is budget and budgeting?
A budget is a forecast of the company's financial events in the coming financial years.
Budgeting is the process that leads to a budget.

What is Results?
Result is an economic term and is a collective term for financial gain and loss. The result is calculated through revenue minus costs.

What is Liquidity?
Liquidity is a measure of a company's short-term solvency.

What is Solidity?
Equity ratio is a financial key figure that indicates the proportion of the company's assets that are financed with equity.

Performance budget
A profit budget is a calculation of future income and expenses.

Liquidity budget
A liquidity budget is a statement of future inflows and outflows.

Investment budget
An investment bid is a set of costs you must cover for machines, inventory, premises and more in order to start the business. Construction involves consulting and architectural costs, building materials, contracting, site costs, and more.

Marketing budget
A marketing budget shows how the marketing cost is divided into different campaigns and how the marketing costs and revenues interact with the marketing plan in your business plan.



CROWDFUNDING

Crowdfunding is a new-old method of financing projects or ideas by turning to a large number of financiers. These invest small sums of money separately to together create a larger sum. This takes place mainly today via internet-based systems, but can also take place directly between stakeholders, such as neighbors, within the village team and so on.

A successful crowdfunding campaign online means that you have created the right conditions for compo - product, video pitch and community. Your product should be at least at the prototype stage so that you have something to show off and it must solve a problem that appeals to many people. Investors must get something they really want - either for their own consumption or the feeling of being part of and improving the world. Investors are reached through (and are part of) the community that the campaign and preparatory work builds. The most important component for building your community is a good video pitch, but it is also very important to build an e-mail list and forum on social media with the right type of participant in the preparatory work.

NOTE: Before you start your crowdfunding campaign, it is important that you know the VAT rules that apply. In general, VAT must be reported if the collection takes place in exchange for goods and services, such as the advance purchase of a book or film. In the case of symbolic consideration, fundraising for charity or in the case of compensation in corporate shares (equity) or in the case of loans of money, VAT does not need to be reported. We recommend that you read the Swedish Tax Agency's statement on VAT rules for crowdfunding. This has registration number 131 221169-16 / 111 and can be found on the Swedish Tax Agency's website.

(<https://www4.skatteverket.se/rattsligvagledning/354356.html?date=2016-05-20>)

Today, several crowdfunding platforms are available. Visas are general, others have special orientations, for example towards real estate or charity.

Below are some examples.

- Kickstarter, kickstarter.com
- Indiegogo, indiegogo.com
- GoFundMe, gofundme.com
- Gofundme Charity, charity.gofundme.com
- Fundedbyme, fundedbyme.com/sv Crowdculture, crowdculture.se Crowdcube, crowdcube.com
- Invesdor, invesdor.com/en
- Pepins, pepins.com
- Tessin, tessin.com/sv/

Turn to one
large
number of financie

10 tips to think about before the campaign

- 1: A maximum of 3 minutes is enough for a video pitch. The first 30 seconds must be really interesting. Summarize the project clearly with a personal pitch as an introduction. Encourage the viewer to act as a conclusion.
- 2: Make sure you have more people to help you spread the word. The team's activity must be acidified throughout the campaign period. Keep in mind that investors can also be outside the internet.
- 3: Update regularly and keep your community informed of what's happening. Asking for feedback to improve your campaign may be a good idea.
- 4: At least six months before the campaign starts, you need to start building your community of stakeholders, you can start spreading the video directly within that network. Feel free to build an email list for your community so that you reach your stakeholders quickly and efficiently.
- 5: A campaign page should be short and simple. Relevant text, images and graphics do not have to be extensive. The sign-up page must contain a short product description, video / image and a sign-up box. Nothing more.
- 6: The rewards for your target audience need to be analyzed carefully. Nevertheless, how much they may want to invest per person. Customize the offer accordingly.
- 7: If you do not reach at least 20% of the target amount quickly at launch, you should think about whether the product is good enough, or if you have done your preparatory work well enough. Maybe you should wait until later to continue the campaign?
- 8: Indiegogo offers a "flexible fund" that allows you to continue collecting money after the campaign, even if you do not reach the goal.
- 9: Set reasonable goals, reaching a million is very difficult and requires a lot of time. 50,000–100,000 can be difficult enough. Especially for a start-up. Investing in several small successful campaigns instead of getting large ones with a higher risk of failure can be a good idea.
- 10: The video pitch is the most important part of your campaign. It should entice the viewer to share it further on social media. Some say that no less than 5% of your target amount should be spent on the video pitch.



