

# UNLOCKING INVESTMENT SUCCESS: How impact enterprises can secure their next round of funding

**Impact enterprises have the opportunity to attract private capital by streamlining operations, expanding investor networks, and developing more sophisticated financial strategies.**

However, few have a team with the skills and capacity to navigate complex fundraising processes. Moreover, enterprises frequently face additional external barriers – like political instability, investor scepticism or perception of risk and lack local supportive networks for entrepreneurs.

Launched in 2024, the TRANSFORM Scale Pilot addresses impact enterprises' fundraising challenges. By combining grant funding with technical assistance, the pilot supported four enterprises in Africa and Asia on their journeys to investment readiness and financial viability. The objective was to put them in a position to secure follow-on funding – strengthening their ability to become self-sustaining businesses.



## THE IMPACT ENTERPRISES WERE:

**ALNER** offers reusable packaging solutions that help consumer goods companies in Indonesia reduce single-use waste. It fills and distributes branded products in refillable containers through retail and home delivery.

**DRINKWELL** provides affordable and safe drinking water to people in Bangladesh and India without piped water at home – via clean water vending machines operated by pay-as-you-go payment cards.

**REEDDI** sells and rents portable clean energy technology – in the form of its proprietary solar-powered capsules – to people in Nigeria without a regular electricity supply.

**WECYCLERS** is a rewards-for-recycling platform that incentivises people without formal waste collections to exchange recyclable waste for essential goods. Based in Nigeria, its team collects waste from homes via a fleet of cargo bikes.



Drawing on lessons learnt from the pilot, this paper shares practical insights for other impact enterprises seeking to raise additional capital.

# Insights for enterprises seeking to attract follow-on funding

## 1. ENGAGE INVESTORS WITH A PERSONALISED APPROACH

**Knowing who your potential investors are – and what they value – is the foundation for successful fundraising. Strategic relationship-building, informed by market intelligence, can make all the difference.**

For example, Wecyclers secured over £1.6 million in private capital from Norfund. This success was rooted in the enterprise's pre-existing connections with the Norwegian investment fund and consequent close understanding of its requirements.

Meanwhile, in Indonesia, Alner secured around £123,000 in grant funding during the pilot period. This progress was likewise driven by carefully personalised investor engagement, including a highly tailored pitch and bespoke financial modelling aligned with funder expectations.

These stories reflect a wider trend across the pilot: founders who invest in building strong personal connections and tailor their engagement are better positioned to cultivate long-term investor relationships and unlock follow-on capital.



## 2. BE PATIENT – EXPANDING REVENUE STREAMS IS A LONG-TERM ENDEAVOUR

**Diversifying revenue streams and improving operational efficiency are essential for building a resilient business, but they may not result in immediate capital raises. Patience is key.**

Successful impact enterprises keep honing and improving their operations, knowing that investors are seeking those committed to the long-term. For example, Alner broadened its reach through hyperlocal marketing and new service models, which increased customer retention and overall operational effectiveness. In Nigeria, Reeddi invested in software and local assembly, leading to notable revenue growth.

While these improvements did not deliver instant capital raises, they significantly strengthened the enterprises' medium- and long-term appeal to investors. The lesson: operational improvements build credibility and resilience, but it takes time before these benefits translate into fundraising outcomes.

### 3. TAILOR YOUR FINANCIAL STRUCTURE BASED ON THE MATURITY OF THE REGION'S ENTREPRENEURSHIP ECOSYSTEM

**Robust financial structuring is essential for compelling funding proposals and attracting investors. This includes a clear understanding of the market and what is available.**

Market maturity plays a significant role in determining the types of financing available to enterprises. Those operating in primary markets with advanced entrepreneurship ecosystems, for example India and Indonesia, have greater access to structured equity and debt financing, leading to a higher probability of investment success.

In contrast, enterprises working in secondary markets with less developed ecosystems, such as Bangladesh, face greater challenges. In these situations, consider adapting by utilising more flexible instruments, such as quasi-equity-to-grants, to secure funding.

Ultimately, tailoring investor engagement to market context is critical. By aligning capital structures with ecosystem maturity and investor expectations, enterprises can increase their likelihood of achieving successful and sustainable funding outcomes.



### 4. BUILD INTERNAL CAPACITY AND LEADERSHIP

**Having the right leadership and technical skills in place proved pivotal for investment readiness.**

The greatest investment of any enterprise is always going to be its staff. Both Drinkwell and Wecyclers strengthened their teams by appointing experienced chief financial officers, which improved their financial controls and reporting.

These strategic hires not only enhanced internal processes but also signalled reliability and professionalism to investors, making the enterprises more attractive for funding.



The TRANSFORM Scale Pilot demonstrated that raising capital and achieving investment readiness is a multifaceted journey for impact enterprises. Success depends on a strategic blend of investor engagement, robust financial structuring, operational improvements and strong leadership. The experiences of Alner, Drinkwell, Reeddi and Wecyclers show that grant funding paired with targeted technical and financial support from an impact accelerator like TRANSFORM can be a powerful catalyst for financial growth.

TRANSFORM encourages impact enterprises to apply these lessons – especially in partnership with a proven impact accelerator – to secure follow-on funding, scale their operations, boost their profits and unlock greater social and environmental impacts for low-income communities.



TRANSFORM is an impact accelerator that unites corporates, donors, investors and academics to support visionary enterprises across Africa, Asia and beyond. Together, we test and scale new solutions that tackle environmental challenges, improve health and well-being, and build inclusive economies.

Combining grant funding, business insight and research, TRANSFORM is advancing the development of innovative business models to help solve global challenges. It was established in 2015 and is led by Unilever, the UK's Foreign, Commonwealth and Development Office, and EY.