
TA16.3
RHYTHM COMMUNICATIONS
C. Lang CONSULTING
Evaluation of The Atmospheric Fund's
Development of a Social Venture (ECC)

Presentation

1. Introduction
2. Evaluation Purpose
3. Evaluation Process
4. Evaluation Results
5. Q & A

Introduction

- Russ Christianson, Rhythm Communications
  - Master of Industrial Relations, Bachelor of Commerce
- Catherine Lang, C. Lang Consulting
  - Master of Adult Education, Bachelor of Sociology and Philosophy, and Bachelor of Social Work

Introduction

- TAF is committed to professional evaluation and knowledge sharing.

- Cathy and I delivered a detailed evaluation report for internal use.

- TAF is preparing a “lessons learned” summary for external circulation.

Background

- 2011 - Energy Savings Performance Agreement
- 2012 – Investment Committee (IC) chose incubating a social venture/company as the primary strategy to commercialize ESPA
- 2013 - Strategy recommended by IC and approved by TAF Board
- 2015 - Efficiency Capital Corporation (ECC) incorporated with third-party investment
- 2016/17 - Evaluation

Evaluation Purpose

1. Document and reflect on the process used to develop, create and launch ECC.

2. Provide insights to inform TAF and others regarding future social venture development.

Evaluation Process

- **Professional**, external evaluation
- **User developed and friendly** framework: Utilization Focused Evaluation (UFE)
- **Comprehensive**: One year for evaluation design and completion, including:
  - document review
  - meetings with staff
  - key informant interviews
  - written reports

Evaluation Results

1. Theory of Change
2. Financial Analysis
3. Lessons Learned
4. Conclusions

Evaluation Results
1. Theory of Change

Accelerate deployment of ESPA in multi-residential buildings to reach TAF's objectives:

1. Decrease GHG emissions
2. Make a healthy ROI
3. Mobilize private investment

Evaluation Results
2. Financial Analysis

Original cash budget: $290,000

TAF program allocation: $285K (two phases)

MaRS contribution: $5K

Actual TAF cash investment: $558,048

TAF staff costs allocated: $294,161

Total investment: $852,209

Development period: Jan 2011 to Apr 2016

Evaluation Results
3. Lessons Learned

1. Venture incubation is a strategic approach to scale low carbon urban solutions, and achieve TAF’s mission and objectives:
   - TAF built GHG reduction benchmarks into the agreement with the private investor in ECC
   - It takes leadership commitment to maintain the mission-driven goals as a priority over (or alongside) the financial imperatives of a social venture

Evaluation Results
3. Lessons Learned

2. Venture development requires process and structure, with clear roles, budgets, milestones and go/no go decision making points.

Evaluation Results

3. Lessons Learned

3. Before launching a new product or service, it is prudent to perform primary market research and testing to identify market demand and work out the kinks.

Evaluation Results

3. Lessons Learned

4. Social enterprises incubated by non-profit organizations, like TAF, have a built-in advantage of mechanisms for due diligence and sober second thought.

Evaluation Results
4. Conclusions

1. TAF's hands-on development of the ESPA & ECC were very innovative for a not for profit organization.
2. Social venture development is risky & requires entrepreneurship, leadership & management capabilities.
3. Make the best use of transparent, non-profit governance.
4. Access to patient capital is critical. TAF has a built-in advantage.
5. TAF's social venture incubation required a high level of collaboration & knowledge sharing with a variety of stakeholders. TAF is pleased to share the lessons learned.

Questions

Please ask any questions you may have.