FINANCIAL ACTORS

BANKS

Social enterprises are still relatively unknown in the banking world. In a survey conducted by Tillväxtanalys, it turned out that only a handful of surveyed social enterprises found funding from banks. Reasons for this may include difficulties for the bank in assessing business - regularity, risk and repayment capacity. It can also be about lack of security and in some cases problems in the owners' personal finances.

Since traditional banks have clear rules for their lending that require collateral and at the same time often do not have experience of social entrepreneurship / entrepreneurship, there are threshold effects that have proved difficult to overcome. But of course it is possible to get a loan from ordinary banks under the right conditions. Historically, it has been shown that savings banks and member banks have been more helpful with loans to companies in the social economy. Feel free to try to borrow from such a bank before trying a conventional bank.

To find a local savings bank in your area, you can contact the National Association of Savings Banks. JAK Banken and Ekobanken are examples of member banks that operate nationally.

The information below is good to know. The bank will ask for this when you apply for a loan.

- 1: Information about you and your business
 - concept Business plan - what should you do with the loan?
 - Cash flow - what does liquidity look like, how does the company pay?
 - Savings - what does your equity ratio look like and is there a plan for savings?
 - Financing - How does the loan need to be designed to fit into your company's overall financing plan?
- Insurance - what happens to the company if you become ill or have an accident?

2: Collateral for the corporate loan

The bank takes low risk and wants security linked to the loan. Collateral can, for example, be assets in the company such as inventories, accounts receivable or that you as an individual take the risk for the loan.

MORE THAT IS GOOD TO KNOW

ALMI can go in with supplementary investment at higher interest rates. Usually about a third of the total amount. You can also apply for a micro loan with ALMI, up to SEK 250,000.

In most cases, equity in some form is required in a complete solution for the company's financing to grant a loan. Make sure that your business plan, liquidity budget and profit budget are in order before the bank visit. Coompanion has templates for the business plan you can use as a starting point. ALMI has good calculation templates for your budget calculations.

Feel free to
borrow from a
savings or member

Link list

almi.se

jak.se

ekobanken.se

sparbankerna.se

coompanion.se

Ekobanken
ekologiskt - socialt - kulturellt

almi

JAK
MEDLEMSBANK

Sparbankerna

COOMPANION
KOOPERATIV UTVECKLING

MICROFONDEN SWEDEN

In Sweden, there is a national credit guarantee and social investment activity called "Mikro fonden Sverige". That organization is there to support the social economy and is owned and run by Coompanion, Ekobanken, JAK Banken and Hela Sverige Skall Leva, among others. The national organization has permission from the Swedish Financial Supervisory Authority to offer financial services. Regional Microfunds that are linked to the Sweden Microfondes are spread over large parts of the country.

Coompanion complements Mikrofonden with free advice to those actors that Mikrofonden supports or wants to test the suitability of supporting. Coompanion's counseling is often the only support the situation proves to need.

The regional microfunds offer guarantees and microloans but also capital investments to companies, associations, cooperatives and other forms of activities and projects in social economy and local development. If you are an economic association, investing membership is an opportunity for your regional micro-fund to be able to contribute social risk capital directly to your business.

Social entrepreneurs with a clear focus on the global goals generally have good opportunities to have an application tested by the Micro Fund.

Guarantees can be given for

- account credit
- bank loans & investments
- bank loan before the project grant arrives
- rent of premises

Capital can be invested in

- publishing or investing membership contributions in economic associations
- shares in member-owned limited companies and AB (svb) (so-called "rural companies")

Applications for support are always made primarily to the regional funds listed on Mikrofonden Sverige's website.



Link list
mikrofonden.se
globalamalen.se



PUBLIC ORGANIZATIONS

Municipalities and regions

There are various examples of collaboration with municipalities and regions to find financing. For work-integrating social enterprises, there are adapted ways to find collaboration. This can be anything from subsidized premises to support with equipment and in some cases even supervision. Such support can be a way to get started for a new ASF.

