

SECURE THE BAG:

Revenue & Capital Sources





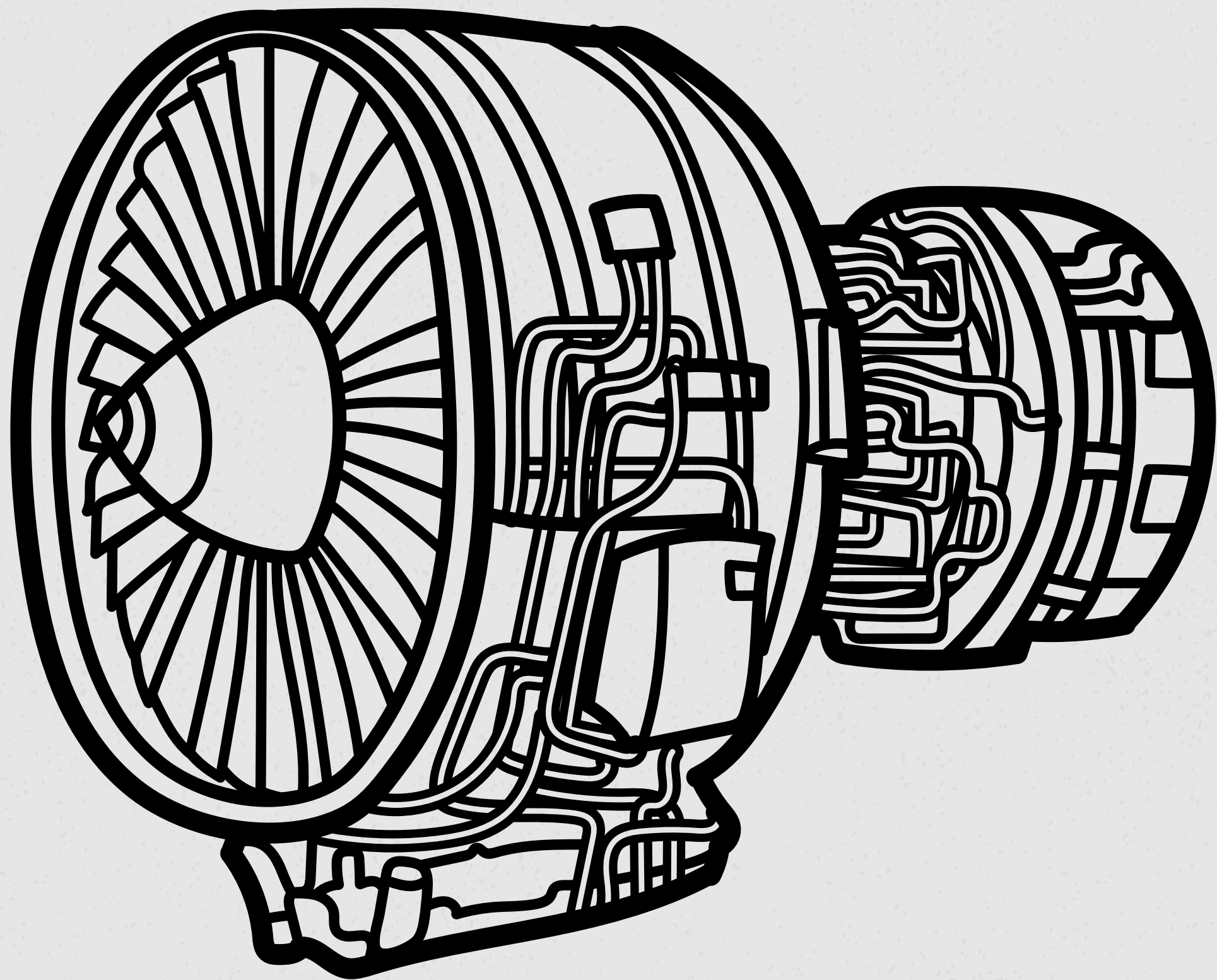
Rony Cepeda Mekosh
Capacity Building
Redefine Alliance



TODAY'S OBJECTIVES

- Set an “Engine 1” flight path
- Identify the different types of fuel for your engine
- Hands-on work on finding fuel
- Generate luck for each other





How Engine 1 differs from Engine 2

ENGINE 1: Core Programs and Services

- Focuses on today's clients
- Refines and builds on current capabilities
- Involves repeatability, continuous improvement, and careful risk assessment



ENGINE 2: New Frontiers

- Innovates for the clients and capabilities of tomorrow
- Reflects new client needs, actors, or economics
- Involves experimentation, agility, and creativity

Source: The Bridgespan Group, adapted from Bain & Co.



