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# Investment Attractiveness of Impact-Focused Startups

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Abstract: **Background:** Impact-focused businesses can offer unique competitive advantages. They increase operational efficiency and attract more investors.
**Research objectives:** This study aims to estimate investment attractiveness of startups, using the SWOT methodology.
**Research design and methods:** The study draws on case studies and SWOT analysis. The qualitative approach relies on WIPO reports and impact-focused startup databases. Fifteen case studies cover different industries and a wide range of economies.
**Results:** The findings revealed that the framework of strengths, weaknesses, opportunities, and threats for impact-focused startups depends on their operational pathways.
**Conclusions:** The customer pathway's strengths include the ability to address market needs directly and generate significant social impact. The employee pathway is strong thanks to improved workforce quality, diversity, and inclusion. The product/service pathway represents eco-friendly and socially responsible products with measurable impacts. The ecosystem pathway tackles global issues.
Keywords: investment attractiveness, social and environmental impact, venture capital, startup ecosystem.
JEL Codes: G24, M13, O31, Q01, Q56

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Impact-focused startups represent a rapidly growing segment of the entrepreneurial landscape, tackling some of the most significant global challenges, including climate change, social inequality, and resource scarcity. The main peculiarity of such startups lies in their focus on social or environmental impact while achieving financial goals. Their activity aligns with ethical business practices and sustainability principles that provide long-term value for both the environment and society.

The concept of impact-focused startups connects closely with the principles of the Sustainable Development Goals (SDGs) and the Environmental, Social, and Governance (ESG) criteria. SDGs help shape business strategies and create possibilities to capitalize on numerous benefits by pursuing social impact and environmental engagement. In light of the increasing importance of transparency and accountability standards globally, impact-focused businesses can offer unique competitive advantages for consumers, employees, and investors. In particular, they can expand financial capacity, driven by both social impact and SDG alignment, as part of their core business. This includes generating revenue through market opportunities and the development of new promising markets driven by social and environmental impacts. Act-

ing according to the ESG criteria attracts a highly qualified labor force and strengthens supply chain resilience by enhancing sustainability. Impact-focused startups also gain a unique opportunity to protect their IP rights and present this as an additional competitive advantage and risk management instrument (UNDP, n.d.). This increases operational efficiency and attracts a broader range of investors. However, in spite of their promising advantages and potential, impact-focused startups still face many challenges due to a lack of standardized impact measurement frameworks across jurisdictions, the risk of "impact washing," and various regulatory barriers. These obstacles create uncertainty among investors and limit the scalability and sustainability of such entities.

Despite a growing body of literature examining impact-focused startups from different perspectives – including environmental, social, and financial ones – a research gap exists in understanding the strengths and weaknesses that depend on the chosen strategy of an impact-focused startup's activity. Recent research also provides limited insights linking investors' decision-making criteria with impact-focused startups' internal strategies and capacities. In particular cases, the most influential factors for investors' decision-making remain unclear. Therefore, combining existing general theoretical and empirical streams with practical approaches, which represent organizational pathways to build strategy through the specific examples of impact-focused startups, holds great importance.

This study addresses the existing research gap by adapting the WIPO pathway framework. It seeks to measure the impact of startups based on the chosen priorities in their impact-focused strategy. The choice of a customer pathway (focused on market potential), employee pathway (focused on social impact), product/service pathway (focused on financial indicators), and ecosystem pathway (focused on environmental impact) follows the World Intellectual Property Organization (WIPO) approach. This framework reflects various ways in which impact-focused startups create value across different stakeholder interfaces. This article aims to evaluate investment attractiveness for each group of these startups by examining their main strengths, weaknesses, opportunities, and threats through SWOT analysis. The article contributes to understanding how impact-focused startups use strategy optimization to secure and increase funding by scaling their impact. It offers practical guidance for investors, policymakers, and startup founders.

