



EUROPEAN
VENTURE
PHILANTHROPY
ASSOCIATION

CASE STUDY

VP/SI IN CENTRAL EASTERN EUROPE NESsT – TIMURAL

SOCIAL PROBLEM

In Mureş County, Romania, people with disabilities are at high risk of social exclusion and unemployment. Even local social service agencies struggle to secure enough funding for services that can support this population with training, employment and long-term assistance. In this rural area, job opportunities can be difficult to find for those who cannot commute to the nearest city.

SOLUTION

Established in 2003 by the Alpha Transilvania Foundation, Timural Group aims to create jobs for **people with disabilities** and **people from disadvantaged backgrounds in rural areas** (e.g. long-term unemployed).

Since 2010, Timural has been employing people from these communities to produce **educational toys** and **small wood furniture** under the brand **Woodjoy**. The social enterprise stands out with its ability to personalise its wood products and to work on small and medium product series. Moreover, all their products are **environment-friendly and durable**.



High quality wood products made by people from disadvantaged backgrounds © *Timural*

Romania

European Venture Philanthropy Association

September 2018

ABOUT THE VPO & THE SPO

NESsT	Timural	Woodjoy
Venture Philanthropy Organisation (VPO)	Social Purpose Organisation (SPO)	Social Enterprise
<ul style="list-style-type: none"> • VP/SI Fund • Founded in 1997 • Sectors: dignified employment for marginalised groups (labour inclusion, sustainable income, affordable technologies). 	<ul style="list-style-type: none"> • Established in 2003 • Sectors: economic and social development. • Beneficiaries: people with disabilities, unemployed people. 	<ul style="list-style-type: none"> • Started in 2010 • Aim: create jobs for people with disabilities and people from disadvantaged backgrounds in rural areas in Romania.

OBJECTIVES FOR THIS PROJECT



In order to keep **providing jobs** for people from disadvantaged backgrounds, Timural has to become **self-sustainable**, and therefore:

1. Improve its business plan and operations
2. Improve its waste management

APPROACH TO IMPACT MEASUREMENT



Timural reports quarterly to NESsT on **the number of people from disadvantaged backgrounds** that are working for them.

As part of its portfolio-level survey to gather **qualitative data**, NESsT **interviews** the beneficiaries of its investees. The aim is to collect information about the quality of the

beneficiaries' jobs, to see how "decent" these are and if they are contributing to their social mobility. NESsT focusses its questions around **wages, working hours, and stability of work.**

NESsT'S INVESTMENT

FINANCIAL SUPPORT



NESsT gave Timural a **€10,000 grant** to support product prototype development, the salary of an administrative assistant, and participation to fairs, professional network

fees and other marketing expenses that help promote WoodJoy products.

NON-FINANCIAL SUPPORT (NFS)



Fundraising



Business planning



Financial management



Management team & CEO support



ICT



Operational management

NESsT portfolio team in Romania has supported Timural in refining the business plan and operations of Woodjoy. NESsT has given advice on building and implementing a sales plan, on cash flow, as well as on how to access new distribution chains.

Thanks to NESsT, Timural also benefited from a **mentoring programme** with Constantin Patasanu,

a **pro bono consultant** who trained the management team in **lean production management**. This programme has been a great success thanks to the high satisfaction of all the parties involved in the programme as well as its positive results: Timural has **saved €15,000** so far, it now has properly documented procedures, quality audits, and can make better cost estimations.

FINANCIAL AND SOCIAL RETURN TO DATE



9

people with disabilities trained, and now employed by other companies



4

employees from disadvantaged backgrounds



68.5%

sales growth since 2014



€44,000

Profits redirected to Alpha Transilvania Foundation*

* Timural **redirects its profits** to the Alpha Transilvania Foundation, so that it can be reinvested into social services for people with disabilities.



THE SPO'S DEVELOPMENT PLAN AND INVESTMENT OPPORTUNITY

Timural is now actively looking to acquire a CNC machine, a specialised cutting machine which will help **increase its efficiency** by more than 30% in some of the products.

For this equipment, Timural needs to find **€80,000**, possibly through leasing or a loan.

WHAT THEY THINK



Eva and Mircea are a reflection of the entrepreneurial drive itself. Coming from the medical field, Eva worked hard to acquire the business acumen needed to run a production enterprise delivering products to export markets such as Timural. Although we are used to seeing high resilience and ambition in social entrepreneurs, it is always a surprise to witness the courage with which Eva and Mircea undertake every challenge. But behind the optimistic nature of the team and the impact numbers, though, there are many years of work.”

Sonia Oprean, Senior Portfolio Manager, NESST

FOR MORE INFORMATION

 **Contact us at** knowledge.centre@evpa.eu.com

 **Visit our website** www.evpa.eu.com

Disclaimer

The case study presented in this leaflet features organisations that are continuously working on their business model. As a result, all cases are evolving organisations and thus their model is continuously evolving.

This leaflet was produced with the financial support of the Charles Stewart Mott Foundation