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1. Introduction

1.1. In broad strokes

ICS is an international development organization that focuses on rural development in Africa¹. At the core of our approach is economic development, with a focus on enterprise and innovation, combined with our Skilful Parenting program in order to extend economic development to family wellbeing. The combination of an increase in income with support for, dialogue with, and knowledge transfer to parents leads to significant and sustainable growth of family wellbeing.

We have grown into this unique, integrated and powerful approach over the last few years, during which ICS has gone through major changes. In these years, the MFS funding of the Dutch ministry of Foreign Affairs has given us the opportunity to explore different programs and approaches, of which a few have stood out, in terms of their impact, and in terms of their ability to be financially sustainable, whether as a business or based on donor funding, or a combination.

This first chapter will give the general direction and some key focus points for the coming years. In subsequent chapters, the in depth strategic focus per ICS entity will be explored.

Background

After its start in 1980, ICS has built up a long track record in working in rural areas in developing countries. For many years, the emphasis was on child focused programming, but the recognition that lack of household income was, and is, one of the main impediments to child well-being led to the development of economic programs alongside the child focused activities. About ten years ago, ICS started to focus on social enterprise as the core pillar of its economic approach – back then a very innovative approach in the world of development cooperation. Over these ten years ICS has been one of the key Dutch pioneers in social enterprise, developing its unique approach of developing social businesses, and combining their work with skillful parenting and child protection.

What started as a handful of social enterprise programs has now evolved into several full fledged social businesses. With Agrics Kenya Ltd, Agrics Tanzania Ltd, Alizetics Ltd, and Geodatics Ltd, ICS group now 4 comprises of 4 locally incorporated social businesses, with ICS as only or majority shareholder. The skillful parenting and water programs are conducted by ICS itself.

1.2. Our principles

Impact

All our activities focus on creating long-term impact for smallholder farmers, their families and their communities, where impact is defined as increased family wellbeing through increased household income, food security and nutrition and empowered parents that are critical, aware and positive about their parenting role to effectively meet their children's needs.

¹ For our skilful Parenting program, we remain connected to ICS SP Cambodia, and are open for expansion into other countries in Asia.

Approach

The ICS approach, which was developed and tested over the past years, is characterised as:

Demand-driven

ICS organisational entities are well embedded in the communities of their operating areas. Strong relationships and an ongoing dialogue with local governments, community-based organisations, farmer groups and individual farmers ensure that our products, services and projects are tailored to demands of our beneficiaries.

Entrepreneurial

The ICS approach is entrepreneurial in nature, which means a focus on financial sustainability as well as a mind-set that includes innovating to take advantage of opportunities, taking personal responsibility, embracing change and a sense of pragmatism. Although this is best visible in our economic activities, through our social enterprises, this is valid to the same extent for our social programs as well.

Multi-faceted

We link our economic activities and social programs to extend increased household income to family wellbeing in order to increase impact. While economic development of farmers and their communities is an important step towards decreased poverty, it does not necessarily positively influence family wellbeing. Our economic and social programs directly build on each other's efforts and results, reinforcing each other's impact.

The effectiveness of our approach has been confirmed by recent external evaluations of ICS activities in Kenya and Tanzania, as well as by recent literature on sustainable and multi-faceted approaches to poverty eradication.

Geographical focus

Our focus is and will remain on East Africa, building on our longstanding presence in West Kenya and Northern Tanzania. A such, we are looking into opportunities of moving into other East African countries where our approach could have significant added value, e.g. Uganda. By year-end 2015, we will end our activities in Cambodia, although a locally registered NGO focusing on Skilful Parenting will remain that will continue to use the name and logo of ICS through a franchising agreement.

Despite the East-Africa focus, should opportunities arise that support our strategic direction, we are open to moving into other areas, e.g. English-speaking parts of West Africa or countries in South-East Asia, the latter building on our previous experience in Thailand and Cambodia.

1.3. Our areas of work

Economic development

We build our economic solutions on business models, using the forces of the market economy to create sustainable solutions to social problems. Within this domain we consider two main themes: agribusiness and water.