## Literature Review

Different research approaches that examine investment attractiveness of impact-focused startups reflect the growing interest in this segment. However, the theoretical framework remains insufficient despite links between entrepreneurship and societal challenges, explored through several research streams (Hossain et al., 2017). The first stream focuses on environmental entrepreneurship, addressing actions that reduce environmental degradation (Schaper, 2002; Dean & McMullen, 2007). Social entrepreneurship tackles social problems through innovative business models (Austin et al., 2006; Dacin et al., 2011). The sustainable entrepreneurship approach combines environmental and social aims with economic capacity (Shepherd & Patzelt, 2011). Impact entrepreneurship delivers innovative solutions to social challenges while maximizing profit (Markman et al., 2019). Thus, foundational entrepreneurship theories provide a valuable framework for defining the factors that influence impact-focused startups' investment attractiveness. They enable consideration of environmental, social, sustainable, and responsible business approaches.

Recent studies also show how such startups create and deliver value in line with societal and environmental needs. The first group of research on impact-focused startups reviews studies of impact-focused businesses' market potential, considering scalability and the possible disruption of particular industries – consistent with sustainable entrepreneurship theories. The second group overviews environmental impact issues, including opportunities to boost the production of eco-friendly solutions and strengthen sustainability practices – aligned with environmental theories. The third group highlights the social impact of responsible business activity, paying attention to how social innovation and community engagement increase investment attractiveness – rooted in social theories. The fourth group explores financial indicators of impact-focused startups' activity, such as profitability and revenue growth. Simultaneously, foundational entrepreneurship theories grounded in responsible business approaches consider business principles to remedy environmental, social, and/or economic damage and apply science and technology to tackle Grand Challenges, rather than creating wealth (Markman et al., 2019).

The first group of approaches emphasizes opportunities to strengthen market potential by advancing business sustainability and enabling impact growth. Horne and Fichter (2022) provide a literature review on the role of impact startups as innovative ventures that allow for the diffusion of scalable solutions into the market and position sustainability as a net benefit. Filippelli et al. (2025) describe how ecosystems exert dual pressures for economic and sustainability objectives, demonstrating synergies between the abovementioned goals. Banka et al. (2024) address the challenges of rising financial risks and a lack of mutual understanding in sustainable business partnerships, proposing strategies for improved collaboration among impact-focused entities. Alvarez-Salazar and Bazán (2024) analyze resilience during extreme events, including the COVID-19 pandemic, and emphasize the importance of sustainable partnerships and technological adaptation within the market. Roshan et al. (2024) examine sustainable business model innovation, integrating environmental and social value with economic value. Eckerle, Finner, and Terzidis (2024) assess startups' activity from the viewpoint of impact investors.

The second group of approaches centers on the environmental impact, particularly, the attractiveness of investment in green innovation. Researchers highlight these issues from a wide range of perspectives. Al Halbusi et al. (2025) analyze the role of AI in driving green innovation and sustainable performance within industries, emphasizing the integration of big data and knowledge management systems. Sahili et al. (2024) explore eco-innovation implementation and its relationship with operational outcomes. Shuwaikh et al. (2025) investigate the comparative impact of different venture capital models – independent and corporate – on ESG performance and sustainability.

Social factors and the abovementioned environmental component continue to grow in practical importance. As a result, various researchers now focus on how increasing social impact raises investment attractiveness. Eckerle et al. (2024) study startup assessment by impact investors, investigating and validating different social criteria to highlight investor preferences. Lo Mele et al. (2024) demonstrate that both social and environmental orientations improve a startup's chances of securing funding from impact venture funds. Block et al. (2021) argue that impact investors seek to generate societal impact alongside financial returns and define the societal problem's importance. Lago et al. (2024) quantify the impact of engagement in inbound open innovation on startups.

