



Conversation with Sheeza Shah

Ashley Hopkinson

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Ashley Hopkinson: Sheeza, can you introduce yourself?

Sheeza Shah: My name is Sheeza Shah, and I'm the founder and managing director of UpEffect.

Ashley Hopkinson: Can you share a little bit about your background and your trajectory toward the work that you're doing now with UpEffect?

Sheeza Shah: My journey started during my time at university. I was studying computer science and management as my undergrad, and then went on to do my master's in computer science and entrepreneurship. During that time, I found myself exploring ways that I might be able to do something outside of that remit and use whatever skills I was learning to do something that was better for the world in some way.

I had a huge interest in organizing fundraisers for various causes, mostly disaster-relief work, and then found myself as a project-manager volunteer for the British Red Cross whilst I was studying. That sparked my interest in the nonprofit and charity space. I was very moved to make some kind of dent in the space that was trying to address global poverty. Started on a local level, and then started exploring what other organizations were doing in the world.

Once I graduated, I started moving my way through various organizations and initiatives to see how I could make a difference. Unfortunately, I felt very disappointed by what I found in a lot of the organizations that I ended up working within. The lack of transparency and the lack of visibility into how funds were actually being distributed towards projects that needed it and communities that were in desperate need for philanthropic funding was very difficult to see.

My questions around fund allocation and impact reporting were often ignored or sidelined. I decided to find another way to have an impact, and found myself in the world of social enterprise, and realized that social enterprise — the concept of using trade as a means to do good in the world, and to create jobs for people, and to contribute positively to society — strongly aligned with my own faith and what Islamic economics says about what a business person is meant to do, and how they're meant to show up in the economy. I was really drawn to the social-enterprise movement.

As I got deeper into that world, I realized that a lot of social enterprises struggle to access funding. A lot of these incredible ideas led by an incredible group of people just weren't able to scale, or get to market, or to even get the level of support that they needed to make those ideas successful.

I started looking at what funding options were made available to these entrepreneurs; I looked at crowdfunding and realized crowdfunding was a really powerful tool that democratized access to capital. Where bank financing or venture financing was failing these entrepreneurs, crowdfunding ended up being a really powerful means for them to get the capital they needed, but also to validate their ideas and to generate the revenue that they needed to get off the ground.

Crowdfunding as an industry was also operating on similar terms that a lot of venture-backed companies tended to lean towards, which was high growth and maximizing financial returns for investors, versus actually creating real meaningful impact for social entrepreneurs. That's where I saw a gap and realized that for us to address funding that was largely broken for social enterprises.

We needed to create a new way of doing crowdfunding, which came with the additional layer of support and the strategic advice that we wrap around our crowdfunding service, and built a one-to-one model once we launched our crowdfunding platform. That's how UpEffect was born.

Ashley Hopkinson: You talked about democratizing access to funding. Tell me a little bit about how you help organizations solve that through crowdfunding.

Sheeza Shah: Entrepreneurs might connect with us in a variety of ways. It might be through events, it might be through interviews like this, or it might be through a podcast or community engagements, or they might decide to just reach out to us through the website, which has been the most common thread and a great way for us to connect with new organizations.

Entrepreneurs are across the spectrum in terms of where they're at in their journey. A lot of them might be just figuring out what their idea looks like, and they're just thinking about the concept of crowdfunding, whereas others might have already attempted crowdfunding for their businesses.

They're looking for a new way of actually finding success, because they've had a very difficult journey. Others are very new to the concept of crowdfunding and just don't even know what it entails.

Our role has been to understand where a founder is on their journey and help them move forward from that stage. Our initial process involves getting to know the founders, the team, the community that they're trying to support, how are they trying to contribute in a meaningful way, as a lot of entrepreneurs can have this notion that they want to build a social enterprise, but they haven't actually engaged with the community that they want to work with.

For us, it's really important that the community is engaged. A lot of times, we want to understand whether there are evidenced economic opportunities for those members of society that they're trying to impact. It's important that a founder has lived experience when they're showing up as a social entrepreneur and are able to relate to the problems that they're trying to solve.

We ask a bunch of questions through the initial process, where we try to understand the potential impact, the finances, why they want to crowdfund, how much they want to crowdfund, how the crowdfunding campaign will actually help them advance their goals, and then try to unpack what they're looking for in terms of additional support. It may be that they have a certain level of expertise in-house, but where are the gaps that we might be able to help them fill?

Our role really is to provide all of the support that they need to get from where they are to a successful crowdfunding campaign. Whatever that entails, we step in to support them with that. Once we've felt like there is good alignment, they feel comfortable with our process, and they feel comfortable working with us, we then bring them on board and give them access to our creator toolkit, made of helpful resources, including templates.