Firm of the Future: Engine 1 and Engine 2

Bain & Company Insights



Watch on  YouTube

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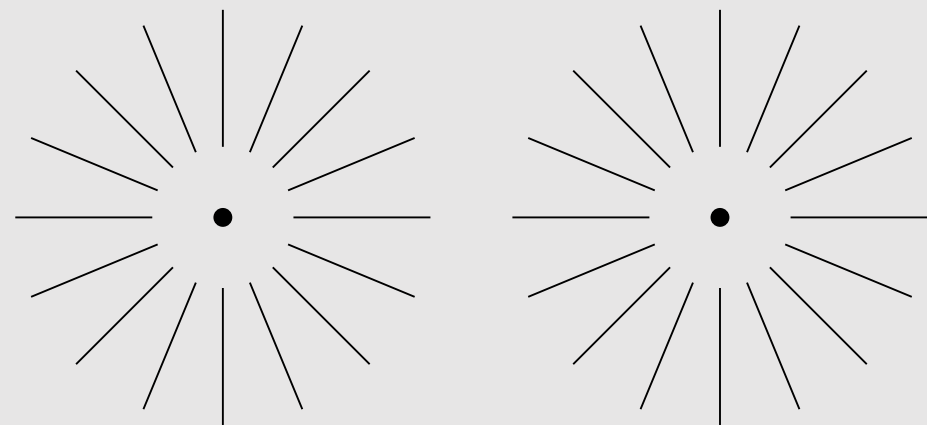
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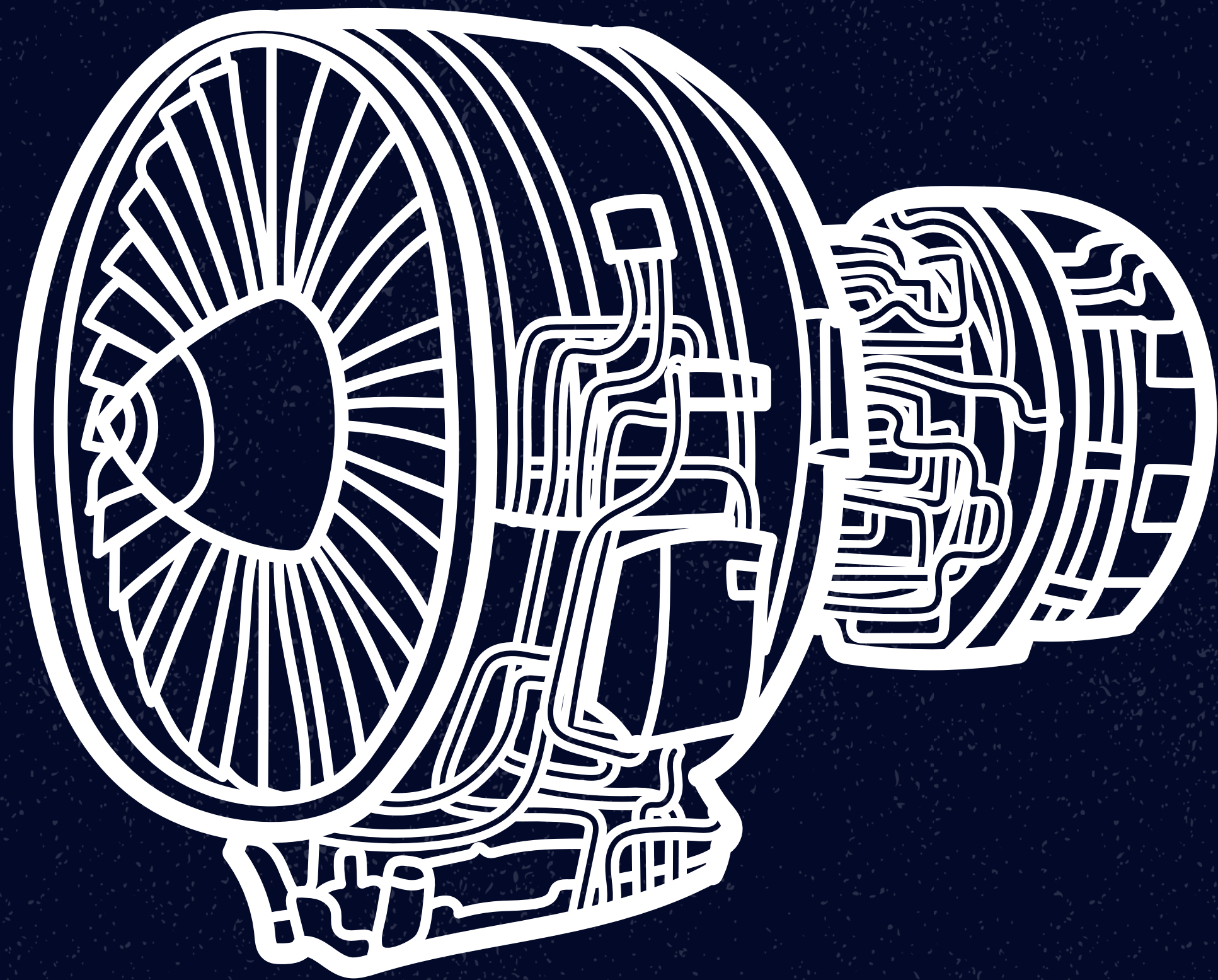
Turn to a neighbor
at your table:

- Which engine concerns or worries you the most at your organization?
- *Why?*



TURN **AND** TALK



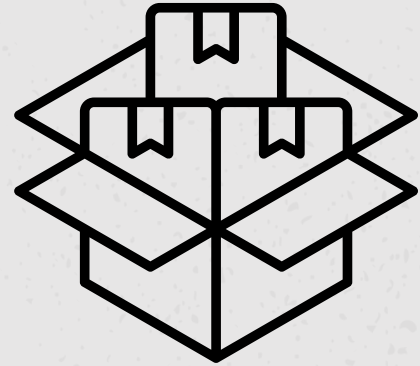


ENGINE 1 STRATEGIES



A FEW ENGINE 1 BUSINESS STRATEGIES

Products



Upsell or Bundle Offerings



Product / Services Variations

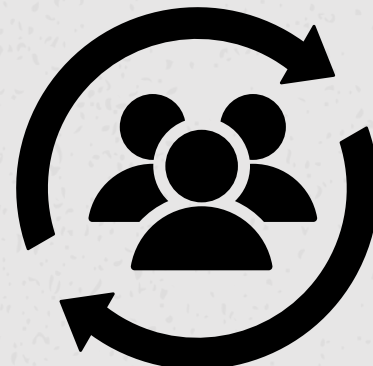


Improve Quality of Product / Services

Customers

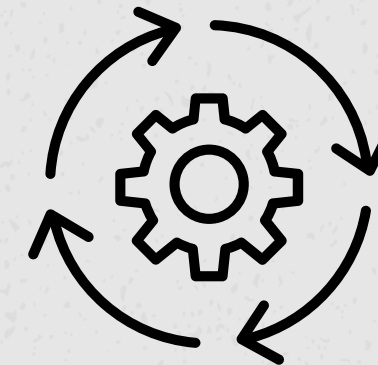


Reach More Similar Customers



Improve Customer Retention

Operations



Increase Operational Capacity



Improve Pricing / Contract Terms



**REAL LIFE
EXAMPLE?**



A FEW ENGINE 1 EMPLOYEE SUCCESS STRATEGIES

Intake & Retention



Make Intake Process
More Efficient



Increase Retention and
Attendance

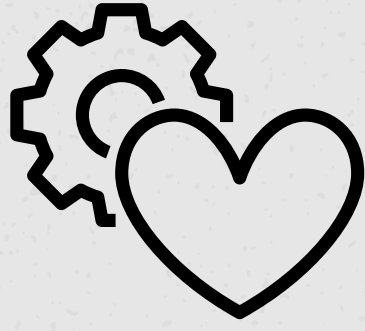


Implement Trauma-
Informed Care / Design

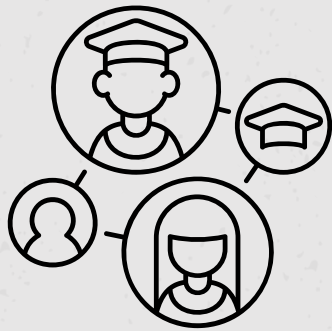
Employee Success



Add or Strengthen
Economic Power
Practices



Standardize Employee /
Job Supports

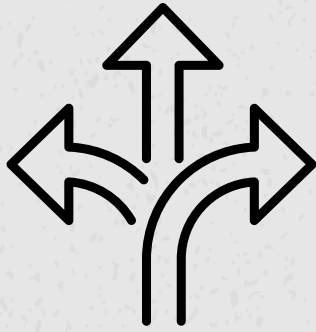


Alumni Engagement &
Supports

Career Pathways



Add Credentials or
Certifications



Define Career Pathways
+ Transitions*



Job Placement &
Employer Partnerships*