Socially responsible businesses often face the challenge of balancing financial performance with social and environmental impacts. This creates the need to consider the financial

performance of impact-focused startups, including profitability and revenue growth. Martielli et al. (2025) emphasize the influence of intercultural characteristics, founder experiences, and social impact on early-stage fundraising outcomes. Stefia et al. (2024) highlight how marketing capabilities and strategic information management can affect the success of startups in global markets, enabling their competitive advantages. Razaghzadeh Bidgoli et al. (2024) uses machine learning methods to predict startup success, offering insights into key factors such as investor behavior and impact influence. Okker et al. (2022) explore public-private partnerships and their role in the impact investing ecosystem, aiming to enhance the attractiveness of startups through additional support and resources. Bek-Gaik and Surowiec (2023) observe business practices in sustainable business model disclosures in non-financial reporting. Bek-Gaik and Surowiec (2024) analyze business models and integrated reporting, examining disclosures by fuel and energy companies in Poland presented in integrated reports.

The practical approach appears in the "Special Theme 2024: Unlocking the Promise of Social Entrepreneurship" in the context of the GII 2024 index by WIPO. WIPO experts define the innovative capability of impact-focused startups through "one or more aspects of the business – namely, the customers they serve, the people they employ, the products or services they produce, or the broader ecosystems in which they operate" (WIPO, 2024). The theoretical background connects with the practical WIPO approach (Figure 1).

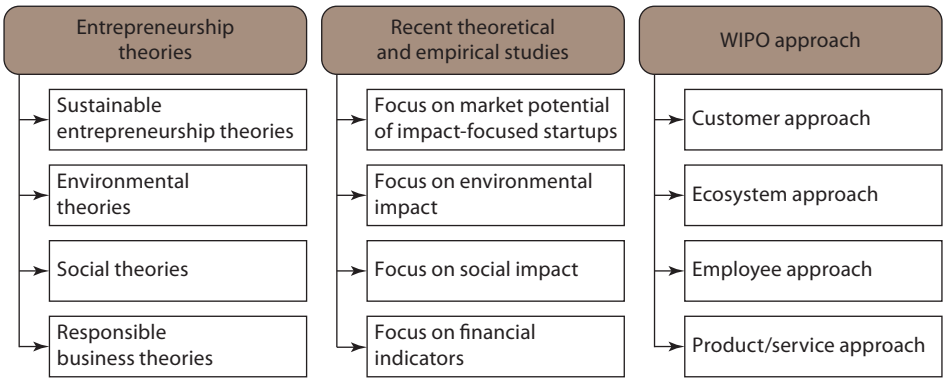


**Figure 1. Theoretical and Empirical Background of the Research**

Source: Compared by the author based on literature review.

The abovementioned groups of approaches make it possible to analyze different innovative business models with measurable social and/or environmental outcomes separately. Addressing these issues plays a crucial role in unlocking the potential of impact-focused startups to drive sustainable development. Combining these approaches provides a valuable scientific background for further defining the factors that influence impact-focused startups' investment attractiveness.

## Research Method and Material

This research examines the main characteristics of four impact-focused startups that attract investor interest. The WIPO pathway approach forms the primary methodological framework

for the study. This approach reflects an empirical structure for assessing impact and investment attractiveness. An inductive approach enables the generation of the following hypotheses:

H 1: The strengths and weaknesses of impact-focused startups depend on the specific pathway through which they deliver social and environmental impact.

H 2: Startups that follow different pathways (customer, employee, product/service, or ecosystem) adopt different impact strategies. Each of these strategies influences investor decisions in its own way.

The research draws on scientific articles, monographs, and manuals regarding the dual nature of impact-focused startups, along with WIPO and Skoll Centre reports and press releases on impact-measurement pathways, missions, and visions of impact-focused startups.

The case study method helps define the aspects that strengthen selected impact-focused startups' investment attractiveness. This includes in-depth examination of startups from different industries, such as clean energy, healthcare, and education. The selection criteria were as follows: (1) a clearly defined social or environmental mission; (2) availability of publicly accessible data on the business model and performance; (3) scalability and financial potential, for example, revenue growth or market traction; and (4) potential to scale and address global challenges. This allowed us to identify several causes and consequences of impact-focused startups' management decisions and the current business situation.