Putting together a campaign page, all of the content that goes into telling the story of what the venture is, who the community is, who the team is, what is the skill set that they bring to the table, why the crowdfunding community should trust the entrepreneur when they give them their money.

They're essentially taking a bet on these founders, because there's really no guarantee like you would find on e-commerce platforms, where you're able to guarantee a refund or an exchange if a product is not up to scratch, whereas [here] you're funding an idea and helping them take that into production.

That's a very different kind of transaction. Creating that transparency, and building that relationship between you as a team, and a company, and the community that's going to fund you is actually quite critical to the success of a campaign.

We really help them hone in on that, and that will involve creating all the marketing assets and helping them communicate the story in a really effective way. We work with them all the way until the end of the campaign and make sure that the campaign is successful. We create a project plan for them, help them work towards weekly milestones, and offer weekly strategy sessions.

Once the campaign is successful, we help them produce an impact report a year later to share with their community how that campaign actually translated to a certain level of impact that they were hoping to create as part of the crowdfunding campaign, and how they actually delivered on the goals and promises that they made to the community when they launched the campaign. That process is really key for us. Over the years, we made that a mandatory piece of joining UpEffect for the crowdfunding campaign.

For us, it was really important to ensure that there is a 100% fulfillment rate, which was not really available amongst the other crowdfunding platforms, but also to make sure that the community understands why we're working with these organizations, and where they're at 12 months later, and how they've delivered on those promises.

Ashley Hopkinson: What do you think has contributed to the success that you've had?

Sheeza Shah: I think it's this process. A lot of crowdfunding platforms, I guess their goal is quantity over quality. That's why we decided not to raise any external funding, because we felt if we brought on investors, they would want us to adopt a similar route to that of the major crowdfunding platforms. It's just not scalable to offer this kind of one-to-one level of support.

For us, [one-to-one support] was a critical piece to address the funding gap that exists in the social enterprise space. Making sure that you're an accountability partner for them on their fundraising journey and making sure social enterprises are successful is what I think contributes to our success rates. Not many organizations are willing to do that.

It's very time-intensive, it's not that financially lucrative, it's not scalable, and it's not fundable. I think it would be almost impossible to get investors to fund this piece of a business, and that's why we're bootstrapping the company. We've been doing that from day one, as we felt it was important that we got to continue with that process, but also refine it and shape it in a way that was effective and in service of the community that we were serving.

Ashley Hopkinson: What do you think is the key difference between UpEffect's fundraising approach and other approaches? What is the benefit of this route, and why do you champion it?

Sheeza Shah: There is a time and place for venture financing. I don't want to put crowdfunding above venture financing, but I will say that it makes sense as the first step for a lot of organizations, especially those that are product-based. They have something tangible that they can sell to their customers. The reason I say that is that crowdfunding allows these founders to prove that there is a market for what they're building, which is what investors are looking for.

Before you go to an investor, an investor will want to know how many customers are willing to pay for this product. You're able to demonstrate that and you present those numbers if you run a successful crowdfunding campaign. You're also able to attract [grassroots support], you're able to build a really strong relationship with your community as you're [growing]. You're building that transparency. You're inviting them to understand your story, and for them to trust who you are as a company, and what your values are, and why they should back you and back what you're trying to build.

That kind of relationship-building doesn't really happen elsewhere. It may happen over a long period of time, where you're running a business, and you spread out your marketing activities over several years, but this is a very targeted and accelerated campaign for a company to go live.

Oftentimes, entrepreneurs will put three to six, maybe twelve months into building a crowdfunding campaign. [But through this approach] you have support from the 30 days once you've announced that you are live, all the way through completion [and] that allows you to really accelerate all of those marketing activities, and hone in on building that relationship with your community in an effective way. That's something that investors look for, what your community strength is and what your relationship with your customers looks like.

For instance, if you decide to pivot [in response to] changes within the market, what are the chances that your customers are going to follow you? This really helps you prepare for raising investment in an effective way, putting all your marketing materials together, refining your pitch, building your team, bringing in the right level of expertise for you to be able to attract that level of funding.

Then, like I said, there is a time for venture financing. When you're trying to grow the business, and you've exhausted all other options, at that point, venture financing does make sense, but it's crucial that you find the right investor that is aligned to your values and is really going to allow you to leverage the relationship that you've built over the years with your community in the way that makes the most sense to you as a founder.

What happens a lot of times where investors come in, founders don't know what that means, and how much equity they're giving away. There have been many cases where founders might be ousted by their board or investors, and so that protective element that you gain by running a crowdfunding campaign gives you stronger leverage when you're negotiating terms with investors.

Crowdfunding is a great way to propel your fundraising journey, and position you well, and put you in a prime position for raising investment whenever that time is.