Agribusiness

In rural areas, agriculture is by far the dominant economic activity and smallholder farmers are the main drivers of agricultural production. Most of these smallholders live in poverty, realizing only a small potential of their production capacity because they are excluded from markets, and because they lack knowledge of modern agricultural practices. This is both a deep social problem, and a business opportunity. The tremendous economic potential of the smallholders remains largely untapped.

With our social enterprises Agrics and Alizetics we aim to fill this omission in the African rural economy, and support farmers to increase their income and food security. With Agrics we provide quality agricultural inputs and training to smallholder farmers, while Alizetics provides them with a fair and transparent market for their produce.

Part of the work of Agrics and Alizetics is transferring knowledge to the farmers and their communities. This requires for Agrics and Alizetics (and ICS) to develop and maintain their (agri) knowledge base, and to keep developing methods to effectively transfer the knowledge to their clients.

Agrics Kenya, Agrics Tanzania, and Alizetics are in different stages of their development, but we see a standard pattern occurring in all businesses. Agrics Kenya is ready to scale up, in terms of portfolio, size, and geographical focus (with Uganda as a potential new area). For the next years, the focus will be on further strengthening the organization, and at the same time expanding in the above categories. Agrics Tanzania is in an earlier phase, with a focus on finetuning the proposition and business model, and building the organizational foundation, and will grow into the next phase of expansion in the coming year. Alizetics has seen a successful first year of stand-alone operation. The years to come will show a continued effort on building a successful business model and scaling up.

Water

Lack of access to clean drinking water remains one of the main social challenges of rural Africa. Its impact on health, economy, school attendance, gender imbalances, is huge. Different from agribusiness, the business opportunity is usually not that straight forward. Nevertheless, a good business model is key to ensure sustainability, which is one of the key problems faced by development water projects over the last decades. Our niche as ICS is precisely in this area: we build our solution for rural and peri urban water provision around a business model. Currently, prepaid technology is at the heart of our solution, and it will probably be so for the years to come. Still, we do need to keep our eyes open for new developments and solutions. A possible extension of our water solutions could be in the direction of irrigation, which would connect it with our agri-business approach.

Our water activities are currently still part of Agrics/ICS, but we will follow the path our other enterprises have gone: incubation within ICS, followed by a spin off into a separate entity. This spin off will happen in 2016. The new unit will be run as a (social) business, even if a significant part of the turnover needs to come from grant funding.

Creating sufficient funding base is the first key priority, which will mean scaling up. Another key priority is building a robust team with all necessary competences available. All in all, we see a lot of opportunity to bring our water activities to the next level and provide communities with clean drinking water in a sustainable manner.

Skilful Parenting

The core of our Skilful Parenting approach is clear: our methodology as we developed it over the last few years in Africa and Cambodia, building on the premise that the vast majority of parents want to be good parents and to raise healthy and successful children. Content wise, this core can be extended

with new elements, or integrated in broader programmes, often depending on donor wishes and funding opportunities. Our model now has a strong evidence base, which we will use to position ourselves as *the* provider of parenting programs in East Africa.

Besides implementing the program ourselves, we are also experimenting with new models in which we supply content, consultancy, and training. This will allow us to reach many more parents and children with our methodology, and to create a new stream of income.

Broadening the funding base, and controlling costs will be key elements for the years to come. As of 2016 all skilful parenting activities will be placed in a Kenya-based NGO in order to seize the many opportunities with Africa-based or Africa focussed foundations.

Funding

For ICS, this new strategic plan marks a shift into a new period, the post-MFS era. This brings a marked shift from an organization with a significant base funding and great strategic flexibility, to a new organization in which business/project financing will be dominant, and free resources will be scarce. We have started this transition, but by no means completed it. The different entities in the ICS group will to a large extent be responsible for their own financial sustainability. The role of the Netherlands will shift towards strategic management and control, and tailored support around themes such as fundraising, communication, finance and organizational development. 2016 will be a transition year, for which some additional resources are available.

