fab fund:
local business creation; fab lab sustainability

balancing social impact and revenue generation

lessons learned

thoughts on moving forward:
models for sustainability

Alan Gershenfeld/Michael Angst
E-Line Ventures
balance social impact and revenue generation:
aligning key stakeholders

most commercial enterprises
most not-for-profit organizations
really bad businesses
profitable
double bottom line
sustainable
subsidized

financial return
social return
balance social impact and revenue generation
aligning key stakeholders
lessons learned:

sustainability through new business creation: many issues

inventors are rarely entrepreneurs

entrepreneurs are not management teams

mentors are not substitutes for management teams

inventions cross wide variety of domains

inventions cross wide variety of regions

labs have very different capabilities

capital is rarely the limiting resource to sustainable business creation
thoughts moving forward:

important to explore *all* models of sustainability…

optimal balance between financial return and social impact

optimal balance between impact-based funding vs. revenue-based funding

impact-based funding:
  optimizing ecosystem for funding

revenue-based funding:
  aligning business model with impact and capability

…until effective models for business creation are developed
impact-based funding: optimizing ecosystem for funding

defining impact
- access
- education
- invention/business creation
- research

social return on investment
- assessing:
  - input
  - output
  - outcome

challenges
- high touch vs. high tech
- multiple impact areas

opportunities
- shared methodology on tracking and optimizing impact
- highlighting unique attributes:
  - highly engaged, diverse global network/local empowerment
**revenue-based funding:**
aligning business model with impact and capability

<table>
<thead>
<tr>
<th>business model aligned with impact</th>
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<tbody>
<tr>
<td>education: workshops, training, degree certification</td>
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<tr>
<td>access: hourly access, personal production, local production</td>
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<tr>
<td>invention/business creation: individual entrepreneur, complex business</td>
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<td>research: sponsorship, contests</td>
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<tr>
<td>other: lodging, storefront, books, games. . .</td>
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revenue-based funding: aligning business model with impact and capability

**challenges**
- balancing resources for free vs. paid education/access:
  - defining limits to protect ‘fab lab’ brand
- differing needs and desires from lab to lab
- lack of capacity for business creation

**opportunities**
- shared scheduling models, pricing and resources (e.g. degree program)
- partner with local business schools, entrepreneurship programs to build capacity
- partner with investors with regional knowledge; with domain knowledge
- leverage on-line markets (e.g. etsy), loans (e.g. kiva), supply chain (e.g. café press)
- consider applying for funding to help crack scalable models for local business
  - think in the box, out of the box and about the box
fab: a video game?

opportunities engage millions of youth; generate awareness; flow revenue back into ecosystem