



GOOD PRACTICES - **CASE IDENTIFICATION** /1<sup>ST</sup> LEVEL ANALYSIS

**KIZ SINNOVA Gesellschaft für soziale Innovationen gGmbH**

**1. Good Practice title: Social Business Women Microloan**

Social Business Women Microloan: The loan addresses female entrepreneurs in the Rhein-Main-area. Instead of collaterals borrowers have to use a part of the loan and invest in themselves to improve their entrepreneurial skills. The loan product is designed to meet the needs of female entrepreneurs.

**2. Territory of implementation/application (country/region/...)]**

The SBW Loan is available in the Rhein-Main region, which is one of the most populated and important economic areas in Germany. SBW uses a system of accreditation to select delivery partners. Currently delivery partners are active in:

- Wiesbaden
- Offenbach
- Mainz
- Darmstadt
- Rostock

**3. Timeframe:**

year of introduction:

year of termination:

*(leave 0000 if ongoing)*

**4. Brief description of the promoting organization:**

Social Business Women is an association, which supports underserved women in the Rhein-Main area. The project focuses on empowerment and to this end provides dedicated training modules, individual coaching, mentoring and access to finance. The project is funded by private organisations and receives pro bono support from different local actors and stakeholders.

**5. Main objective of the initiative:**



The loan addresses two issues, which are rather common for female entrepreneurs:

- risk averseness, which leads to rather low loan volumes
- request for additional support schemes to ensure success of business
- waiving of securities

Objectives of the loan are to directly support female entrepreneurs not only with coaching and training but also with a microloan. Access to finance is an issue for entrepreneurs in general. Female entrepreneurs prefer loans where collaterals/securities are not asked for. The main goal is to combine access to finance with support the entrepreneur can afford. On the premise that dedicated coaching and training programs are a substitute for traditional securities entrepreneurs have not only access to microloans but also to coaching/training to grow their businesses.

Objectives:

- soft-loan without additional securities
- low interest rate
- attractive and dedicated support program for entrepreneurs
- ensure quality portfolio (low rate of defaults)

#### **6. Brief explanation of the initiative:**

The SBW loan is provided at the following conditions:

- currently 4,6% APR.
- loan duration 6 years, 1. year only interest has to be paid
- max. loan size is 10.000€
- the loan can be fully paid back any time at no additional costs
- up to 6.500€ can be used for investments or business costs; 3.500 can be used for support (training, coaching) for a period of three years during the loan life cycle

SBW delivery partners (like KIZ) assess the financial and non-financial The entrepreneur's needs, support improving the business model, draft a business plan and support preparing the pith for the loan committee. After the loan has been approved, 3.500€ go to a escrow account and the other part of the loan is disbursed to the borrower. 3.500€ can be used for additional coaching and training as well as monitoring and crisis intervention.

#### **7. Target group and measures to involve the target group:**

The loan addresses three issues, which are rather common for female entrepreneurs:

- risk averseness, which leads to rather low loan volumes



- request for additional support schemes to ensure success of business
- waiving of securities

The loan is designed to meet the needs of women setting up a business. The project supports underserved women who either:

- have a very low income
- try to get back into business
- have a migration background
- have difficulties finding a job due to their age
- have a business idea
- do not get a loan at a traditional bank

#### **8. Innovativeness:**

Social Business Women combines different approaches to support women getting back into a work life by:

- providing training and coaching to set up a business
- supporting entrepreneurs before and after registering their business
- providing loans for entrepreneurial purposes
- supporting finding a regular job
- strengthen personality and entrepreneurial skills
- make use of private and social capital
- anchor their program regionally by actively involving other regional actors and stakeholders

#### **9. Outcomes:**

The Social Business Women initiative provides tailor made trainings and coaching for women trying to get back into a professional life. Beyond number of participants, the most important outcomes are:

- well established programmes dedicated to supporting women with tailor made support
- making use of private and social capital
- combines support for entrepreneurs as well as re-starting a professional life
- within the structure of delivery partners 200-300 women can be served with dedicated, comprehensive support