An important support tool for ASF is procurement with social considerations that both regions and municipalities can use. This means that demands are made on various social aspects in the procurement, for example internships or that parts of the staff must be employed with support from the employment service.

Since January 2017, it is also possible for municipalities and regions to procure with so-called "reserved contracts", which particularly benefits non-workers - social enterprises - but also various public employment agencies - activities and labor market measures. You can read more about this on the procurement authority's website.

Other forms of social entrepreneurship, other than just ASF, can often be compatible with collaboration with municipalities and regions via other methods. Here, for example, the agreement form Idéburet public partnership (IOP) can be an opening, as well as direct procurement of goods and services for amounts below SEK 615,312. An example is the association Sports without Borders (IUG), which counteracts exclusion among young people by introducing them to various sports. The goal is to create a meaningful leisure time that keeps the target group from destructive activities. IUG is available in many different municipalities and in some of them, for example Linköping, they are financed via IOP.

In order to be eligible for an IOP, there must be no competition - situation to nurture and that association grants are not appropriate in this context. In other words, IOP must create activities that are in addition to the municipality's usual commitments to support associations and beyond LOU. IOPs are time-limited, require all parties to assist with resources and can only be established on the initiative of an actor in the social economy. If you want to learn more about IOP, contact with the organization FORUM - which produced the legal basis for IOP - is recommended.

An advanced way of collaborating with municipalities is a "social outcome contract" (ENG: Social impact bonds). One of these is being tested by the municipality of Norrköping to - together with an impact investment company. It is about a social entrepreneur financing and carrying out activities with a focus on solving a social problem for the municipality. If the investment is successful, the municipality pays for the investment - retroactively. If it exceeds expectations, there will also be a small extra addition to the social entrepreneur / investor. This is not for small players but requires a lot of capital and a strong belief that the investment will succeed. You can read more about "social impact bonds" at Mötesplats Social Innovation. The Norrköping municipality's website contains information about the mentioned investment.



Collaborate
with
municipalities an

Link list

upphandlingsmyndigheten.se
socialforum.se (keywords: "Idea-driven public partnership")
socialinnovation.se
norrkoping.se (keyword: "social outcome contract")

Social investment funds

Social investment funds means that a municipality or region allocates funds in an internal fund that is used to finance social development - project. The purpose is to provide both long-term socio-economic and human benefits. Funds used in the fund will be gradually returned by the units that benefit from the savings effects that the social investment is expected to create. In this way, the fund can be reused for new initiatives.

Examples of investments can be a new methodology that makes more children cope with school, increases the opportunities for parents in exclusion to get a job - setting (and thus showing their children the value of going to a daily job) and the like. Not all social investment funds are open to external applications. In such situations, it sometimes works for units to collaborate with external actors as performers. Make sure to maintain good relations with civil servants and read the criteria of the social investment fund carefully to see how your organization can help the municipality or region to achieve a better result.

Experience has shown that it is difficult for external actors to be granted funds directly from social investment funds. The quality of the preparatory work and the anchoring work towards the public organization is of great importance for you to be able to succeed.

Contact your municipality or region directly to find out if they have a social investment fund and what the criteria for it look like if that is the case.

State authority, Arbetsförmedlingen

An important part of the work of the work-integrating social enterprises, as well as of many non-profit associations, is agreements and support from the Swedish Public Employment Service. Support from the Swedish Public Employment Service is linked to the individual and not to the company. In other words, it can not be used as an "income" but it is a support that enables the employment of people who otherwise would not have been able to work. Often the persons have a reduced ability to work, which is what the employment support is to compensate the employer for. ASF's core business is to help such people to be rehabilitated and included in the labor market, which is why these supports are of crucial importance.

The subsidies and programs from the employment service change based on political will, so you must keep yourself updated on what applies. Also be aware that political decisions can greatly affect your business if you build your social enterprise in a way that creates dependence on such support.