For our NGO activities, external fundraising will be the live blood of their continuation. Without it, the activities will not be able to survive. For the businesses, being break-even is the first main target, which will allow them to continue in their current size. For any growth, additional financing will need to be found. Broadening our network with potential investors/funders/banks, and improving our proposition will be key.

Beyond the horizon

When looking at the horizon we see a group of local organisations (business and NGO) that have realised enough scale and operational excellence to create impact in the long run and way beyond the horizon of this strategic plan. When the time comes, we may consider an exit out of a particular company, or out of a particular region. The core motivation for an exit will lie in impact: if a certain company or geographical region does not add value in terms of impact any longer, an exit could free up resources that can be invested in a way that yields more impact.

The next chapter will touch on the principles underlying our overall strategic direction, before exploring the in depth strategic focus per ICS entity.

2. Strategic focus

As described in chapter 1, economic development and Skilful Parenting are at the core of our approach, for both of which focus for the coming years will be on growing the brands, scaling-up and achieving operational excellence. In the following sections, we will explore in more depth the strategic focus for each of the ICS entities.

2.1. Agrics

Ambition

By 2018, Agrics will be a profitable company serving over 100,000 farmers with quality farm inputs and services, significantly increasing smallholder productivity, food security and income. Innovation will be one of the Agrics spearheads; both to further increase customer focus (like including Geodatics advisory services in the core package or offering new products and services) and to increase efficiency and decrease costs (like moving to mobile money for repayment at the individual level). The Agrics brand will be well known across East Africa, attracting new clients, private and public sector partners (e.g. fertilizer and seed suppliers and knowledge institutions) and private sector investors.

The business model

Agrics sells agricultural inputs to smallholder farmers on credit and in addition offers services such as agronomic training and mechanization, as it is this combination of products and services that has a strong and proven positive influence on yield in terms of quality and quantity. Agrics generates revenue by procuring inputs in large quantities and selling them with a gross margin above 30%. Focus on effective credit management processes and strong customer relations will translate into credit repayment rates of at least 95%.

Agrics Kenya and Agrics Tanzania are both separately registered Limited Companies. Although the business model for both companies is the same, the products and services offered may differ between the two, based on local demand and external factors.

Potential for growth

The large numbers of smallholders in Agrics' current operating areas in Western Kenya and Northern Tanzania, but also in potential operating areas in (eastern) Uganda, provide a ready and highly undersupplied market. The steep increase in customer numbers and total credit amount in the first years have shown the potential for Agrics.

Several funds and impact investors have expressed their interest in Agrics or have committed to financing Agrics operations in the next few years. In the coming years, we will need to make the step from challenge funds and providers of 'patient capital' like AECF (providing grants, repayable grants and debt) towards private investors (providing working capital, debt and equity).

Growth strategy

Scaling up in terms of portfolio size and number of clients is crucial in order to become a sustainable business. Increasing the portfolio size will be done by extending the product/service portfolio with new and more high-value products and services. Poultry for example has had a major contribution in portfolio growth for Agrics Kenya between 2014 and 2015. With regard to growing the number of clients, focus will be on increasing farmer density in the current operational areas, moving into new geographical areas of operation, as well as increasing the client retention rate. This accounts for both

Kenya and Tanzania, although targeted growth rates will be more moderate for Tanzania than for Kenya.

Operational excellence

Growing the Agrics business will only be achievable through continued focus on operational excellence. Further strengthening the organization in terms of structure, capabilities and processes will require our full attention, both in Kenya and Tanzania. For both countries, a credit management system that can support the ambitious growth targets is crucial. A new system has been selected and will be implemented in 2016.