We recently launched an internal survey within our community, [because] we're launching a fund that focuses on founder-friendly terms and on making sure that purpose-driven entrepreneurs that haven't been able to access the right kind of venture financing are actually able to. The survey interrogates the pathway to wealth equality and the role of cooperative economics in the design of a fund when founders, investors, contributors, stewards all show up to co-build something where wealth is created, but then also redistribute it through the venture financing model—that's something that we feel has been missing from this space.

That is the next step for the crowdfunding work we've been doing at UpEffect for several years. It's been a combination of what we've been hearing through our conversations with entrepreneurs across different ecosystems. We feel like there is a real need for growth capital, but it needs to be done right.

Ashley Hopkinson: I imagine that you have gained a lot of insights along the way from different companies, and I wonder if you can share a teachable lesson from your experience.

Sheeza Shah: The key thing that I've learned over the years is not to be afraid to ask for help, as so many people are willing to give up their time and energy to make social enterprises succeed, but there is just not enough of an infrastructure that allows it to happen.

There are so many fragmented solutions that exist in the community, and it's quite important to bring everyone together as we move towards creating that infrastructure so that social enterprises are effectively supported. People are willing to lend a hand as long as you're willing to ask, and you can be quite specific.

I learned that very late in my journey, as I was doing a lot of this work all by myself or with my co-founder, and we struggled a lot because we had to figure it out. A lot of what we were trying to build had not been done before. A lot of the crowdfunding platforms that were being set up that were focused on a niche audience ended up sunsetting during that process.

It was important for us to stay motivated and to find help through whatever resources we could access. Very late in our journey, we started applying for stuff and asking for help in various ways. I realized it got easier with time as we refined our pitch and made our ask a lot clearer. I think people are generally very willing to offer their time, as long as you can be respectful of the expertise that they can bring to the table.

Ashley Hopkinson: What challenges do you face in helping businesses with this type of funding, and how do you manage them?

Sheeza Shah: Building a crowdfunding campaign is time- and labor-intensive, and a lot of entrepreneurs get really excited by the idea of crowdfunding, but along the way, obviously, life and business challenges will come up for them. Then they [might] decide that crowdfunding is no longer a fit for them.

We invest a lot of time and energy into supporting these entrepreneurs. Initially, we were not charging anything. It was just a success fee-based model. Eventually, we realized that given that a lot of entrepreneurs would take our time and our expertise, then decide a few months down the line that they don't want to run a crowdfunding campaign, we needed some protective mechanism in place.

We introduced a deposit model, and that eventually evolved into a subscription model, where founders would be able to access our support for a nominal fee of \$199 pounds a month, gain access to the entire toolkit, a customized project plan, and then four weekly strategy sessions.

We had to go through those challenges and those experiences to be able to come to the model that we landed on. That was a very painful realization and experience, and also very costly for us as a business. Also, thinking about what it's like on the other side for the entrepreneur, if they are investing that much time and energy into building a crowdfunding campaign, it's not financially viable if they're not getting paid by their company during that time.

How do we make sure that [they can] recover the costs that they've invested in building the campaign? That was a very significant cost that founders were investing into the process. It was difficult for them to bake that into their fundraising goal. That's why we wanted to make sure that our support model was more seamless: entrepreneurs could dip in and out as and when they needed, and they could also, for instance, subscribe to access our support for one month, and then take a break for another month, and then rejoin the third month. Making that flexible felt like the best solution based on the conversations we were having with entrepreneurs.

That was probably the biggest challenge that we experienced. Entrepreneurs that were coming to us were, of course, experiencing challenges of their own, and so we wanted to make our model amenable to those different factors at play whilst they were building the crowdfunding campaign.

Ashley Hopkinson: What do you think is missing from the conversation that we have around economics and wealth, particularly when it comes to nonprofit organizations or small enterprises? What would you like to hear us talking more about?

Sheeza Shah: I think justice as a value has been missing from a lot of economic activity. Capitalism underpins so much of our economy, and is actually very much celebrated and welcomed as a model for how we do everything, how we all show up to work, our educational system, our healthcare system, our political system. Everything is influenced and affected by capitalism. When in fact, capitalism is ultimately going to cause much more devastation on a people level, on an environmental level, on a planetary level. Justice has been absent from a lot of these conversations and how our systems have been designed. For me, the potential lies in the alternative economy.

Economic models that are rooted in wealth redistribution, are rooted in uplifting poorer members of society and underserved communities that don't get access to the same opportunities that affluent people have access to. How do we make sure that we're creating dignified means for these people to stand shoulder to shoulder with the average person? I don't think that work has been done.

If we look at how philanthropy shows up in the nonprofit world, it's still very heavily politicized, and influenced by a lot of personal motivations, and many funds are a means for influential people to cleanse their reputations. People are not aware of that. That information is largely absent from how we think about the charitable organizations and how they show up.