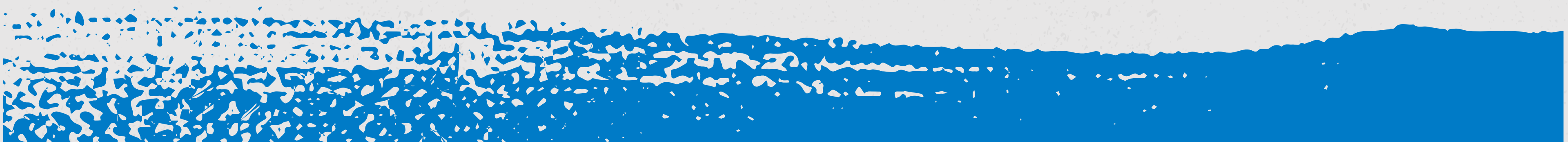
Continuous
Improvement



Strengthen Employee
Success Data



Empower Participant
Employee Voices





**REAL LIFE
EXAMPLE?**

Strategy

Planning systematic and

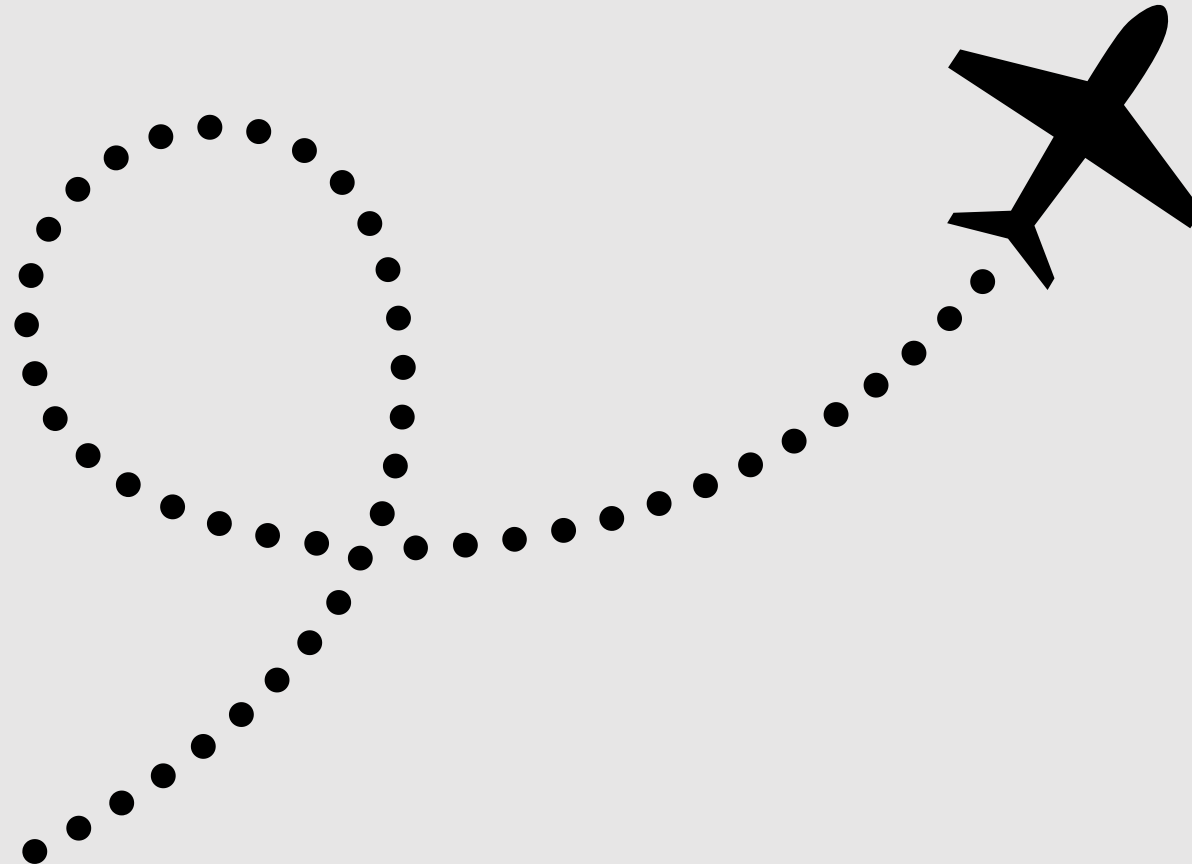
a plan of action

Cluster of decisions

what actions to take,

SET YOUR FLIGHT PATH!

**“I NEED TO CAPITAL / FUNDS FOR MY
ENGINE 1 TO _____”**



WORKSHEET ACTIVITY

1. IDENTIFY AN ENGINE 1 STRATEGY THAT NEEDS FUEL

2. CIRCLE OR CHECK (✓) THAT STRATEGY

3. TURN & TALK WITH A PARTNER
-WHAT DID YOU CHOOSE?
-WHY?

PICK YOUR ENGINE 1 QUICK BET

Use the strategy levers below to find one small, quick bet that needs capital or funds.

Today: Circle or Check ONE strategy total + the small, quick bet you want capital / funds for. *After today, you can revisit this sheet to circle more and discuss with your team.*

BUSINESS\$: current customers + current business lines

CUSTOMER\$

- ☐ **Reach More Similar Customers:** via marketing or sales, reach more of your customer base.
- ☐ **Improve Customer Retention:** Strengthen account management, service quality, communication, responsiveness, and renewal processes.

