



# NESsT News

Issue 1 May 2002

A newsletter for friends and supporters of the Nonprofit Enterprise and Self-sustainability Team

## NESsT launches Social Enterprise Workshop Series in Central Europe

To offer training to a wider audience of civil society organizations (CSOs) in Central Europe and to identify new potential portfolio members for the NESsT Venture Fund, NESsT launched the Social Enterprise Workshop Series in April 2002 in Budapest. The first two trainings were conducted by NESsT Enterprise Development staff and focused on developing business plans for CSO "self-financing."

An introductory workshop on April 12 was designed to assist CSOs wishing to start-up business activities. The 12 CSO participants learned about general self-financing strategies and how to test the feasibility of their ideas. An advanced workshop on April 25-26 assisted the 11 CSO participants in feasibility study development for new enterprises, particularly in the areas of market research, mission impact and financial analysis. *Read more in the next issue of NESsT News.*

## NESsT establishes NESsT Europa kht in Hungary

NESsT has used Budapest as a European base since 1997. In recognition of our strong commitment to our existing portfolio and to expanding our activities in Europe, the NESsT Board of Directors has approved the incorporation of "NESsT Europe." Thanks to the pro bono assistance of Hogan & Hartson/Nagy & Pinter LLC in Budapest, NESsT has established NESsT Europa, a nonprofit public service corporation (kht) in the Republic of Hungary. NESsT Europa welcomes István Kosztolányi of Concordia Ltd., Géza Tátrallyay of MAVÁ Capital, and Zoltán Tóth of Advent International as founding Supervisory Board members.

## NESsT Venture Fund announces four new investments in Czech Republic and Slovakia

NESsT is delighted to announce new investments in the social enterprises of four nonprofit organizations: Betlem, the Center for Community Organizing (CCO) and P-Centrum, all in Czech Republic, and Energy Centre Bratislava (ECB) in Slovakia. All four organizations had received venture planning grants and technical support from NESsT to develop feasibility studies and business plans for their enterprises during 2001. Betlem (which provides services to children and adults with severe physical disabili-

ties) and CCO (which promotes public participation in the Czech Republic) both received a commitment of financial and capacity-building from NESsT for 2002 to support start-up costs related to their enterprises. P-Centrum (which provides support to recovering drug addicted youth) and ECB (see profile below) both received enterprise investments and were invited to enter the NESsT Venture Fund portfolio for multi-year support. Each will be profiled in upcoming *NESsT News* issues. Read more at: [www.nesst.org](http://www.nesst.org).

## NESsT Venture Fund: Portfolio Profile

### Energy Centre Bratislava (ECB):

Saving Slovak households money while saving the environment



[www.ecb.sk](http://www.ecb.sk)

**NESsT Investment to date:**  
US\$10,000

**NESsT Capacity-building Investment to date:**  
US\$18,750

Energy Centre Bratislava (ECB) is a Slovak nonprofit organization founded in 1993 to promote energy efficiency and the utilization of renewable sources of energy and to increase awareness of technologies and measures leading to energy savings in Slovak households.

Slovak households currently spend as much as 15% of their monthly income on energy -- and that figure appears likely to increase. To respond to this potential market and generate revenue for its nonprofit programs, ECB provides energy advisory services to households and companies on how to reduce energy consumption and costs. These services are provided at or below costs and realize ECB's dual mission: reducing energy consumption to protect the environment; and helping Slovaks save money.



Roman Doubrava presents the feasibility study for ECB's online energy advisory service to potential investors in Budapest.

ECB's enterprise plan includes extending its current geographic coverage to all regions of Slovakia and to perform these same advisory services for a corporate market.

NESsT is assisting ECB with a strategy for entering the corporate market, with improving overall financial systems and accounting procedures and with the development of a network of professional partners in the nonprofit and for-profit sectors. *Read more at: [www.nesst.org](http://www.nesst.org).*

## NESsT Business Advisory Network

In 2000, NESsT set out to create the NESsT Business Advisory Network (BAN) to provide pro bono advice and assistance to NESsT and our fund portfolio. BAN membership has since grown to some 30 committed corporate leaders across Europe from the fields of finance, law, private equity and venture capital, business development, etc. A full list of current BAN members can be viewed at: <http://www.nesst.org>.

