



The Young Foundation





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# Aims

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An early stage social venture fund, we seek to **design**, **develop** and **launch** new ventures.

Our emphasis is on **social impact** through **innovation**, **sustainability** and **scalability**; we are looking for critical pathfinders that can **break the mould**.



# A Social Venture Fund

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- We provide intensive support in the form of **financial**, **intellectual** and **social capital**.
- We engage with ventures as a **social entrepreneur**, looking to partner at an **early stage** and inject a **strongly entrepreneurial** drive.
- Ventures can be **social enterprise**, **commercial** or **not-for-profit**; our goal is **social impact**. For us, recycling funds is a bonus.



# Current Funds

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Currently we have funds in the areas of **health** (chronic illness) and **education** (practical learning). Our long term vision includes **climate change**, **offender management** and **diversity**.

Our core funders are:

- ❖ **Nesta** (The Nesta-Young Foundation Health Innovation Accelerator)
- ❖ **Edge** (The Edge-Young Foundation Learning Launchpad)



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# Launchpad

## Our legacy: Michael Young

“Probably the most successful entrepreneur of social enterprises in the world” – Harvard Professor Daniel Bell

Developed over 60 organisations, including:

- Healthline (precursor to NHS Direct)
- College of Health (precursor to EPP)
- Open University
- Consumers Association
- Language Line





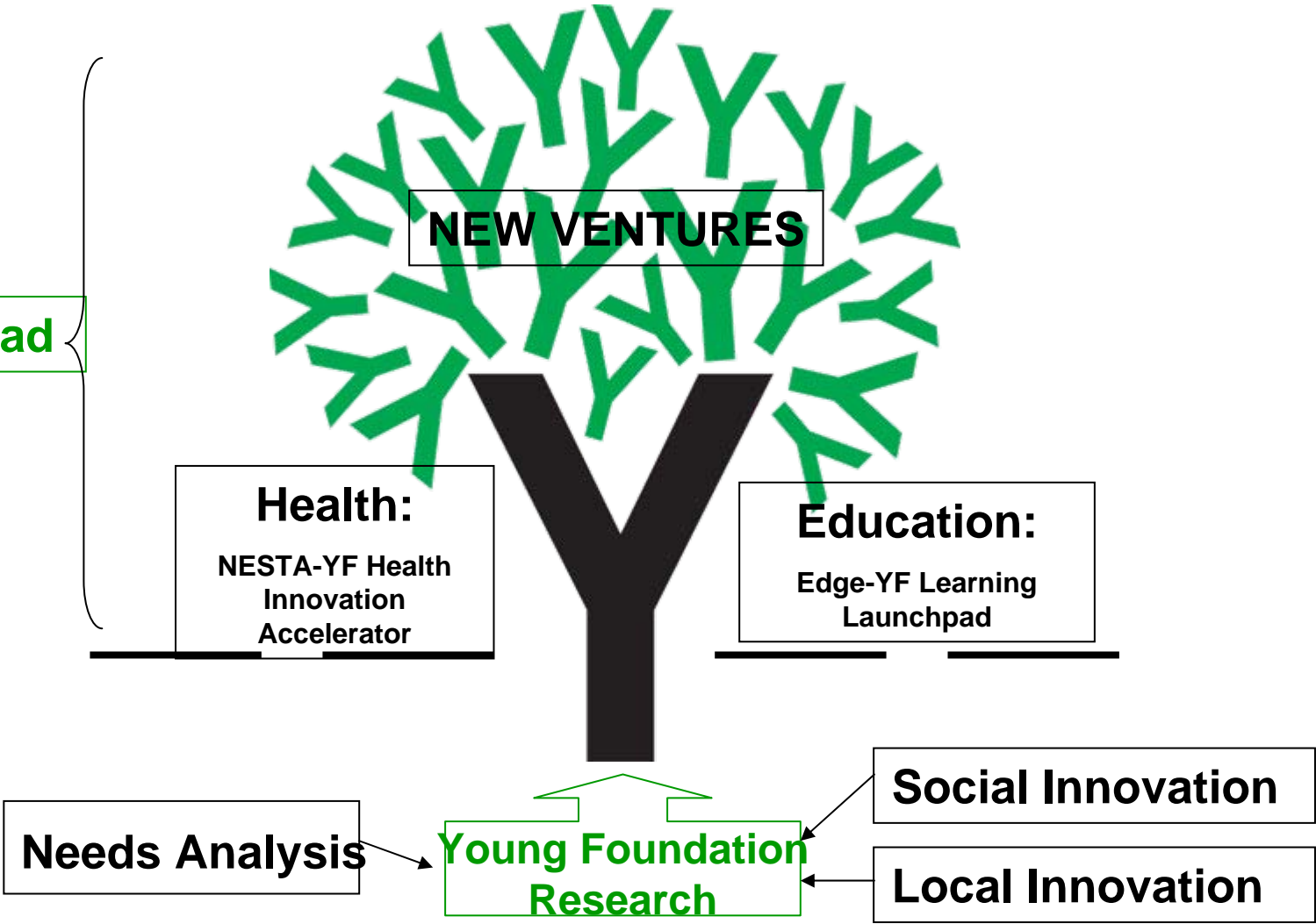
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# HOW WE WORK