PRODUCT\$ / SERVICE\$

- ☐ **Upsell or Bundle Current Offerings:** Package existing services differently, add premium service tiers, or bundle complementary services already within the current business line.
- ☐ **Product / Services Variations:** For example, a cafe adding seasonal drinks, a cleaning enterprise adding deep-clean options, or a landscaping enterprise adding seasonal maintenance packages. Think of an addition does not require a major change to core operations.
- ☐ **Improve Quality of Product / Services:** Tweak your products or services to better meet the needs and desires of your customers (e.g., faster delivery or a more luxury feeling).

OPERATION\$

- ☐ **Increase Operational Capacity:** Add shifts, crews, supervisors, equipment, production hours, delivery routes, or workstations to serve more demand. Or, address bottlenecks in your processes.
- ☐ **Improve Pricing / Contract Terms:** Add minimum order sizes, retainer contracts, escalation clauses, rush fees, tiered pricing, or better payment terms.

Engine 1 = refine, repeat, improve current business, programs, and services.

EMPLOYEE SUCCESS\$: current participants + current pathways

INTAKE & RETENTION

- ☐ **Make Intake Process More Efficient:** Better assess readiness, interests, barriers, and fit for the existing business line or training pathway.
- ☐ **Increase Participant Retention and Attendance:** Strengthen coaching, expectation-setting, attendance supports, scheduling practices, and early-warning systems.
- ☐ **Implement Trauma-Informed Care / Design:** Train supervisors in trauma-informed management, coaching, feedback, conflict resolution, and balancing production with participant development.

EMPLOYEE SUCCESS\$

- ☐ **Standardize Employee Supports:** Create clear skill maps, training checklists, competency milestones, and supervisor tools for current roles.
- ☐ **Add or Strengthen Economic Power Practices:** Improve transportation supports, benefits navigation, childcare referrals, legal aid referrals, food supports, uniforms, tools, emergency assistance, etc...
- ☐ **Alumni Engagement & Supports:** Provide retention coaching, reemployment help, advancement check-ins, and alumni community for participants leaving the current program.

CAREER PATHWAYS\$

- ☐ **Add Credentials:** Offer certifications that directly improve success in the existing work pathway, such as OSHA, ServSafe, forklift, flagger, customer service, food handler, or digital skills.
- ☐ **Add or Improve Career Pathways + Transitions:** Build steps from trainee to crew member, lead worker, trainer, assistant supervisor, or permanent employee.
- ☐ **Job Placement & Employer Partnerships:** Strengthen employer partnerships, mock interviews, job matching, reference processes, and warm handoffs to employers already connected to the enterprise.

CONTINUOUS IMPROVEMENT

- ☐ **Empower Participant Employee Voices:** Use surveys, listening sessions, exit interviews, and participant advisory groups to refine the current model.
- ☐ **Strengthen Employee Success Data:** Track enrollment, retention, skill gains, wages, placement, job retention, advancement, and participant satisfaction to refine the current program.

WRITE YOUR BET

I need capital / funds for my Engine 1 to _____

Selected strategy: _____



FUELING YOUR ENGINE



YOU MUST KNOW THE FUEL TYPE



**Type of
Capital**



**Organization
That
Provides It**

MYTHS AND MISCONCEPTIONS ABOUT PHILANTHROPIC CAPITAL

Philanthropic

Myth: I should go after ALL philanthropic money because it's “free” money

Myth: All funders care about the same things and I should use the same pitch for everyone

GRANTS AND CROWD-FUNDED DONATIONS ARE TWO TYPES OF PHILANTHROPIC IMPACT CAPITAL

Philanthropic		
	Grant	Crowd-Funded Donations
Description:	Gift of cash that can come restricted (required milestones and deliverables) or unrestricted (general purpose gift) that doesn't need to be repaid.	Raising contributions from a large number of individual people through events, platforms, or outreach
Also Known As:	Donation, Gift, Bequest, Aid	Individual Donations, Individual Gifts
How Common:	Very Common	Very Common
How Easy To Get:	Mid	Easy
Operational Burden:	Mid • High application process burden • Can include strict reporting requirements	Mid • Time to raise can vary greatly • Have many people to keep engaged and nurtured
Financial Burden:	Don't repay	Don't repay

MYTHS AND MISCONCEPTIONS ABOUT DEBT

Debt

Myth: Debt is always bad

Myth: Debt should be paid down as fast as possible

Myth: Debt should come from a big reputable bank

Myth: Equity is always better than debt

SOME TYPES OF DEBT IMPACT CAPITAL INCLUDE...