Link list

arbeidformedlingen.se

State authority, National Board of Health and Welfare

An opportunity for financing, if you work with social work and public health, can be to apply for government grants from the National Board of Health and Welfare. These government grants change from year to year so you should stay up to date through regular visits to the website.

Link list

socialstyrelsen.se/statsbidrag

Coordination Association

Coordinating associations are a voluntary collaboration solution between municipalities, regions, working conditions - the mediation and the social insurance office. The target group for financial coordination is people of working age (usually 20–64 years) who are in need of coordinated rehabilitation efforts and receive public support. The purpose of financial coordination is to facilitate the efficient use of resources. The coordinated resources shall be used for initiatives aimed at the individual achieving or improving his or her ability to work. In addition to the direct interventions at individual and group level, the legislation also allows for preventive interventions at individual and group level.

For the social entrepreneur, there is no funding or other support to get directly from the coordination association. All contacts must go through the principals for whom the coordinating unions can finance measures, for example through procurement. Efforts that may be considered are:

- Work preparation and work-oriented initiatives at work-integrating social enterprises.
- Financing of supervisors, employed by one of the parties, to support the target group in work-integrating social enterprises.

If you want to learn more about or establish contact with the co-ordinating unions in your county, you will find their contact information at FINSAM - the co-ordinating unions' common platform in Sweden.

Link list:

finsam.se



SWEDISH BARTER

- BOOTSTRAPPING TOGETHER

Coompanion supports Sweden's first cooperative exchange ring for companies and associations. Svensk Barter, as this start-up is called, is a social entrepreneurship owned and operated by its members.

The members do business with each other on barter agreements and help each other in different ways, for example through recommendations and sometimes CSR collaboration.

The values traded in the barter trade are registered in a software where the members have their own trading accounts with a check credit. Thus, they can trade indirectly with each other - buy from A and sell to B. The credits in the trading platform are used as a complementary currency that only the association's members can use. Such a "barter crown" is valued nominally as an ordinary Swedish crown. This makes trading smooth and easy to post. The Swedish Tax Agency has an official statement on current rules for trade between companies in exchange rings that is easy to follow.

The advantages of Svensk Barter are that members can sell otherwise unsold overcapacity. By creating a completely new complementary market for these surpluses, waste is reduced and new customers the members would not otherwise have gained through trade support from the association. We believe that this will make the local economy more efficient and sustainable. International experience and research indicate just this.

Members can use the additional sales in the exchange ring to exchange goods and services they need for their own operation and development and thus avoid taking money from their existing turnover. This allows them to save cash and strengthen their equity / assets ratio. Not so stupid with extra solidity in the event of a recession or when you need funds for new growth investments!

Does it sound interesting? Smoothly enough, Swedish Barter is nationally active. Any company or association can join. Membership is regulated by industry and location. Just apply for membership directly on the website.

Welcome to visit svenskbarter.se

Do you want to be involved in building a local exchange network?

Trade within Svensk Barter gets better the more companies and associations from different industries / areas of activity that are members locally. To start a local branch, several organizations can join forces and register as members. It costs nothing extra, but as many become members at the same time, the opportunities for good trade increase through greater supply and demand. By building local trading communities together, there is much to be gained for both social enterprises, associations and ordinary companies. Below we list industries that may be suitable to include in their local exchange community.

- | | |
|--|------------------------------------|
| • Media (newspaper, radio, television) | • Office hotel |
| • Restaurant | • Training |
| • Café | • Hairdresser |
| • Conference facility | • Retailers |
| • Hotels / B & Bs / Hostels | • Food |
| • Teambuilding | • Laundries |
| • Wellness services | • Experiences / tourism |
| • Graphic Design | • Computer repair |
| • Office products | • Sales consultant |
| • Fruit basket and coffee machine | • Bakery |
| • Programming | • Transport |
| • Copywriting | • Home decoration |
| • Coaching | • Plumbing / plumbing |
| • Web design | • Relocation assistance |
| • Staff recruitment | • Tax planning |
| • Workshop services | • Private healthcare / dental care |
| • Car mechanic / car wash | • Printing |
| • RUT / ROT services (does not provide tax deductions on barter agreements) | |
| • Leasing services (computers, cars, mobile phones, tools, massage chair for the office, etc.) | |

Of course, even large companies can join the community. Svensk Barter has contacts with foreign company exchange rings which, when matched correctly, enable both import and export on barter agreements.



