



## **Impetus investment puts Keyfund on growth trajectory**

**Six years ago, Newcastle-based Keyfund Federation, which works with marginalised young people to help them re-engage in society, was facing a number of challenges, which were threatening to overwhelm it. The newly hired chief executive, Hannah Eyres, recognised that a completely new business model was required.**

**Hannah was introduced to Impetus, and both parties quickly recognised they shared a common vision for Keyfund. Thus began a five-year partnership during which Impetus provided an initial package of core funding of £375k in funding and supplemented this with £511k of pro bono help on specific projects. Keyfund and Impetus have worked closely together to transform the charity, stabilising it and putting it on a secure pathway to growth.**

The cornerstone of Keyfund's services is a youth-led process whereby young people join together to form a team and focus on a project. The teams devise, develop and deliver their own projects, with the assistance of a Keyfund-trained volunteer facilitator. They apply for small pots of money to finance their projects, by presenting their ideas to an independent assessment panel made up of members of the local community. Through the project the team members learn core skills and can then transfer them to other parts of their lives. Many of the young people re-engage with their education and training as a result of Keyfund.

Hannah had ambitious plans for Keyfund, which was founded more than 20 years ago. She recognised that it needed a completely new business model to survive. Hannah believed that Keyfund could realise its potential through adopting a social licensing model and she prepared a business plan that she shared with the long-standing Keyfund supporter Northern Rock Foundation. Recognising that Hannah would need considerable support and assistance to bring her plans to fruition, Northern Rock introduced her to Impetus.

Impetus brought in OC&C Strategy Consultants to assist with the due diligence. The OC&C team tested the viability of the various routes by which Keyfund could roll out its programmes nationally and endorsed Hannah's view that the social licensing model was a feasible way to achieve this.

The partnership between Keyfund and Impetus was formalised on June 2006. It entailed an initial package of core funding of £375k, which included co-investment from The Rank Foundation, Esmée Fairbairn Foundation and The Trust for Education, together with intensive pro bono support from Impetus over a five-year period, carefully mapped out and overseen by Impetus Investment Executive Amelia Sussman. Hannah Eyres and Amelia Sussman met at least monthly and spoke every week, throughout the partnership. They

discussed the operational support that the organisation needed for priorities it was working on at the time, and ensured that progress was measured against pre-agreed objectives.

*“At a strategic level Impetus acted as a catalyst for change by challenging our assumptions and encouraging us to be very clear in our thinking.”*

**Hannah Eyres, Keyfund CEO**

The Impetus relationship allowed Keyfund to access the pool of Impetus pro bono experts, who would have been beyond its budget in any other circumstances.

Over the course of the investment, Impetus experts worked with Hannah on numerous key capacity-building projects, including:

- reshaping the Board, including recruitment of the Chair and new trustees
- building the SMT and enhancing the central team to be less reliant on the chief executive
- upgrading the systems and processes
- building efficient and accurate financial reporting systems
- creating a balanced scorecard reporting system to collate, measure and rate Keyfund performance indicators.

Hannah had identified the social licensing model as a route to growth that would enable Keyfund to remain agile and keep overheads light, while at the same time growing in scale, expanding geographically and developing a pathway to long-term sustainable growth.

Pro bono experts from the Impetus pool helped Keyfund develop key elements of the licensing model, including pricing; legal documents; marketing materials; and quality assurance. Licensing started in 2006/07 with three partners. By 2010/11 there were six partners across the country, generating annual revenue of more £82k.

Through the proven success of its programmes and the expanding geographic footprint that the licensing arrangement brings, Keyfund is now a high-profile, influential and hugely respected organisation in the area of social work with young people in the North East. It currently reaches more than 6,000 young people a year, empowering them to lead more positive and fulfilling lives, and is on a growth trajectory to be able to help many many more.

*“Keyfund graduates from the Impetus portfolio having transformed its capacity to address an issue that is of critical importance: low aspiration and lack of engagement among young people. Working with the CEO and her Board to build Keyfund’s income generation capability and set it on a path for sustainable growth has been a hugely rewarding experience.”*

**Amelia Sussman, Impetus Investment Executive**

*By Mihiri Jayaweera, Impetus pro bono expert*