Through 2018, Agrics will:

- | | |
|-----------------------|---|
| Business Objectives | <ul style="list-style-type: none"> • Consolidate the current model and scale-up operations to serve 100,000 farmers in the current and new operating areas; • Achieve repayment rates of $\geq 95\%$; • Break-even by resp. 2016 (Kenya)/2017 (Tanzania) and be profitable from resp. 2017 (Kenya)/2018 (Tanzania) onwards; • Attract sufficient financing to accommodate the targeted growth. |
| Impact | <ul style="list-style-type: none"> • Double productivity per acre of maize on average in both countries and 150% for sunflower in Tanzania only. • Threefold increase in income earned per household from core product packages. • Increase food security (bags retained) by 165%. |
| Internal organisation | <ul style="list-style-type: none"> • Improve processes for administration, business controls and financial management in order to facilitate the business objectives; • Strengthen ICT systems supporting the Agrics primary process, with special focus on credit management; • Strengthen the organisation in terms of staff capabilities. |
| Governance | <ul style="list-style-type: none"> • Strengthen the governance structure, including board reporting. |
| NGO activities | <ul style="list-style-type: none"> • Separate NGO activities from the business activities, with the exception of agribusiness related activities (directly linking to Agrics business activities). |

2.2. Alizetics

Ambition

By 2018, Alizetics will be a profitable company that provides a market to smallholder farmers in the remote areas of Northern Tanzania that would otherwise be excluded from formal markets because of existing market inefficiencies. With sunflower remaining the main cash crop traded by Alizetics, additional non-competing cash crops (e.g. chick peas or beans) will be added, allowing farmers to spread risks and allowing Alizetics to extend its trading season and utilise idle capacity outside of the sunflower oilseed season. In addition, Alizetics may not only expand its activities to include other crops but also to move towards processing sunflower oilseeds into crude sunflower oil. The Alizetics brand will be well-known among farmers in its areas of operations as well as having a strategic relationship with buyers of sunflower and other cash crops.

The business model

Alizetics buys sunflower oilseeds from smallholders for onward selling with a target gross margin of at least 30%. Alizetics works with the farmers’ community-based organisations to organise the end to end buying process, remaining present in the communities for the entire buying season. This way of working allows Alizetics to build a relationship with the communities as well as become a trusted buyer. Alizetics links to Agrics as it provides a market to the Agrics farmers and the two companies share a large part of their operating area. However, in order to scale-up operations, Alizetics will buy from other smallholders besides those involved in Agrics.

Potential for growth

The market for sunflower oilseeds in Tanzania is fast-growing. One of the major processing companies in Northern Tanzania is planning to increase its trading activities in just Shinyanga area to up to 20 million kgs per year, confirming the potential of sunflower in this area. In addition, other commodities (e.g. chick peas or beans) may provide opportunities for Alizetics to utilise idle capacity outside of the sunflower oilseed season.

Growth strategy

Alizetics’ strategy for scaling up to 5 million kg of oilseeds in 2018 (coming from 665,000 kg in 2015) will be threefold. Firstly, Alizetics will further increase its visibility and strengthen the brand by working with Agrics to provide training and demo plots. In addition, Alizetics will increase its buying price, which is possible because of a higher selling price and guaranteed sales volumes through contracts with large oil processing companies that have high demand for oilseeds year round. Also, moving into trading of alternative cash crops with different harvest periods than sunflower will extend the overall buying season and increase the total trading volume.

Operational excellence

Keeping overall costs low (e.g. transportation, overheads) and minimising losses at the buying centres because of poor administration or theft will be crucial for Alizetics to increase its net margin and become profitable by 2018. Improved training of buying centre operators and increased controls during the buying season (regular counts of the number of bags in the community warehouses, compared with the number of bags that were administrated) are crucial in further decreasing losses at the buying centre level. Also, moving into crude sunflower oil processing will decrease the risk of loss of kilos as well as decrease transportation costs (a single liter of crude oil contains 3 kg of oilseeds).