Debt

	Recoverable Grant	Bridge Loan	Term Loan	Line of Credit (LOC)
Description:	Loan that will either be paid back or written off by a certain date (e.g. PPP Loan)	A short-term loan to cover a cost while waiting for incoming revenue.	A long-term loan (5+ years) to cover costs and be repaid over a fixed-period.	A flexible loan that allows borrowers to access funds up to a set limit, repay, and reuse as needed.
Also Known As:	Repayable grant; forgivable loan	Interim or gap financing	Fixed-term loan	Credit Line, Revolving Credit
How Common:	Less Common	Common	Very Common	Common
How Easy To Get:	Difficult	Mid	Mid	Mid
Operational Burden:	High - Long process with negotiations and legal hurdles - Might have reporting requirements	Mid - Must show ability to pay cash back - Low post-funding burden as long as payments are met	Mid - Must show ability to pay cash back - Low post-funding burden as long as payments are met	Mid - Must show ability to pay cash back - Low post-funding burden as long as payments are met
Financial Burden:	Repay with interest, or write off as grant	Repay with interest	Repay with interest	Repay with interest

EQUITY HAS ITS OWN SET OF PROS AND CONS

Equity

	Equity
Description:	Capital invested in exchange for ownership shares of the company
Also Known As:	Shares; securities;
How Common:	Common
How Easy To Get:	Difficult
Operational Burden:	High • Must pass legal hurdles to ensure ownership distribution is clear and agreed upon
Financial Burden:	Investors earn return at an exit event (selling their ownership) <i>Not applicable to nonprofit organizations</i>

CAPITAL TYPE MATCH TABLE: PHILANTHROPIC + FLEXIBLE CAPITAL

Use these when the Engine 1 bet is impact-heavy, easy to explain, or promising but too uncertain for conventional repayment.

Capital Type	Engine 1 strategies best suited for this capital	Why it fits
Grants	Best fit: employee success strategies where impact is clear but direct revenue payback is weak. Examples: improve intake/matching; standardize work-based training; retention/attendance; economic power practices; add credentials; career pathways/transitions; job placement and employer partnerships; participant employee voice; employee success data. Flexible general operating grants can also fund low-payback business improvements. Examples: customer retention systems, pricing/contract term support, and quality/process improvements tied to mission/jobs.	No repayment. Strong when the work is proven, high-impact, and the business model does not yet cover the full business cost. Watch for restricted uses, milestones, deliverables, and reporting burden.
Crowd-Funded Donations	Best fit: concrete, human-centered participant employee needs. Examples: transportation, childcare referrals/supports, food supports, uniforms, tools, emergency assistance, credential fees, retention supports, and small visible supports connected to participant success.	No repayment. Works when the impact is easy for an average person to understand and feel connected to. Less ideal for complex back-office improvements or large ongoing operating gaps because many donors must be engaged.
Recoverable Grant	Best fit: riskier quick bets with a route to positive cash flow or funder-defined milestones. Examples: reach more similar customers; product/service variations; upsell or bundle offerings; improve customer retention; improve pricing/contract terms; improve quality; or measurable outcomes.	Softer than conventional debt: may be repaid or written off as a grant. Good when the bet is promising but too uncertain for a term loan or lone of credit.

Prompt for use: “I need capital / funds for my Engine 1 to _____.” Then use this table to ask which capital type is best matched to that specific use of funds.

CAPITAL TYPE MATCH TABLE: DEBT + EQUITY CAPITAL

Table 2 of 2

Use these when repayment, receivables, asset value, or investor-return logic is credible enough to justify repayable or ownership capital.

Capital type	Engine 1 strategies best suited for this capital	Why it fits
Bridge Loan Debt	Best fit: immediate cash needs while waiting for committed money. Examples: staffing, payroll, inventory, or delivery costs for signed contracts; reimbursable grants/contracts.	Short-term timing tool. Use when incoming revenue or funding is guaranteed or highly reliable but arrives after costs are incurred.
Term Loan Debt	Best fit: cash-flow-positive Engine 1 capacity Examples: equipment, vehicles, facility improvements, production tools, durable technology systems, proven product/service variations, and quality upgrades that increase revenue or margin.	Repay over a fixed period. Good for durable assets or proven growth costs when current or predictable cash flow can support debt service.
Line of Credit (LOC) Debt	Best fit: recurring working-capital needs. Examples: slow-paying customers, seasonal demand, payroll/supplies for larger contracts, inventory for product variations..	Flexible revolving debt for cash-flow timing. Best for a cash-flow-positive business with clients that may take a while to pay; not for permanent losses.
Equity Ownership	Best fit: LLC/for-profit Engine 1 business growth. Examples: strengthen operational capacity; reach more similar customers; product/service variations; quality or systems upgrades that build enterprise value and can support investor return. Less suited to standalone mission supports.	No fixed repayment schedule, but investors receive ownership and need plausible return or exit. Not applicable to nonprofit organizations and requires legal/ownership clarity.