For me, it's really important that when we talk about effective change and social entrepreneurship, justice and equity need to be at the root of every element of economic work, of all of those systems. How do we make sure that every bit of work that is happening within this space ensures that that value is upheld? That is going to be very key moving forward, especially in today's climate and with what we're seeing happen in the world in terms of political conflicts, and wars, and the destruction of society on a climate level, but also on a societal level.

For that to change, we need to shift how people think about what it means to be just and fair to everyone, and make sure everyone has access to the same rights.

Ashley Hopkinson: What do you think it will take to demonstrate the value of different economic models? Living in New Orleans, which has experienced a lot of hurricane displacement, during

Hurricane Ida I remember how much people trusted mutual aid funding. It was something that people found really valuable, because they had the experience of seeing what it means for funding to trickle through these big, big organizations versus someone knocking on your door and saying, "Do you need groceries today?" In a place that may not have that experience, what do you think it takes to demonstrate the value of these things? How do you have conversations with people around different ways to address the funding gap and the trust gap?

Sheeza Shah: As you just rightly pointed out, speaking to people and understanding their needs has been missing from a lot of the work that is happening in the enterprise space. Not just in social enterprise, but in the business world, founders tend to assume that there's a problem that needs to be solved because they might have had one teeny tiny bit of experience and feel like they can monetize that in some way.

Really, once you speak to actual communities that are struggling in some way, especially those that are being served by social enterprises, [you understand] what those problems look like and how they would like them to be solved rather than assuming what the solution is.

There are a number of organizations working in underserved communities that actually expect them to take on responsibility for 50% of the execution, so that they're invested in the success of that program. I think those models are so much more effective compared to organizations that come in, deliver a bit of aid, and then disappear, and then just leave these communities in a vacuum for years beyond, especially once funding dries up. What's key is making sure communities are equipped to become financially independent and can sustain themselves beyond the aid and dependency of these granting bodies or these organizations that come in to offer support.

That's why for me, when we talk about wealth distribution, it's really important that we're creating economic opportunities that allow people to participate as workers and have that same level of respect. Pay equity is needed within an organization to minimize the inequality that comes between the highest paid earner, so, the owners of the company, are those that might be described as the bottom rung.

How do we make sure we're leveling the playing field for all of the workers that are participating and contributing to the success of a company? That is what's needed moving forward.

It starts with identifying who the community is, understanding their needs, understanding what that solution looks like, and co-designing it with the community, and then making sure that however that

solution is designed, it includes that community in the execution, but also in benefitting from the success of that solution in an equal way.

Ashley Hopkinson: Given the right support—the money is there, the people are there, you have the resources you need—what would you like to see in this space? What would you like to see grow? What would you like to see evolve?

Sheeza Shah: There's a lot of amazing work happening in the social enterprise space, and I would love for everyone to come together and collaborate in a cooperative way. There's so much potential in putting all of our resources together. For instance, with the new fund that we're launching, there's so much potential in cooperative economics where everyone gets to co-own and co-benefit from the success of an initiative.

All of this amazing work and magic that's happening in the social enterprise space, I would love to be able to bring it together under one roof so that we're able to tap into that potential, and strengthen the work that's happening, especially around the United Nations Sustainable Development Goals.

How do we make sure we are actually working towards meaningful change and progress that we all wish to see? It's much harder to do it alone as a smaller enterprise compared to joining forces with hundreds of other smaller enterprises. I would love for someone to be able to do that in a very effective way.

Ashley Hopkinson: How would you define wellbeing? What does wellbeing mean to you?

Sheeza Shah: How would I define wellbeing? I think positive change across people and across the planet in terms of health, in terms of wealth, in terms of education, in terms of economic participation, and then equality in terms of human rights, and then just basic necessities. To me, wellbeing would be where everyone has access to similar resources, and we're not seeing the wealth inequalities that are currently rampant across the world.

Oxfam reported that the wealth of the five richest men doubled since 2020 as the wealth of 5 billion people fell. This was in Oxfam's report of January, 2024. That is a disastrous statistic that reveals the level of inequality that we're dealing with in the world. To me, a society that can be described as and is reflective of the term wellbeing, is one where we're able to level the playing field for everyone involved, and everyone has access to basic resources.

I think some of these resources are foundational to survival, and billions of people currently don't have access, are living on less than \$2 a day, are barely surviving, [and] are living in extreme poverty. I

think we're so far from that wellbeing economy that we all want to see. I would like more work to be done in this space, where organizations are actively working towards advancing the lives of people in society, and minimizing the impact that we're all having on the environment.

Ashley Hopkinson: Thank you, Sheeza.

Ashley Hopkinson is an award-winning journalist, newsroom entrepreneur and leader dedicated to excellent storytelling and mission-driven media. She currently manages the Solutions Insights Lab, an initiative of the Solutions Journalism Network. She is based in New Orleans, Louisiana.

** This conversation has been edited and condensed.*