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Launchpad





# Screening Criteria

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- **Social impact of project**
  - Lasting
  - Innovative
  - Replicable or scaleable
- **Feasibility of project**
  - Likely to achieve initial success
  - Sustainable
  - Plays to the team's strengths / value add is clear
- **Portfolio balance**
  - Balance quick wins with longer term projects
  - Prefer radical or systemic innovation over incremental innovation



# Launchpad Approach

## Design

### Generate new ideas

- ❑ Leverage analysis from Young Foundation research
- ❑ Network with entrepreneurs, innovators, experts and practitioners
- ❑ National & international partners in fields of social enterprise, government, business, design and academia

## Develop

### Prototype and Pilot

- ❑ Expertise in start-ups, business planning and organisational design
- ❑ Seed funding for social R&D (£30-50k: grant for planning, piloting)
- ❑ “Inside-Outside” organisation: we can leverage contacts within government, but still work across boundaries

## Launch

### Launch new ventures

- ❑ Expertise in professional management and capacity building
- ❑ Staged VC-style funding (£100k+: loan or equity for piloting, launching, scaling)
- ❑ Connections to business, the non-profit sector and government: to facilitate spin-off, replication and scaling where necessary



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Young Foundation research

In-house ideation sessions



- Our criteria:
- INNOVATION
  - SUSTAINABILITY
  - SCALABILITY

National / International Networks

Calls for Ideas

We score all projects on a **social impact-feasibility matrix** that ensures a **structured screening process**, and a **balanced portfolio**