Prompt for use: “I need capital / funds for my Engine 1 to _____.” Then use this table to ask which capital type is best matched to that specific use of funds.

FUEL TYPE ACTIVITY



1. Reflect

Using the Capital Type Match table, identify what type of fuel (capital) would be best for your Engine 1 strategy.

Ask yourself: "I need capital for my Engine 1 to _____." Then match that need to the right capital type.



2. Discuss

Share with your group: What capital type did you choose and why? What makes it the best fit for your specific Engine 1 strategy?





FIND THE FUEL



HOW TO USE (SCREENSHARE)



Excel Database

HOW TO ACCESS TOOLS



Database (excel version)

linkly.link/2kTSr

HOW TO ACCESS TOOLS



Database (google sheets version)

linkly.link/2kTTD

WALK THE TALK

1. (Do) Utilize one of the tools to identify real funders and capital opportunities to support your engine's growth
2. (Discuss) Share with 2-3 people in your group. What did you find and was it a strong or weak match?
3. (Generate Luck) Let's support each other! Are there any resources or connections you'd like to share with your peers? Share only what you're comfortable with.

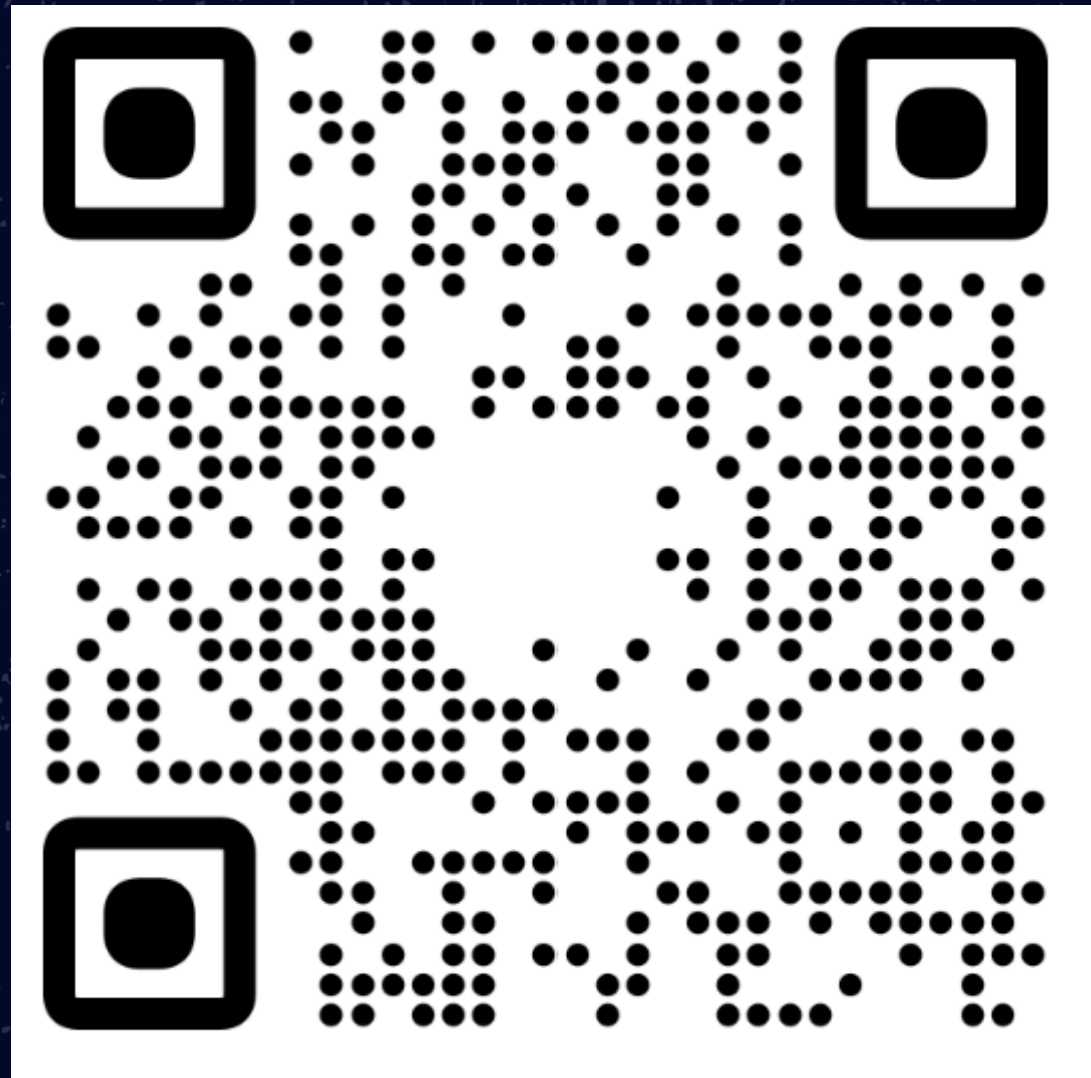


ADDITIONAL RESOURCES



Continuing Ed Week – Redefine Alliance Workshop

ADDITIONAL RESOURCES

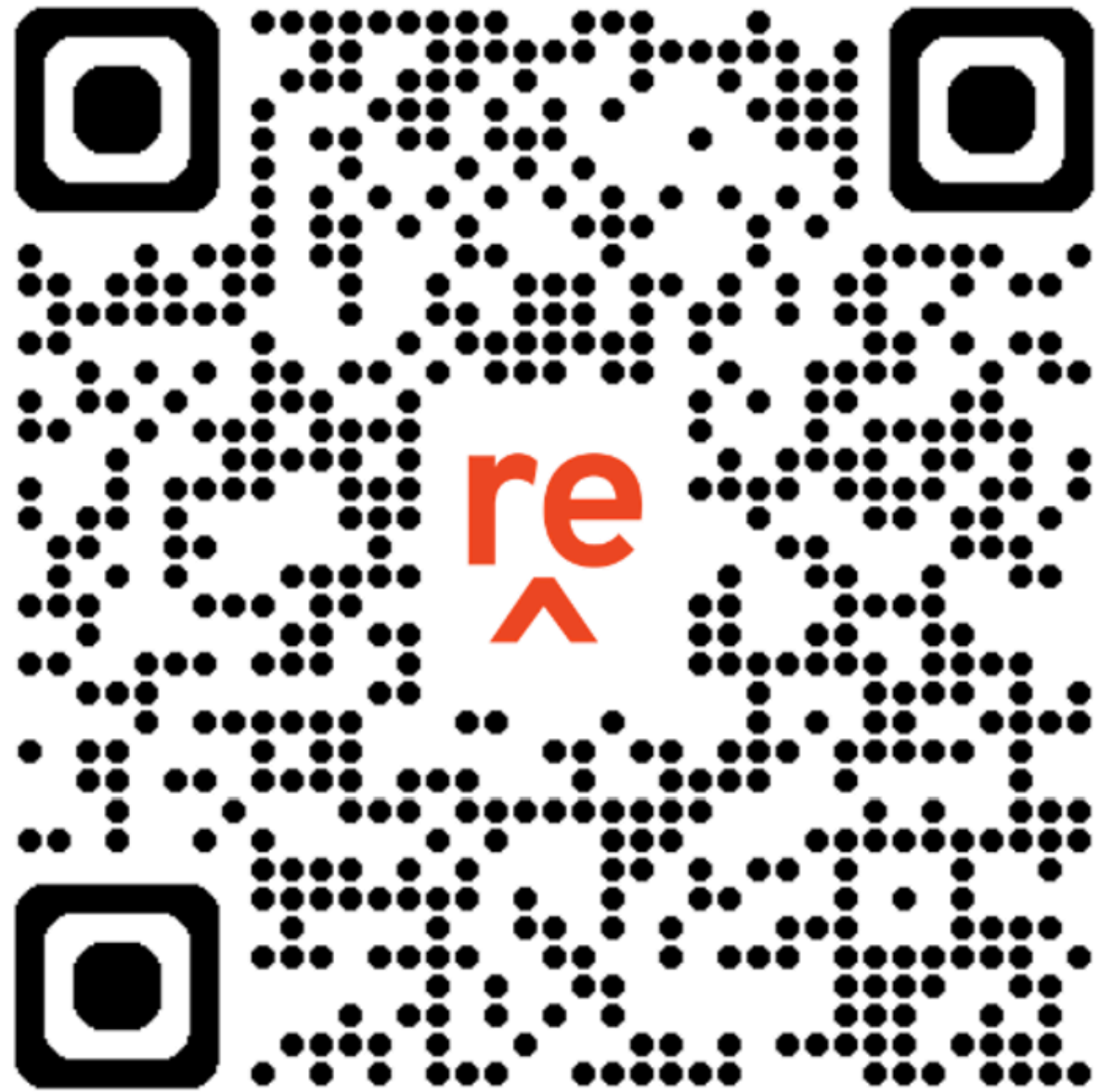


Venture Criteria Self-Led Course

TODAY'S OBJECTIVES

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- Identify the different types of fuel for your engine
- Hands-on work on finding fuel
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Exit Ticket

Please let us know how we did!



THANK YOU