### BAN Profile

**"I joined the BAN because of NESsT's innovative ways of supporting good causes, because it fosters an efficient use of donor money in the organizations it supports, and because I have a high regard for the NESsT team."**

**Zoltán Tóth** has ten years experience in corporate finance, consultancy and private equity, including work as an M&A consultant, three years with the Boston Consulting Group in the USA and Hungary, and one year as joint Managing Director of Advent's investment partner in Budapest, where he managed one of the first private equity funds in



Zoltán Tóth,  
Principal,  
Advent  
International  
(Budapest)

Hungary. Since 2000, Mr. Tóth has headed Advent International's office in Budapest and advises the firm on investments across Central Europe. Advent International is a leading international private equity firm, with more than US\$6 billion under management and offices in 16 countries. Advent invests in both early-stage venture capital and later-stage private equity opportunities in the U.S., Europe, Asia and Latin

America. Mr. Tóth received a BA from the Budapest University of Economics in Hungary and an MBA from Harvard Business School. Mr. Tóth is also a member of the NESsT Europe Supervisory Board.

## NESsT in the Press

NESsT appeared in a recent *Wall Street Journal* article "Venture Philanthropy Brings 'Social Returns' (28 Dec 2001). The article focused on the increasing role venture capitalists (VCs) are playing in shaping philanthropy -- and the role that organizations like NESsT are playing to encourage such VC involvement in Europe. The article quotes NESsT Enterprise Development Director Joanna Messing: "A lot of times VCs are interested in getting involved in the social sector, but they don't know where they can have the greatest impact. Venture philanthropy allows a venture capitalist to use the skills gained in the private equity world to have a big impact on the social sector." Géza Tátrallyay, partner at MAVA Capital in Budapest and a member of the NESsT Europe Supervisory Board and BAN was also interviewed, explaining his attraction to the venture philanthropy concept: "I'm attracted to NESsT because it's an area where I can use my background."

## NESsT Wish List

Some current key in-kind needs:

### NESsT Europe needs:

- desktop computer (new/used)
- office space in Budapest

### NESsT portfolio needs:

- software program that integrates timesheets filled out by multiple branches
- pricing information on public playgrounds
- market research for energy audits
- direct sales contacts: public playgrounds & energy audits
- assistance in packaging contracts/bids (particularly to Czech municipalities)

**Contact us! [nesst@nextra.hu](mailto:nesst@nextra.hu)**

## Inside NESsT

**Joanna Messing,**  
NESsT

Enterprise  
Development  
Manager at  
NESsT since



April 2000 has been promoted to Enterprise Development Director. Based in Budapest, Joanna is responsible for developing and managing the NESsT Venture fund in Europe and Latin America. Before joining NESsT, Joanna was Business Development Coordinator of Youth Industry, a nonprofit based in San Francisco that owns and operates small businesses to train and employ homeless youth. She holds an MBA from the Univ. of Massachusetts.



**Juan Pablo Iribarne** joined NESsT in February as the Enterprise Development Associate with

responsibility for development of the NESsT Business Advisory Network, Investors Circle and portfolio pipeline in Latin America. Juan Pablo is a co-founder of Compartir F.C.I. the first socially responsible mutual fund in Argentina. Born in Buenos Aires, he holds a BA in Economics from Tufts University and currently lives in Santiago.

**James Jackson** also joined NESsT in February as an Enterprise Development



Associate. Jay's primary responsibilities are to provide support to and expand NESsT's current portfolio in Europe. Jay comes to NESsT with a strong venture capital background, having worked as a portfolio manager in Japan; at Silicon Valley Community Ventures in the USA; and with Euro-Pheonix in Budapest. Jay holds an MBA from Thunderbird and lives in Budapest.

Contact us:

**NESsT News**

[www.nesst.org](http://www.nesst.org)

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