Become a member of Svensk Barter!

"As a member, you strengthen your business together with other small and medium-sized companies and associations around the whole of Sweden!"

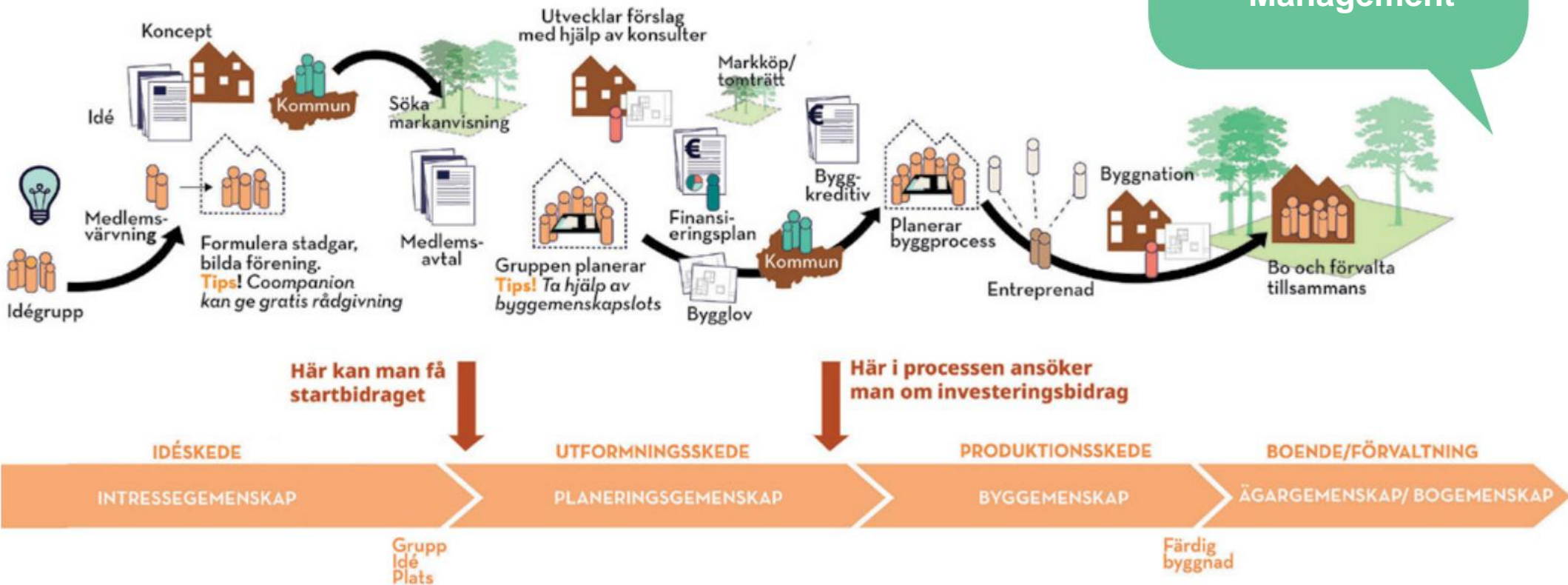
SVENSK BARTER
SVENSKBARTER.SE

A colorful illustration of a neighborhood scene. On the left, a woman with long orange hair, wearing a pink shirt and green pants, is sitting on a wooden bench, working on a long wooden plank with a hand saw. Behind her is a yellow house under construction, showing its wooden frame and a ladder leaning against it. In the center, a man in an orange shirt and black pants is standing on a green lawn, holding a yellow block up to a blue house. The blue house has a black door and a black roof. To the right of the blue house is a pink house with a yellow roof. A green tree stands between the blue and pink houses. On the far right, a person in a yellow shirt and blue pants is climbing a tall, thin pole next to the pink house. The entire scene is set on a green lawn with a white border at the bottom.



SOCIAL CONSTRUCTION IMPLEMENTED IN FOUR PHASES:

All with different financing needs and financing solutions.



