**Seed Capital**

**Years 1-2 (2017-18): Angel Investors**

- **Entrepreneurial Concept:** Fundamentally change the system, shifting from our current siloed system of services to a collaborative approach to move whole families out of the traps of poverty.

**How Funding is Used:** Angel Investors helped to turn this concept into a new model. United Way developed a different kind of deal flow (grant process and partnerships) to address the gap of collaborative problem-solving.

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**Start-Up - Series A**

**Years 2-3 (2018-19): Venture Capitalists as Venture Philanthropists**

- **Progress Made with Seed Capital:**
  - Created new grant process to generate a different deal flow.
  - Multi-partner vs. single partner
  - Outcomes vs. programs
  - Long-term vs. annual
  - Grant readers included families, subject matter experts, and angel investors
  - 17 collaborative grant applications received, made up of a total of 161 partners.
  - Landed on five, 3-year CORE Collaborative investments, funding 68 community partners

- **Market Size:**
  We are the only organization in Snohomish County providing this product/service. United Way invests in and actively works alongside CORE Collaboratives—groups of community partners with a shared action plan—focused on long-term outcomes for children birth to age 8 and their families struggling with low income.

- **Risk:**
  The risk is that the model may not produce expected systems change and, at most, your Series A investment is lost. But, this is moderated, to a degree, by cross-sector buy-in (private, public, nonprofit) as well as participation of established programs within each Collaborative.

- **Quality of Executive Team:**
  CORE is led by United Way’s senior leadership team in concert with the lead agencies of each Collaborative.

- **Proof of Concept:**
  United Way adopted two promising national models: the 2-Generational Approach and Collective Impact to create CORE: Creating Open Roads to Equity.

**How Funding is Used:**
- Be an active partner in each of the five Collaboratives (finalizing the product/service), salaries to retain and attract talent, and market research to establish viability with investors.

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**Growth - Series B**

**Years 3-5 (2019-2021): Venture Philanthropists Break Even Point**

- **Performance Compared to Market:**
  Measure early results compared to current program-level funding.

- **Assets (IP):**
  Exclusive grant process to catalyze the CORE Collaborative model. Possible trademark opportunities.

- **Revenue Forecast:**
  Develop cost savings to community investors as a result of this new CORE model. Calculate both direct and leveraged investments into system.

**How Funding is Used:**
- Scale-up by adding additional partners in current Collaboratives as well as launching new Collaboratives.

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**Expansion - Series B**

**Year 5 (2021): Angel Investors Recoup Seed Investment**

- **Recoup Investment and Returns:**
  - Prove principal (initial CORE investment) preservation and possible “return” through cost-saving analysis
  - Improved quality of life measured through outputs of Collaboratives

**How Funding is Used:**
- Possibly expand the CORE model to other populations and/or markets.

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**Maturity - Series C**

**Years 7-10 (2023-2025): Ready the Product/Service for IPO or Acquisition**

- **Cost-savings report to monetize impact in relation to the Venture Philanthropist investment and show the return on that investment.**
- **Introduce “Initial Public Offering” (campaign) to include funding new CORE Collaboratives**

- **Money raised by CORE Collaboratives themselves to become self-sustaining**
- **Other funders supporting specific Collaboratives**

**How Funding is Used:**
- Prepare to take the CORE model to a “public offering” (campaign), including mass marketing that shares Collaborative and family outcomes.