The analysis used company reports and information on 15 impact-focused startups from the Skoll Centre databases. We extracted the data based on standard variables such as impact area, growth trajectory, and stakeholder engagement strategy. These steps provided the foundation for defining impact-focused startups' challenges and opportunities through SWOT analysis. The SWOT analysis methodology identifies and evaluates impact-focused startups' strengths, weaknesses, opportunities, and threats. Strengths include alignment with social and environmental priorities, customer loyalty, a growing pool of impact investors, and public funding sources. Weaknesses consist of difficulties in scaling and the complexity of long-term funding. Opportunities concern a growing global emphasis on sustainability, the development of new markets, and technological advancements. Threats mean risks of "impact washing," regulatory barriers, and the lack of standardized impact measurement frameworks across jurisdictions. The case analysis involved an in-depth review of selected impact-focused startups from diverse industries, such as clean energy, healthcare, and education. We analyzed each case individually through the SWOT lens and then generalized the findings to identify common patterns within each pathway. This cross-case synthesis aggregates key factors influencing investor decisions.

## Results and Discussion

### *"Dual Nature" of Impact-Focused Startups: Financial Returns and Measurable Social or Environmental Impact*

The concept of impact investing has gained increasing importance in recent years. Much of the focus often centers on the "dual objectives" of impact investments – namely, their ability to generate positive social and/or environmental impact while also achieving financial returns. Defining and measuring this impact has practical significance and can be approached in the following ways: 1) measurement of social and/or environmental impact in terms of its benefits for underserved or excluded segments of the population; 2) the ability of impact investments to track further progress in the post-investment period; 3) a long-term perspective that

describes impact investment as "patient capital"; 4) a structural approach that positions impact investment in the broader category of "innovative finance" (Idrissi, 2015). Grabenwarter (2016) proposes to estimate investment attractiveness of impact-focused businesses using the social return on investment methodology, which monetizes various impact components and sets a financial value of such monetization. Bek-Gaik and Surowiec (2024) analyze the combination of financial and non-financial performance. These authors support the views of Parmenter (2015) and Niemiec (2017):

- KPIs that measure an organization's functioning in the most important areas (Niemiec, 2017);
- Performance indicators that may not be "key to the business," but help team members achieve specific strategic goals (Parmenter, 2015);
- Key result indicators that represent both general financial indicators and specific ones, including the level of stakeholder satisfaction (Niemiec, 2017);
- Result indicators that summarize the main types of activity and all financial indicators, strengthening cooperation between team members (Bek-Gaik & Surowiec, 2024).

Eckerle, Finner, and Terzidis (2024) propose their own methodology to define criteria used in investor assessment of impact-focused startups. The variety of approaches results from different stakeholders and variations across startup ecosystems. The "dual nature" of impact-focused startup activity provides a significant background to unlock social and environmental benefits, attracting additional capital (Figure 2).

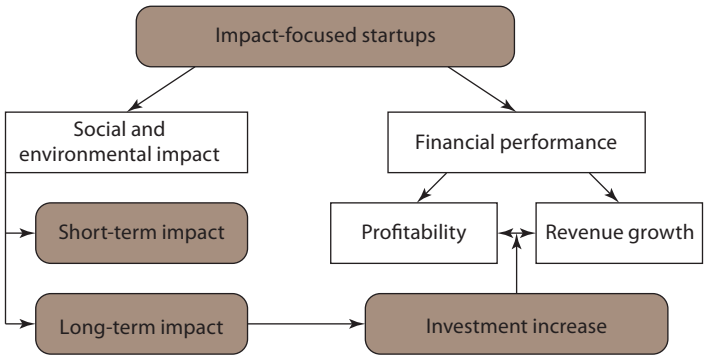


**Figure 2. Dual Nature of Impact-Focused Startups as an Advantage for Impact Investors**

Source: Compared by the author.

Figure 1 illustrates this dual nature, highlighting the connection between its two aspects: social and environmental impact and financial performance. The environmental and social impact addresses both current challenges and pursues sustainable future outcomes (short-term and long-term impact). This creates the opportunity to measure social and environmental impact through investment growth driven by increased investment attractiveness.

