

SUMMARY

Growth For Good provides innovative financial services that will revolutionize the way investment resources are allocated to social enterprises (mission-oriented for-profits and entrepreneurial nonprofits). GFG enables investors to lend money to social enterprises in need of growth capital. GFG seeks to transform “feel-good” philanthropy by incentivizing investors to judge enterprises based on social value creation performance.

MARKET OPPORTUNITY

According to Skoll World Forum, the #1 challenge for all social enterprises is the lack of affordable growth capital needed for capacity building to reach critical market scale. GFG targets individuals seeking investment opportunities that combine the cash return feature of financial mainstream markets and social returns from philanthropic donations. The full size of this emerging investor market in the U.S. is estimated at \$2.14 trillion. GFG’s main competitors – social investing and donation platforms provided by such organization as Calvert Foundation and KIVA – despite providing “meaningful donation” channels, critically lack the ability to inform investors on the actual social impact of their investment. GFG’s competitive advantage is a combination of innovative financing and social impact valuation mechanisms that provide social enterprises with low-cost capital, and investors with objective information to more effectively allocate funds among the highest performing social enterprises, respectively. Currently, there is no market solution satisfying both parties.

PRODUCT/SERVICE DESCRIPTION

GFG is currently preparing to pilot-test the concepts of a financial product and complementary services designed to create a self-reinforcing cycle of social investment. Through two “virtual” marketplaces, it will not only help social enterprises unlock access to cheap growth capital, but also provide funders with feedback about the social impact their money has contributed, thus incentivizing them to allocate their funds to more effective social enterprises. GFG’s two virtual marketplaces include:

- *The Mission Capital Market* is a virtual marketplace where funders can support individual social enterprises by purchasing debt instruments called B-Bonds (“Beneficial” Bonds). B-Bonds are issued at par value and yield 0% interest. Every month, GFG rewards a B-Bond holder with the non-monetary B-Coupon (“Social Benefit” Coupon) that only has a “status” value and is linked to the forecasted future performance of respective enterprises as valued in the Impact Measurement Market. B-Bonds have a unique rolling maturity feature that allow holders to choose every year whether they want to extend their B-Bond’s term by one additional year, based on their “satisfaction” with their investment.
- *The Impact Measurement Market* uses a prediction market mechanism to aggregate diverse information that experts, end clients, and the general public possess about specific enterprises’ social value creation performance. Interested individuals will be invited to place “bets” with

virtual money to predict social impact created by individual enterprises that will be evaluated annually. Participants who buy low and sell high are rewarded for improving the market's impact measurement ability.

MARKETING/STRATEGY

GFG's strategy is to focus on quickly creating brand recognition and reaching a critical mass of listed social enterprises, investors, and Impact Measurement Market participants. Through viral marketing using social network services and special event promotions in partnership with high-profile philanthropists, GFG's key messaging will focus on the enormous social impact that low-cost, unrestricted growth capital can have if social enterprises could only access it. GFG will incentivize B-Bond investors and Impact Measurement Market participants by giving top performers wide public recognition through published rankings, award events, and media coverage in national magazines.

FINANCE

GFG estimates its initial capital needs at \$250,000, mainly to pay for web platform development, payment system integration, legal advice, incorporation, and marketing expenses. Initially funded through private donations and grants as a 501(c)(3) organization, GFG will attain 100% financial sustainability within 3 years. Primary revenue drivers include fees charged to each social enterprise for initial membership registration, pre-listing due diligence service performed to check for credit-worthiness, and issuance/underwriting and potential early redemption option of B-Bonds. GFG's platform will initially provide small loans ranging from \$50,000 to \$500,000. Average principal will increase as social enterprises become comfortable using GFG's services.