Through 2018, Alizetics will:

- | | |
|-----------------------|---|
| Business Objectives | <ul style="list-style-type: none"> • Consolidate the current model and scale-up operations to trade 5 million kg of sunflower oilseeds at a gross margin \geq 30%; • Break-even by 2017 and be profitable from 2018 onwards; • Attract sufficient financing to accommodate the targeted growth. |
| Impact | <ul style="list-style-type: none"> • Serve 16,000 smallholders of which 50% in communities that would otherwise be excluded from the formal market |
| Internal organisation | <ul style="list-style-type: none"> • Further professionalise the organisation and business processes in order to accommodate further growth after 2018 |

2.3. ICS Clean Drinking Water

Ambition

By 2018 ICS drinking water program is spun off into a separate entity that is recognized as a key implementer of drinking water programs in East Africa. It has a stable and knowledgeable team and is financially sustainable. Our current clean drinking water projects have been finalised and are sustainably exploited and maintained by a separate ICS entity that operates on the East African level. New projects, either in new areas or providing additional water points in existing areas, are being implemented, funded with donor money, before being handed over for exploitation. In addition to clean water provision at the community level, we will be providing water at the household level in specific areas.

The model

Currently, we have several water projects that are being implemented in Tanzania and Kenya, each including the installation of water points and a pre-paid system for water sales. Currently, at the end of 2015, potential business models for sustainable exploitation of the water points are being worked out and evaluated. Over the coming years, we will keep our eyes open for new developments and solutions in this area. A possible extension of our water solutions could be in the provision of irrigation water to farmers, directly linking our water activities to our agribusiness activities.

Potential for growth

The huge numbers of existing, unused water points across Western Kenya and Northern Tanzania provide a lot of opportunity for growth. Rehabilitation of these points will require limited investments compared to creating new ones, leaving a much shorter payback period.

In addition, with increasing incomes in both (peri-)urban as well as rural areas, there is a lot of potential in offering water points for individual households. More and more households are able and willing to pay for their own connection to a water distribution system.

Among donors clean drinking water projects remain important and funding opportunities are ample. Through continued effort and attention, building on the successes of our current projects, we should be able to generate enough funding to reach enough scale in order to move to sustainable exploitation.

Growth strategy

Rehabilitation of derelict water points will be key in growing the number of water points. *[Van wie nemen we deze over? Hoeveel zijn er naar schatting in de gebieden waar we nu water projecten hebben lopen? Welke partners hebben we hierbij nodig?] + andere strategieën?*

Operational excellence

Although technically the current projects are ICS projects, they are run by Agrics staff in Western Kenya and Northern Tanzania, funded by donor and ICS money. Scaling up our water activities, we will set up a separate entity to manage water activities across East Africa. We will need to build a stable organisation, with sufficient capabilities and solid structures and processes for sustainable maintenance and optimisation of the water distribution system, water quality assurance, stakeholder management, continued scale-up and further development of the business model.

Through 2018, ICS Clean Drinking Water will:

- | | |
|-----------------------|---|
| Objectives | <ul style="list-style-type: none">• Develop a viable and scalable business model for sustainable rural and peri-urban water supply and services.• Scale up to 50 water points and connected sales points in Northern Tanzania and Western Kenya. |
| Impact | <ul style="list-style-type: none">• Deliver affordable, clean drinking water to xxx (target to be set based on business model to be developed) rural and peri-urban households. |
| Internal organisation | <ul style="list-style-type: none">• Build a solid organisation in terms of structure, processes and staff capabilities. |

2.4. ICS Skilful Parenting

Ambition

By 2018 ICS Skilful Parenting (ICS SP) will be an effective African organization that develops, implements, and advocates for programs, projects and policy changes, anchored on 2 pillars; skilful parenting and child protection systems at sub national level. ICS SP will be locally registered and will be recognised as a strong brand among local and international NGOs, government departments, research institutions and communities. Working closely with Agrics, all farmers taking the one of Agrics core packages will receive skilful parenting training, while through the Parentics brand ICS SP will deliver commercial training services to individual parents, businesses and other private organisations in parenting and work-life balance. Although ICS SP will be generating a steady income stream from Parentics, it will primarily attract funding from public-private partnerships, capacity development of CBO's and grants and donations.

The model

In order to raise sufficient funds and generate additional income streams, ICS SP will work towards 3 parallel models, being 1) Full implementation of projects, 2) Service provider (delivering consultancy services and intellectual property), 3) 'Parentics', delivering training services to businesses and other private organisations.