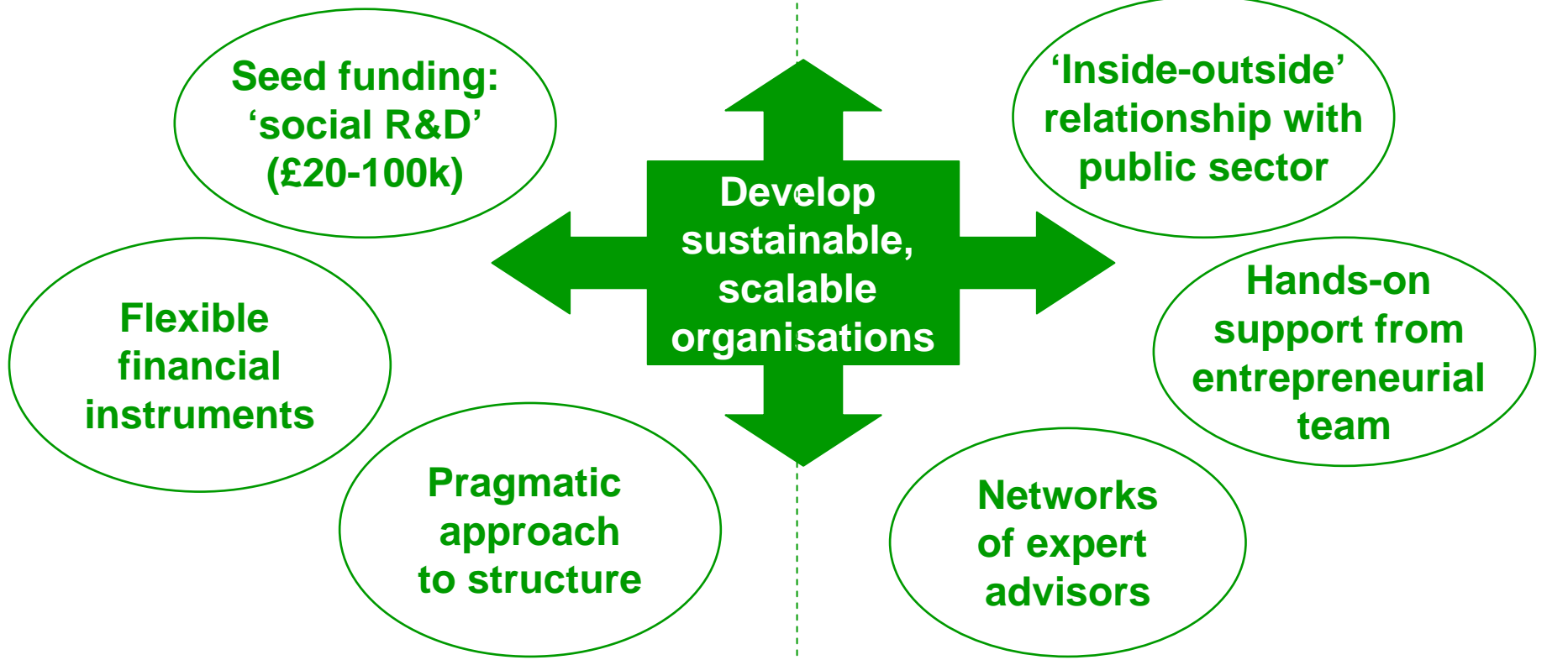


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**Financial support:**

**Non-financial support:**





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## An 'Inside-Outside' Organisation

- **Inside:** Strong connections with government – critical in the UK where:
  - Government is the main provider of social services
  - Policy history provides critical learning
  - Government is often the key to scaling up
- **Outside:** Yet remaining outside government can have key advantages for innovation
  - Flexibility - not constrained by institutional interests
  - Ability to cross-pollinate across public sector boundaries
  - Can bring 'fresh thinking'



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**Staged venture funding: allows for growth**

**Networks of funders: can leverage additional funds**



**Team with expertise in financing and fundraising**

**Rigorous evaluation and performance measurement**

**Contacts within public/third sector: spin-off where necessary**



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# OUR FUNDS



# Development Funds

## Health



### Health Innovation Accelerator:

- ❑ Focus on long-term conditions
- ❑ c £3m fund over 3 years
- ❑ NESTA anchor funder

## Education



### Learning Launchpad:

- ❑ Focus on practical learning for 14-25 year olds
- ❑ c £3m fund over 3 years
- ❑ EDGE anchor funder

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**Climate Change**  
**Offenders**  
**Diversity**



# Staged Funding

<b>Stage 1</b>	6 projects (per year)	<b>c. £30k</b>	<b>Research / development</b> => Business plan or funding proposal
<b>Stage 2</b>	2 projects (per year)	<b>c. £100k</b>	<b>Prepare for launch / pilot</b> Launch new venture (depending on size of project)
<b>Stage 3</b>	1 project (per year)	<b>£150k +</b>	<b>Launch of big projects</b> Fund initial growth



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# CASE STUDIES



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# Open University



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**The world's first successful distance teaching university**

**Idea conceived by Michael Young in response to exclusion from higher education**

**Launched as National Extension College (an NGO), then taken up by government and launched as OU**

**Millions of beneficiaries worldwide – 25 variants from India to China**

**2006 satisfaction rating the highest among 129 higher education providers across UK**

# Language Line



Lãnguagê Liñè

**Set up to provide telephone interpreting services for hospitals, police and other public services for very diverse area of London**

**Started on a shoestring as a charity – quickly grew to providing over 100 languages**

**Experimented, adapted and improved**

**Built up an industry serving 750,000**

**Sold in 2000 and again in 2006 for £25m to venture capital**



# Case Study: Studio Schools

- A network of new small schools providing full time learning for 14-19 year olds across the ability range, with an enterprising ethos and environment and an explicit focus on development of non-cognitive skills
- Lead/supported by new Studio Schools Trust, established as a social enterprise
- Supported by DSCF, QCA, LSC, SSAT, TDA, Innovation Unit, Edge. Endorsed by two Prime Ministers and exploring collaboration with HRH Prince of Wales

## Design

- Conceived in **Launchpad ideation** session
- Developed in-house into **concept paper**

## Develop

- First **8 schools** being developed with local authorities/colleges
- Launchpad providing **leadership, organisation design, fundraising, stakeholder management**

## Launch

- First school opens **Sep 2007**
- Studio School Trust to be launched **2008**



# Case Study: School of Everything

- An online marketplace that connects people who want to learn with those who want to teach – an ‘Ebay for learning’
- Team of five combining skills in education, technology, and social networking
- Established networks in formal and informal education networks. Engaging with new forms of learning such as sustainability, blogging...

## Design

- Approached by team with an early stage idea – ran **ideas sessions** and worked to refine concept

## Develop

- Provided **£10k convertible loan** for development of business plan and financial model.
- Extensive **mentoring**.

## Launch

- Have taken **co-founder equity stake**.
- Assisting with **VC funding round**; to enable beta testing / viral marketing