### *WIPO Approach to Impact and Its Measurement Pathways*

WIPO developed its pathway approach for measuring social and environmental impact. The authors identify the challenge in impact measurement and propose evaluating impact

within specific organizational models by analyzing social and environmental impacts in one or more aspects of business activity (Table 1).

**Table 1. Organizational Pathways to Social and Environmental Impact Measurement To Attract Impact Investors (WIPO, 2024; Besharov et al., 2019)**

| Pathway | Main type of innovation activity | Impact measurement |
|---|---|---|
| 1 | 2 | 3 |
| Customer | Process innovation | – share of customers reached in underserved or low-resource areas;<br>– increase of customer satisfaction and Net Promoter Score (NPS); |
| | Consumer education | – reduction in costs compared to alternative goods;<br>– share of customer-saved income; |
| | Marketing and branding | – number of consultations in underserved communities;<br>– rate of product adoption in underserved markets; |
| Employee | Process innovation | – share of workforce hired from underemployed and marginalized populations;<br>– unemployment decrease rate; |
| | Employee education and training | – duration of training programs;<br>– certification and career advancement rate; |
| | | – employee satisfaction and well-being surveys;<br>– productivity and income increase; |
| | | – job placement rates after training programs;<br>– salary growth; |
| Product/service | Product or service innovation | – reduction in carbon emissions, resource usage, and others;<br>– customers' reports on positive environmental or social outcomes; |
| | Intellectual property | – share of green trademarks and environmental patents;<br>– adoption and sales rates in targeted segments; |
| | Open sourcing | – share of supply chain meeting sustainability standards (for example, ISO 14001); |
| Ecosystem | Systems innovation | – tangible improvements in regulatory frameworks; |
| | | – number of published studies on the topic;<br>– citation rate; |
| | | – collaboration outcomes, including joint projects; |
| | | – topic awareness;<br>– effectiveness of educational programs. |

Impact within the customer pathway refers to the ability to meet demand in specific market segments. Such market segments previously had limited access to certain products and services. The focus lies mainly on marginalized characteristics such as income, race, gender, and others (WIPO, 2024). For example, this may involve an impact investment program for specific stakeholders – such as women facing financial difficulties but having viable, socially responsible business ideas. In this case, the primary indicator of impact would be the number of women who founded successful startups. The additional indicators would include revenue levels (financial) and customer satisfaction with these startups.

The employee pathway generates impact by hiring underemployed or marginalized populations. This means the provision of impact investment in enhancing employees' previously limited skills and supporting the opening of more attractive opportunities for them (Smith & Besharov, 2019; WIPO, 2024). For example, some cafes hire individuals with intellectual and developmental disabilities. Primary indicators of impact include the number of training hours provided, employee progress, and the number of marginalized individuals employed. The long-term effect may be estimated through the employer's revenue increase and the effect of social scalability, namely, the number of similar initiatives adopted by other employers inspired by this example.

The product/service pathway creates impact by developing and selling socially and environmentally friendly products or services. This may involve an innovative version of an already existing product that proves more socially or/and environmentally responsible. This may also mean social innovation that addresses social or environmental challenges directly at the national or global level. Product/service innovations often require significant "action research" to better understand community members' needs. Moreover, organizations may pursue IP protection by patenting environmental innovations using green trademarks (WIPO, 2024). For instance, a producer of affordable solar lighting and power solutions for communities without reliable electricity helps combat energy poverty. Social impact can be measured by the number of individuals with access to electricity and the share of customers with improved quality of life thanks to the initiative.

The ecosystem pathway generates impact by mobilizing diverse groups of social actors to drive transformation within local, regional, or even global ecosystems (WIPO, 2024). The network of social entrepreneurs (nonprofit organizations) may represent this type of pathway. Key activities focus on strengthening connections between social entrepreneurs, policymakers, businesses, and other stakeholders to advance social and/or environmental goals.