Early 2015 we decided to register a Kenya-based NGO for our Skilful Parenting activities. The advantages are mainly in the area of fundraising as many donors don't want to fund international NGO's and only want to work with African local organisations. The new NGO will remain part of the ICS group (i.e. ICS keeping a board majority) and controls in terms of strategy, finance, fundraising and branding will be put in place.

Potential for growth

The potential for growth is in the large numbers of Agrics farmers and the combination of skilful parenting with themes like maternal and new born health, ECD, education and life skills, social protection and violence and abuse against women and girls. In 2014 and 2015, skilful parenting already attracted initial funds from large foundations that are looking for long-term partners in East Africa but also in other parts of Africa. As for child protection systems, ICS SP will leverage the unique connection between national and local implementation and the strong relationships with government and CSOs.

Growth strategy

Our growth strategy is based on collaboration and partnerships with other Agrics, local and international NGOs, government departments, research institutions and existing/new donors.

Operational excellence

We will continue to strengthen the organisation in order to raise sufficient funds, build and maintain strong partnerships, embed quality assurance and ongoing improvement measures, maintain a culture of learning, as well as market ICS SP and Parentics.

Through 2018, the Skilful Parenting organisation will:

- | | |
|-----------------------|--|
| Objectives | <ul style="list-style-type: none">• Provide skilful parenting training to 40,000 farmers and/or their spouses;• Generate sufficient funds to accommodate the targeted growth. |
| Impact | <ul style="list-style-type: none">• 40,000 parents and caregivers in East Africa are critical, aware and positive about their parenting role to effectively meet their children's developmental, growth, and safety needs. |
| Internal organisation | <ul style="list-style-type: none">• Register as Kenya-based NGO and make sure all processes and systems are in place;• Strengthen the organisation in terms of staff capabilities. |
| Governance | <ul style="list-style-type: none">• Optimise governance and board structure in order to ensure sufficient expert knowledge at the strategic level. |

3. Internal organisation

By 2018 ICS will be a group of healthy organisations with a range of strong brands. The Netherlands 'head office' will be relatively small and will focus on three areas only, being strategic direction, finance and control, and group-wide communication and fundraising. The local organisations will each have their own brand or brands and will be end to end responsible for profit and loss (business) and income versus expenditures (NGO) of these brands. This means they will be fully responsible for growing their business/operations, fundraising, marketing, human resources, quality, etcetera.

In working towards this organisational model we will adopt several strategies, which are addressed below.

3.1. Strong governance structures

Governance of the local organisations will be along the following lines:

Board of Directors

Each organisational entity is steered by a Board of Directors, which is chaired by the ICS Executive Director and with the ICS Finance Manager as one of the members. Although there may be additional external or non-executive Board members, ICS will hold the majority of Board seats. The Board will meet with the General Manager or Managing Director during quarterly Board meetings. In addition, the Chair of the Board and the General Manager / Managing Director will have monthly calls for regular updates or to discuss topics that cannot wait until the quarterly meeting. Through 2016, focus will be on improvement of the quality of management reporting to the board, both financially and non-financially.

Local management teams

The different organisational entities will have their own local management teams, consisting of - at least - the General Manager or Managing Director, a Finance Manager and (if applicable) an Operational Manager. Responsibilities and mandates of local management and Board are described in a mandates document.

The Dutch office

The Dutch office holds the ICS management team consisting of the Executive Director and the Finance Manager and several supporting positions in technical or thematic areas. As mentioned, the Dutch office has three main tasks:

1. Strategic direction; Setting the overall ICS strategic direction, in close cooperation with the management of the different organisational entities.
2. Finance and Control; Finance and control at the group level as well as internal audits of the different organisational entities.
3. Fundraising and Communications; Setting the fundraising and communications strategies for the ICS group, development of corporate identity and communication materials, as well as driving fundraising efforts at group level.

In comparison to previous years, the number of staff in the Dutch office will be relatively small, focusing on the key tasks described above.