- Idea stage**
- Discuss your own efforts. What does each person contribute? Are members required to sell another property or do they have capital from elsewhere?
 - How can external financiers contribute? To examples with surety, stakes, capital, loans.
 - Make investment budget, start-up budget, profit budget, liquidity budget.
 - Cash management - management of late payments and the like.
 - Find dialogue with external parties about eczema - pelvis community premises, retail space or

- preschool as part-financing of the construction. Apply for project funding for the early phase, for example from the EU Leader program.
- Find out if the payment for the land - the display can be postponed.
 - Lease the plot instead of buying?
 - Analyze and plan the VAT part of the project.

Design stage

- Make a detailed liquidity budget. Negotiate with consultants about the possibility

- to defer payment. Is it possible to find conditional loans from external parties and members?
- Is a crowdfunding campaign applicable?
 - Build up the prospectus so that there is an exit opportunity, ie a chance to sell on to other parties if the collaboration fails and receive compensation for the costs you have incurred.

- Negotiate with the bank to reduce costs for the building credit.
- Make careful analyzes of what drives costs and find opportunities for "bootstrapping".

- Talk to Mikrofonden about guarantees for bank loans and private financiers (including any crowdfunding campaign)
- Discuss with the National Board of Housing, Building and Planning about credit guarantees.
- Discuss with your County Administrative Board whether investment support for new rental housing is applicable.
- Discuss openings for municipal living - gen with your municipality. Some municipalities have provided guarantees for housing for the elderly built by construction communities and local development companies, examples are the municipality of Nyköping and the municipality of Tanum. Other municipalities are strict in never guaranteeing social construction.

Production stage

- Use the building credit.
- Carefully monitor costs in order to maintain liquidity.

- Use the National Board of Housing, Building and Planning's credit guarantees.
- Use bootstrapping opportunities when they arise, for example in relation to suppliers (such as "trust contract" or "partnering" *) or through non-profit work, if applicable (read the law carefully first), for simpler work linked to building production.

* Contract where the client and contractor cooperate exclusively during the entire construction process - late, from planning to final inspection. It is a systematic way of working and developing the construction project together with the participation of both the client and the contractor. No fixed price structures. Exit must be available.

Management stage

- Is there the right financial competence on the board?
- Are rental levels and any contributions balanced in relation to management - costs and loans?
- Is there a plan for building up surpluses for future renovation needs?
- Ongoing follow-ups of budget and costs are a must.

VILLA MÄLARHÖJDEN - SO FINANCED, WE FINANCED OUR BUILDING COMMUNITY!

Villa Mälarhöjden is a building tenant-owner association in Stockholm with 10 members.
This is what their financing looked like in the different phases

Idea spoon

- Volunteering

Design stage

- Deposits from members
SEK 400,000 support the National Board of Housing, Building and Planning

Production stage

- Deposits from members
- Construction credit with Ekobanken with a credit guarantee from the National Board of Housing, Building and Planning
- SEK 600,000 credit guarantee Mikrofonden

Management stage

- Not applicable. Production stage has just started at the time of writing.

Read more about Villa Mälarhöjden on their website: villamälarhöjden.se

HOGSLÄTTS FRIENDLY COOPERATIVE RENTAL ASSOCIATION

Hogslätts Vänboende is a construction community in Tanum municipality that has completed a housing community with 12 apartments, mainly for an older target group (but not exclusively), at reasonable rents.

This is what their financing looked like in the different phases.

Idea

- Volunteering
- Advice from Mikrofonden and Coompanion

Design

- Project management completely non-profit work incl. financial planning
- The architect waited with the fee Deposits
- from members and friends
- Crowdfunding from friends (2% interest)
- The municipality reformulated its policy for the guarantee so that a credit guarantee could be given prior to the bank visit

Good examples!