Thus, these pathways express the social or environmental mission of a business or startup within a specific part of activity, including customers, employees, products or services, and the broader ecosystem. This provides a framework for impact definition and its measurement to meet the needs of impact investors in particular cases.

### *Case Studies on Mission-Driven Approach in Business*

The first case study illustrates the "customer" type of organizational pathway in action, using the example of Sustainable Organic Integrated Livelihoods (SOIL), an active Haitian nonprofit organization founded in 2006. SOIL aims "to provide a full-cycle sanitation service that treats human waste to limit the spread of disease." (Skoll Centre, 2024n).

Haiti has the lowest level of access to improved sanitation facilities in the Americas. The SOIL business model centers on producing container-based toilets for individual households and processing collected waste into organic compost (WIPO, 2024). For SOIL, "customers" represent the primary area of impact-focused startup development. The main impact measurements (annually) include the number of served households (3,074), the number of served individuals (18,000), and the volume of compost produced (225+ tons). The annual revenue of EUR 2–3 million serves as the financial indicator (Skoll Centre, 2024n). The main sources of SOIL's financing are government and multilateral agencies (71%), donations (25%), and earned income (4%) (WIPO, 2024). This financing structure shows that social well-being remains one of the key factors that strengthen SOIL's investment attractiveness.

Community Design Agency (CDA) constitutes another example of the "customer" type of organizational pathway. It provides design and architecture services, engaging low-income communities in creating regenerative neighborhoods. Notably, the target audience comprises more than 27,000 citizens across four cities. The main financing comes from philanthropic grants for nonprofit work and service contracts for business activities (Skoll Centre, 2024m). In this case, investment attractiveness largely depends on the number of interested and satisfied customers.

Thaki (Stichting Thaki Nederland) collects second-hand devices – mostly laptops – refurbishes them, loads them with offline learning content, and distributes them to education partners. The organization generates impact by providing training and digital tools to educators, as well as facilitating the laptop use. Currently, Thaki has distributed over 5,800 laptops to 157 education partners, enabling services for more than 33,000 students (Skoll Centre, 2024l). This social impact makes the startup attractive for grants, government support, and donations, which account for 75–90% of financial sources.

iKure, an Indian for-profit company, provides an example of the "employee" pathway in action. iKure builds and manages healthcare hubs and peripheral clinics serving rural patients. The main "employee" innovation lies in training health workers from rural communities. Thus, "workforce"/"employee" represents the central area of iKure's impact-focused development. In this case, primary indicators include the annual number of trained and employed community health workers (60) and managerial staff (75). The workforce supports the operations of 10 healthcare hubs and 160 peripheral clinics. This created the opportunity to treat 3M+ individuals in 6,400+ villages across India, generating revenue of EUR 2 million. The primary financial sources are earned income (95%), grants, and other sources (5%) (Skoll Centre, 2024h). The earned income results from practical cooperation between managerial staff and health workers, which makes the startup successful and attractive for grants.

SmartStart Early Learning focuses on providing training and licensing services to nonprofit operators who support early childhood development (ECD) centers, delivering high-quality and low-cost early childhood education to local families. The core team consists of 119 people who collaborate with 13 franchisors, supporting more than 10,000 ECD practitioners who serve over 80,000 children nationwide weekly (Skoll Centre, 2024d).

Tebita Ambulance Pre-Hospital Emergency Medical Service PLC (Tebita Ambulance) employs 103 full-time and 27 temporary employees. The company founded a paramedical college to train paramedics and advance the profession. To date, it has trained more than 300,000 professionals and facilitated approximately 5,000 international evacuations (Skoll Centre, 2024k).