3.2. Robust processes and systems

With growing numbers of beneficiaries and increasing amounts of money going through the organisations, robust processes and systems for e.g. sales, procurement, credit management, finance, IT, administration, donor management, etcetera are crucial. In 2016 and 2017, special effort will go into making sure all processes and control points are properly described and regular internal audits will be executed.

3.3. Focus on HR

Quality of staff will remain critical in order to reach the set goals in terms of growth and operational excellence. The HR strategy will focus on the following aspects:

Staff capacity building: in several areas improvement areas in staff capacity have been identified. Through 2016, attention and effort will go into capacity building of existing staff (mainly through coaching / on the job training and some formal training) as well as filling some gaps through hiring of new staff.

Key staff: For each of the organisations, some staff play a key role because of their knowledge and experience. Losing key staff can have quite an impact on the extent to which organisational goals will be met. Each organisation will need to identify key staff and look for strategies for how to best retain them. For senior management, a share option plan will be part of the retaining strategy.

Hiring: As we work in remote areas, hiring competent or senior staff has proven to be difficult. We have already started the process of moving our offices out of too remote locations. In general, we will locate our main offices in towns that are not too unattractive.

4. Marketing communications

4.1. Target groups

Consisting of several distinct organisations, ICS will have different value propositions for the separate entities as well as for the overall ICS group. Across the board, we target the following groups:

1. Private donors (Netherlands only); Although competition for private donors in the Netherlands is fierce, this remains an important source of non-restricted income for the overall and Dutch organisation. In 2015 we started with door-to-door recruitment of new private donors. Although the costs are significant, the business case is still positive, and for the moment it is the only proven strategy for consistently generating new donors. ICS will continue to work with door-to-door, but will also look for more innovative (and cheaper) ways of generating new donors.
2. Customers; Agrics, Alizetics and Parentics will each target their own customers and will generate income streams from these customers, which was not the case in previous years. Each business will have its own competitors and will need to focus its marketing and communications efforts on their target customer.
3. Impact investors, enterprise challenge funds and (other) financial institutions; this is a relatively new target group for ICS, specific to our business activities/organisations. In 2014-2015 we started building our network in east Africa, which is slowly paying off. Although at this stage not all of our companies are ready for commercial (impact) investors as they are not yet profitable, we will continue to build our network to anticipate break-even and profitability of our businesses in the next 2 years.
4. Government and inter-governmental donors, private foundations, donor-advised funds; these remain important for our social activities in general and ICS Skilful Parenting in particular, although government-related funds may be targeting private sector organisations as well (we successfully attracted this type of funding for Geodatics). ICS SP has been successful in building a network of private foundations and donor-advised funds, which hopefully will result in long-term funding partnerships.

4.2. Communication strategy

Our communication strategy is two-fold and involves communication around the ICS wide proposition on the one hand and communication around the propositions of the different organisational entities. The latter is organised from the specific entity, although within group guidelines around corporate identity (look and feel, logos, structure, etcetera). At both levels the main vehicles will be the web, social media, press and print.

4.3. Fundraising strategy

The ICS fundraising strategy is built along the lines of business and social activities, as these involve different kinds of stakeholders, strategies and 'language'.

On the business side, at this stage we focus on potential funders that are interested in early stage companies that generate impact at the level of farmers and rural communities. This kind of investors usually provides long term debt, repayable grants and grants (the latter usually only for specific activities). In the past year and a half we have made huge progress in building a network of investors and understanding what they are looking for in potential investments. This has resulted in several successful applications.

On the side of our social activities our focus is on large foundations looking for multi-year partnerships or offering staged funding. In this area we have made significant progress as well in building a network and finding their 'sweet spot'.

