

2023-25 Strategic Plan

October 2023

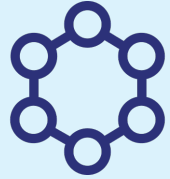


locus

Our Strategic Planning Methodology

- Eight-month exercise guided by our consultant, Wellspring Consulting
- Informed by landscape assessment and partner insights.
- Inclusive process:
 - VCCSE Planning Team consisted of cross-departmental staff and leadership.
 - Multiple engagement points for full staff and VCCSE Board of Directors.
 - Board formally approved the plan in April 2023.

Our Strategic Goals



Core Goal 1

**Restructure and coordinate
to be one organization.**



Core Goal 2

**Work in new ways with
Place-Based Investment
Opportunities.**



Core Goal 3

**Make lending and fund
management practices
more equitable.**

Our Strategic Goals



Supporting Goal 1

Measure, evaluate, & report on impact.



Supporting Goal 2

Ensure all products and services are financially sustainable.



Supporting Goal 3

Continue to build a diverse and inclusive workplace culture.

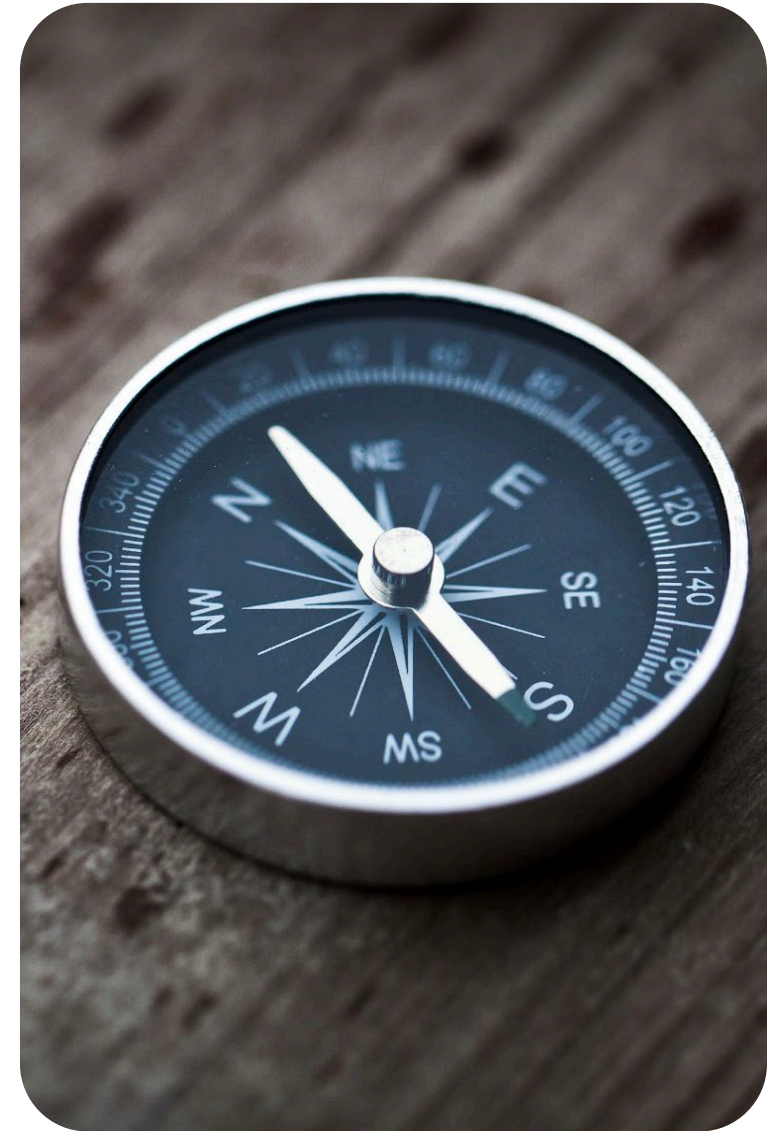
Our Mission and Vision

- **Mission**

We create access to capital by developing community partnerships and innovative tools that tackle systemic challenges and advance promising opportunities.

- **Vision**

All people and places have the capital and ecosystem partners needed to realize prosperous futures.



Our Place-Based Approach



Our strategy is guided by these tenets, which reflect our values:

- Engage in communities where **our guidance is welcomed.**
- Work in communities where the **capital system is not working for all.**
- Address the **most pressing community-identified opportunities.**
- Work through **community-embedded organizations.**
- Be **catalytic.**
- Support community partners that are committed to **equity and inclusion.**

Driving More Equitable Lending & Fund Management

- We are **focusing on the borrower's credit history as opposed to score**. In the absence of credit history, we will leverage alternative data sources, such as rental payments.
- We are piloting small business products that deemphasize the financial wherewithal of the owner by placing **greater emphasis on the repayment ability of the business**.
- We are identifying approaches to **leverage our non-regulated loan fund** to improve impact, particularly as it relates to real estate appraisals and down payment requirements.
- We are continuing to seek **new innovative products and funds** to expand impact, such as revenue-based lending and our partnership with the blended capital fund, Invest Appalachia.

Measure and Report Impact

- VCCSE is building a comprehensive **Theory of Change** that speaks to the desired outcomes of the communities we serve, and it is grounded in racial equity & Social Determinants of Health framework.
- We will incorporate more **robust impact metrics** beyond traditional outputs and widgets.
- We will move beyond a 'check the box' exercise for reporting or compliance towards **true Impact Management & Measurement** ("IMM") that drives decision-making, product design, and program evaluation.



Financially Sustainable Products & Services



Impact Investing & Banking

- Business & institutional deposits
- Foundation PRIs
- Mission-aligned investments
- Stock/equity



Community Development Financing

- Geographic focus on underserved rural and urban communities
- Sector focus on affordable housing, small business, healthy food systems, solar & green energy



Strategic Consulting Services

- Impact investment strategy
- Ecosystem capacity building
- Small business coaching & technical assistance



Financial Services

- Guarantee program management
- Due diligence
- Fund management

Diverse & Inclusive Workplace Culture



- VCCSE completed its first DEI Strategic Plan in Fall 2022.
- Our **DEI Strategic Goals** have been thoughtfully woven into our organizational strategic plan.
- Established the **Mission, Equity, & Inclusion Collaborative (MEI)** – a staff-led permanent workgroup empowered to lead execution through teams focused on education and training, external measurement and advocacy, and organizational culture and inclusion.

Our Impact Since 2006

\$2.28B

total impact

14,430

total projects financed

1,587 loans
equaling **\$1 billion**
in loan originations

14,675

jobs created or
retained



30

food access loans



12,653

housing units
financed



34,185

advisory service
hours



31

healthcare loans



21 MW

solar energy
produced



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