



Investment Brief

# NESsT Venture Fund

A philanthropic investment fund for social enterprise development

Investment Brief: Chile

**Corporación La Esperanza**  
[www.corporacionesperanza.cl](http://www.corporacionesperanza.cl)



**Location:** Santiago, Chile  
**Sector:** Drug prevention and rehabilitation  
**Stage:** First year, later-stage portfolio



## Organizational Information

**Date Founded:** 1995  
**Annual Budget:** US\$ 1,530,000  
**Employees:** 15 full-time, 7 part-time

**Mission:** La Esperanza fosters the development of individuals, families, groups and communities that live in poverty or are otherwise marginalized. Specifically, it rehabilitates low-income individuals who are addicted to drugs and want to recover but cannot finance their treatment.

**Social Challenges:** Drug use is a social problem in Chile with repercussions that take their toll on the family and the community and affect the overall crime rate. In Latin America, Chile leads in drug consumption levels and globally it holds sixth place. La Esperanza strives to be a leader in prevention and rehabilitation, offering Chile appropriate and effective policies and programs.

## Social Enterprise Overview

**Enterprise Description:** Residents of drug rehabilitation programs make wooden items in La Esperanza's carpentry workshop, which are then sold to companies for corporate gifts and packaging of their own products (i.e. wine, chocolate).

After over 10 years of financing, the carpentry workshop has not succeeded in becoming self-financing. The business plan will enable the workshop to strengthen its strategy and thus reach breakeven, become self-sustaining, and begin to yield a profit.

**Social Impact Goal:** La Esperanza seeks to increase the coverage and capacity of the carpentry workshop in order to assist more people with drug addictions with their rehabilitation and social and employment integration. The carpentry workshop's new machinery will allow for more professional work and greater specialization of the residents.

**Financial Goal:** The carpentry workshop aims to transform itself into a social enterprise that is 100% self-sustaining, covering all of its operating costs and avoiding subsidies from La Esperanza; it also looks to maintain growth rates similar to those of its industry (i.e. 6-7% per year). In 3 years, it plans to be generating profits that will allow it to contribute 3% of the Woodworking Shop's revenue to La Esperanza's rehabilitation efforts.

## NESsT Investment

**Financial Support Needed (Year 1)**  
US\$ 12,800

**Capacity-Building Support (Year 1)**  
Valued at US\$ 7,500

NESsT is assisting the organization in the following areas:

1. Create a work plan for acquiring new machinery and training residents and a

promotional strategy targeted at new clients. The objective is to ensure an increased capacity to fill orders, without decreasing quality of service.

2. Align financial projections and costs with production capacity in order to meet goals.

3. Assess the human resource plan to ensure efficient management and operation of the carpentry workshop.

4. Measure and manage performance, including the impact on its mission and values.

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