BUDGET ICS - GROUP 2016 - 2020 (CONSOLIDATED)

	Budget	Budget	Budget	Budget	Budget
	2016	2017	2018	2019	2020
	EUR	EUR	EUR	EUR	EUR
Income					
<i>Income local entities ICS (NGO)</i>	2.230.730	2.830.000	3.110.000	3.420.000	3.760.000
<i>Income businesses Investics</i>	4.305.978	6.580.000	10.040.000	12.960.000	15.900.000
<i>Income ICS NL</i>					
Private donors	706.000	687.800	669.400	651.600	634.200
Interest bank/savings accounts	20.000	15.000	15.000	15.000	15.000
Grant allocation	113.993	138.600	163.400	180.000	200.000
Other income	20.000	25.000	30.000	30.000	30.000
	859.993	866.400	877.800	876.600	879.200
Total income	7.396.701	10.276.400	14.027.800	17.256.600	20.539.200
Expenditures					
<i>Expenses local entities ICS (NGO)</i>	2.577.116	2.830.000	3.110.000	3.420.000	3.760.000
<i>Expenses businesses Investics</i>	4.348.724	6.427.400	9.450.000	12.100.000	14.800.000
<i>Expenses ICS NL</i>	1.067.066	1.019.000	1.017.800	1.024.800	1.032.800
	7.992.906	10.276.400	13.577.800	16.544.800	19.592.800
BALANCE	-596.205	-	450.000	711.800	946.400

BUDGET ICS NL 2016 - 2020

	Budget	Budget	Budget	Budget	Budget
	2016	2017	2018	2019	2020
	EUR	EUR	EUR	EUR	EUR
Income					
<i>Income private donors</i>					
Direct mailings	80.000	72.000	64.800	58.300	52.400
Child reporters	370.000	340.400	313.100	288.000	264.900
Child fund	75.000	67.500	60.700	54.600	49.100
Face2Face	81.000	112.900	140.300	164.300	185.100
Inheritances	50.000	50.000	50.000	50.000	50.000
Other donations	50.000	45.000	40.500	36.400	32.700
	706.000	687.800	669.400	651.600	634.200
<i>Income other resources</i>					
Grant allocation ICS NL	113.993	138.600	163.400	180.000	200.000
Interest bank/savings accounts	20.000	15.000	15.000	15.000	15.000
Interest investments	25.000	30.000	30.000	30.000	30.000
Managementfee	75.000	100.000	110.000	120.000	130.000
Consultancy fees	20.000	25.000	30.000	30.000	30.000
Total income	959.993	996.400	1.017.800	1.026.600	1.039.200
Expenditures					
<i>Publicity & communication</i>					
Direct mailings	33.400	28.400	26.400	25.400	25.400
Brochures & advertisements	7.500	7.500	7.500	7.500	7.500
Website	4.000	4.000	4.000	4.000	4.000
Face2Face marketing	126.900	121.400	121.400	121.400	121.400
Annual report	10.000	7.100	7.100	7.100	7.100
CRM database	6.620	6.600	6.600	6.600	6.600
Consultancies	2.000	2.000	2.000	2.000	2.000
Other PR	9.080	9.100	9.100	9.100	9.100
	199.500	186.100	184.100	183.100	183.100
<i>Operational expenses</i>					
Salaries	509.253	497.700	502.600	507.600	512.600
Pension & social charges	142.696	139.500	140.800	142.200	143.600
Other staff expenses	3.500	3.500	3.500	3.500	3.500
<i>Total staff expenses</i>	655.449	640.700	646.900	653.300	659.700
Travel expenses	71.625	63.700	64.300	64.900	65.500
Office expenses	46.542	46.000	46.400	46.800	47.200
ICT expenses	10.860	10.900	11.000	11.100	11.200
Depreciation	26.400	19.600	12.700	12.800	12.900
Board expenses	3.640	3.600	3.600	3.600	3.600
Consultancies	48.800	44.200	44.600	45.000	45.400
Other expenses	4.250	4.200	4.200	4.200	4.200
<i>Total other operational expenses</i>	212.117	192.200	186.800	188.400	190.000
	867.566	832.900	833.700	841.700	849.700
Total expenses	1.067.066	1.019.000	1.017.800	1.024.800	1.032.800
BALANCE	-107.073	-22.600	-	1.800	6.400