Peek Vision, an impact-focused health startup, exemplifies the "product/service" pathway. About 2 billion people globally live with vision impairment, and over 50% of these cases remain undiagnosed or untreated. Peek Vision created and brought to market a mobile eye-health screening and referral application that non-specialists can deliver in low-resource settings. The "product/service" pathway forms the core of Peek Vision's impact-focused development. The primary impact metric is the number of vision screenings with this clinically validated smartphone app. So far, Peak Vision has screened more than eight million individuals, identifying nearly 1.6 million with eye health needs and connecting 840,000 people with care. Currently, over 100,000 people undergo screening each week. The annual revenue amounts to about EUR 4–5 million (Skoll Centre, 2024i). The business model envisions financing from both

sales revenue and grants. The startup's investment attractiveness mainly depends on the product's technical characteristics and its social impact.

Another example of the "product/ service" pathway is the Indian startup Bandhu, which offers AI-powered chat tools and algorithms to match migrant workers with housing opportunities. The key impact indicators include the annual number of people accessing the Bandhu platform (about 130,000) and the number of workers who have secured housing (around 60,000). According to Bandhu's business model, only 30% of financing comes from product and service revenue, while 70% comes from investors, grants, and startup prize winnings (Skoll Centre, 2024e). Bandhu's investment attractiveness depends on the advanced combination of technological aspects and social effects.

Eco Femme works across education, children and youth, energy/climate change/environment, and health sectors. Its primary impact indicators include the number of organic reusable cloth pads produced (about 1.4 million pads), the number of common pads diverted from waste (104 million pads), and the number of girls and women impacted (around 90,000 individuals) (Skoll Centre, 2024b). Combining sales income with grants ensures financial support. During the COVID-19 pandemic, the share of fundraising increased. The startup's attractiveness lies mainly in the ecological influence of its products and social impact.

Eminlaga SRL "Mamut" manufactures 14 products using recycled tire rubber and delivers services that contribute to sustainable urban infrastructure. The company reinvests 90% of profits back into operations. It creates impact by launching more than 10,000 projects to increase the quality of life for over 2.1 million users (Skoll Centre, 2024f).

The "ecosystem" organizational pathway focuses on impacts that address global challenges. For example, global food issues remain among the most widespread worldwide. Fairtrasa International AG, a nonprofit organization, works in agriculture, food security, and rural development. Its operations span Latin America, Africa, India, and Asia. Fairtrasa's main activity involves direct collaboration with organic smallholder farmer cooperatives, helping them export and distribute fresh products to retailers and wholesalers. The "ecosystem" pathway reflects the core of Fairtrasa's business. The impact measures include improvements in quality of life, increased income in rural communities, and gender equality support. Notably, the organization has positively affected about 60,000 people in marginalized rural areas. The annual revenue of approximately EUR 40–50 million represents the most significant portion of investment (Skoll Centre, 2024j).

Green Bio Energy constitutes another example of a startup following the "ecosystem" pathway. The startup produces eco-friendly, carbonized briquettes from recycled materials, which helps minimize air pollution. Additionally, the company offers consulting services to support micro-entrepreneurs. Active across East Africa, Green Bio Energy currently generates around 90% of its financing from sales income. Impact strengthening enables stronger donations and cooperation with carbon credit providers. CO2 emissions have decreased by 8,760 tons, saving 15,000 tons of trees thanks to annual sales of 600 tons of briquettes (Skoll Centre, 2024g).

Greenhope (PT Harapan Interaksi Swadaya) produces biodegradable resins from bio-based, renewable raw materials. Its environmental effect results from replacing 150,000 tons of conventional plastic – the equivalent of 12.7 billion plastic bags – with biodegradable alternatives. Most of the startup's financial resources come from sales. Collaboration between brands, farmer cooperatives, waste management companies, NGOs, national and local governments, and consumers can support the sales increase to strengthen an ecosystem for sustainability

(Skoll Centre, 2024c). WeRobotics, in turn, developed a platform for local drone, data, and AI experts to enhance cooperation with global organizations and industries (Skoll Centre, 2024a).

Thus, each type of impact pathway features a wide range of impact measurements concerning specific challenges and opportunities.