Construction / Production

- Construction contract in the form of a contract of trust with a roof price
- Project management completely non-profit work incl. financial planning
- Members participate in the construction as much as possible, eg all building cleaning, painting of exterior and interior wall panels before nailing
- Construction credit from the bank
- Bank loans replace the building credit
- Government subsidy for small tenancies
- Government subsidy for solar panels

Accommodation / Administration

- Annual, board and housing meetings make decisions at each level
- Electricity, water, sewage and fiber costs + waste management are paid from the association
- Sharing Economy whenever possible, such as a common computer + printer, garden tools, vacuum cleaner, washing machine, etc. The residents participate in the entire management and care of the property, according to ability, such as cleaning of the common areas, garden areas.
- Continuous search for sustainable everyday forms for the care of the property
- The tenants' rents finance the operation, interest on and amortization of loans, amortization of fixed assets and provisions for future maintenance of the property.

Read more about Hogslätts Vänboende on their website: hogslättsvänbo.se



IMPACT INVESTMENT MADE POSSIBLE SOCIAL BUILDING IN GLESBYGD

In the village of Kvarnvik in Åtvidaberg municipality, 14 new apartments will be built and in addition there will be functions that strengthen the social kit on site, such as a common garden, greenhouse, common room, workshop, overnight room and a sauna raft next to the beach.

Entrepreneur Conni Jonsson has chosen to invest his own money in this social construction. Together with his brother-in-law, who is responsible for the construction and administrative support, he lays the foundation for the cooperative tenancy association "Kvarnviks Strand", completely without his own profit interest. Conni Jonsson grew up a few kilometers away, on a farm. Today he is resides in Stockholm, where he founded the successful venture capital company EQT in 1994, which owns Kvarnviks Strand AB, the company that officially represents the venture.

Through his social investment, Conni creates Jonsson not only provides housing for his own mother who lives in Kvarnvik, where there is a lack of elderly housing today, but also puts a broader focus on contributing to a good local community in the countryside he himself comes from. The goal is attractive housing with good rental levels that should benefit the village too much

long time ahead. People in the area have been involved in the process and provided various forms of input. Coompanion has been one of the support functions to inspire participation and advise on the legal aspects of the formation of the association.

The Kvarnviks Strand project is not classified as a building community according to the National Board of Housing, Building and Planning's criteria and therefore did not receive any state building community support. On the other hand, the investment support for rental apartments under consideration by the County Administrative Board and Kvarnviks Strand AB, expects a positive message. They also received part of the credit guarantees from the National Board of Housing, Building and Planning, which cover 90% of the bank's construction credit when building rental apartments.

Raymond van der Heijden is the architect who designed the houses and he has also recently trained as a construction community pilot via the Association for Building Communities.

- In my opinion, the most important success factor for development in rural areas is the local commitment and drive, of which Kvarnviks Strand is a good example, says Raymond.
At the same time, these local initiatives may need support, both process support and financial support. Therefore, it is good that society is developing broad financial support structures for social construction. Not all villages have access to social venture capital in the same way as Kvarnvik has had in this project.

In the role of construction community pilot, Raymond hopes to be able to participate and further contribute to a social housing development through process support, not least in the Swedish countryside. He belongs to the "first batch" of construction community pilots trained in Sweden. Social construction has received a real boost in recent years and the need for process support has increased.

- The cost of process support and costs for, for example, the production of idea sketches and more can be covered by the National Board of Housing, Building and Planning's start-up support for building community groups if the criteria are met, Raymond says. Hopefully, more social investors will also open their eyes to this market over time.
The whole society would benefit from that.

Read more about the project Kvarnviks Strand's website:
kvarnviksstrand.se

Conni Jonsson
Social investors
Kvarnviks Strand AB



Raymond van der Heijden
Architect & Building Community Slots
Studio M2L - architecture & urban design



Tip!

It is good to get an early picture of which ones efforts that may be required financially.

At divcity.se and coompanion.se/
[build a nest](#) there are examples of calculations and arithmetic for building e.g. cooperative tenancies or tenancies through AB (svb).





Coompanion is the business advisor for anyone who wants to start a cooperative company or an - attract forms of social entrepreneurship to - together.

Social entrepreneurship is the future and at Coompanion, you who want to do this together with others can take your first steps with the support of our trained advisors.

You can find us at coompanion.se





In this guide, we provide examples of different financing solutions and strategies for different needs and phases for you who are a social entrepreneur.

We reserve the right to make changes to these tips over time.

Feel free to read more at coompanion.se/finansiering

**Good luck with the financing
of your social entrepreneurship!**