### *Challenges and Opportunities of Impact-Focused Startups Through SWOT Analysis*

When choosing the customer pathway, strengths include the ability to directly address market needs and create significant social impact, the enhancement of customers' satisfaction and loyalty through impact, and strong alignment with SDGs that increases impact startups' investment attractiveness. However, startups following the customer pathway may have difficulties in scaling their products to new markets due to unique challenges and possible resource limitations in the short term, given the limited profitability of chosen markets. Opportunities involve a high potential for partnerships with governments and NGOs and rising product demand within marginalized communities. This can lead to funding increases by strengthening inclusivity and access to essential services. Possible threats concern competition from larger organizations, entering the market, and increased vulnerability to economic downturns.

The employee pathway is strong thanks to workforce quality, diversity, and inclusion improvements that boost the startup's reputation and build a loyal, motivated team through skill development. Nevertheless, it proves important to attract investment for training and strengthen infrastructure. Success also depends on local community engagement and support. Opportunities relate to growing attention to corporate social responsibility issues and the potential to develop public-private partnerships to fund training programs. Threats include cultural, regulatory, and structural barriers.

The product/service pathway creates eco-friendly and socially responsible products with measurable environmental and social impacts, enhancing product attractiveness to investors. Weaknesses of this type of pathway involve its dependence on market acceptance and potential competitors with similar products/services. Opportunities are associated with increasing consumer awareness and preference for social impact and green solutions. However, regulatory changes may affect these products' development or certification.

The ecosystem pathway focuses on global issues. This helps foster long-term sustainability through strengthening partnerships between various actors. Nonetheless, coordinating the priorities of numerous stakeholders is complex, and short-term impact can prove difficult to measure. Opportunities include a broad range of funding for such initiatives and the potential to form global partnerships. Regulatory and cultural barriers in different countries constitute threats to these pathways.

In summary, impact-focused startups' ability to balance their financial performance with measurable social or environmental returns constitutes a unique and valuable asset for impact investors. These startups demonstrate different strategies to drive long-term change and maintain their investment attractiveness. Applying SWOT analysis across the four organizational pathways deepens the understanding of each group's strategic positioning and investment potential. This approach offers a structured framework that links impact theory with practical investment decision-making.

## Conclusions

The ability of impact-focused startups to attract investors depends on their "dual" nature, namely, balancing profitability and sustainability. It is essential to demonstrate their potential to achieve long-term effects despite the lack of short-term results. It seems reasonable to define challenges and opportunities of various impact-focused startups through the customer, employee, product/service, and ecosystem pathways:

- Impact-focused startups following the customer pathway primarily address their customers' challenges and needs. Enhanced customer satisfaction and loyalty increase investment attractiveness. Potential risks include the barriers to scaling products in new markets and sustaining profitability.
- Impact-focused startups following the employee pathway mainly aim to foster inclusion and diversity and build loyalty in their teams, motivating employees to enhance operational capacity. Strengthened human capital and an increasingly qualified workforce boost investment attractiveness.
- In the product/service pathway, investment attractiveness improves through advanced coordination between the technical aspect of innovation and its ability to generate eco-friendly and/or socially responsible impact. This helps satisfy sustainability-driven consumer demand and attract investors.
- The ecosystem pathway empowers startups to engage in systematic activity, addressing global challenges through collaboration with diverse stakeholders. This fosters creating long-term impact and solving significant problems worldwide.

This research contributes to integrating WIPO organizational pathway typologies into impact analysis tools. It helps connect the ideas of social entrepreneurship with practical business management strategies. However, the study has several limitations: the qualitative and conceptual nature of the analysis, insufficient empirical data across comparative contexts, and limited geographical scope and case examples. Still, it offers a foundation for future research in various directions, including further empirical validation of the SWOT findings, along with comparative analysis of impact metrics across different startup groups and industry branches. Moreover, there is a need to continue research on the topic to understand the strengths and weaknesses of hybrid startup models that combine multiple pathways. This will provide deeper insights into the resilience and investment attractiveness of impact-focused startups.

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## Conflict of Interest

The author declares that the research took place without any commercial or financial relationships that could be construed as a potential conflict of interest.

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