



Anglia Ruskin
University

Cambridge & Chelmsford

Social Enterprise



3rd Sector Futures

learning • research • consultancy

www.3rdsectorfutures.co.uk

Introduction to Social Enterprise: Sessions and times

Time	Activity	Details
9.00	<i>Arrivals, coffee...registration</i>	
9.30	Social Enterprise	<i>Definition(s) of social enterprise, defining your own enterprise's social objectives, and looking at what entrepreneurs do..</i>
	What social enterprises are	
	Entrepreneurship	
11.00	<i>Coffee break</i>	
11.30	Legal Structures	<i>How can you organise yourself best to achieve your social objectives? What are the pros and cons of different legal structures?</i>
	Common structures	
	Your options	
12.30	<i>Lunch</i>	
13.15	Building a business team	
	Cornerstones	
	Boards	
14.30	<i>Break</i>	
14.45	Can you do it?	
	Your personality	
	Your business idea	
15.45	<i>Close</i>	

Introduction to Social Enterprise is part of Anglia Ruskin University's 'Survive and Thrive' programme, which includes workshops, graduate placements and many other ways to support your organisation in the current downturn. To find out more visit www.anglia.ac.uk/surviveandthrive or call 0845 196 3177

1.1 Social Enterprise – what is it?

“Social Enterprises are businesses that trade in the market with a social purpose. They use business tools and techniques to achieve social aims”

Social Enterprise Coalition

Another way of looking at this is that social enterprises sit, sometimes uneasily, somewhere between private sector businesses and traditional charities or voluntary associations. This of course, leads to a tension around the question: what is your priority here, making money or achieving your social objectives?

Which of these 3 descriptions best fits what you're doing?

I want to use an entrepreneurial approach to tackle a social issue, but it's important that this is in a social enterprise, where any profit we make goes back into the business

I want to sort out a social issue, using an entrepreneurial approach, and if there's a private profit to be made, no problem as long as the job gets done

I'm not interested in entrepreneurship, it's the social problems that motivate me, and managing a business will always come second

Discuss your answers with a partner.

Have you moved along the enterprise spectrum in recent years?

1.2 What is enterprise and what is not?

NCVO (in the *UK Civil Society Almanac*, 2008) produced a list of what can be regarded as social enterprise activity, and what is more 'voluntary sector' in terms of income:

Income included in social enterprise activity	Income excluded from social enterprise activity
Fees for provided services	Donations
Contracts to provide services	Legacies
Sponsorship	Grants
Research or consultancy services	Investment income
Membership subscriptions (with significant benefits)	Membership subscriptions (without significant benefits)
Trading subsidiaries	National lottery grants
Hire of facilities	Corporate gifts
Fees for goods	Covenants
Tuition fees	Gift aid reclaimed
Financial services (such as insurance)	

Most social enterprises still rely on some income from the right-hand column, such as grants from the lottery or local authority.

What advantages are there to social enterprise income as opposed to grants?

Can you think of any disadvantages to 'switching' to a more commercial stream of income?

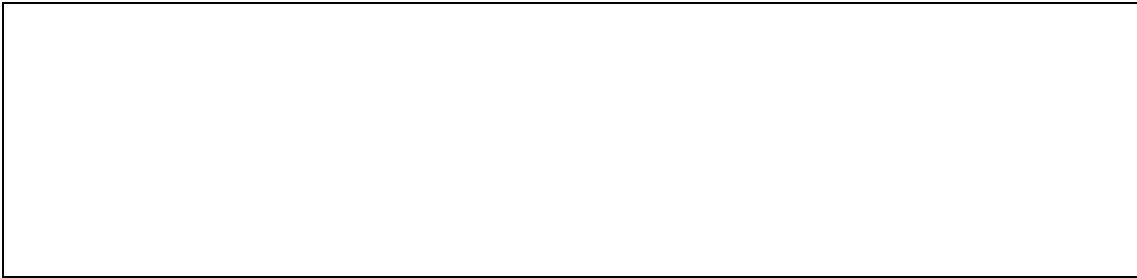
1.3 *Your* social enterprise

How about your organisation? Is it a social enterprise? Are you hoping to become one? Complete the table below to see if you 'pass' the three-part test

<p>What is your organisation's social aim? Is it made explicit anywhere? Is it shared throughout the organisation?</p>	
<p>Now let's turn to trading activity. What goods or services do you sell? Is this income a significant part of your turnover?</p>	
<p>How about profit? Is it a dream? Do you make a surplus at all? If so, describe what happens to it.</p>	

1.4 What is an entrepreneur?

Later in the day we'll be looking at whether you have some or all of the attributes that entrepreneurs (social and otherwise) have. But it's useful to remember that true entrepreneurship involves a **complete sea change** in the way things are done. How does this relate to your social enterprise (emerging or otherwise) and its impact on the world?



Talk about your answers to this section with a partner.

2.1 Legal structures – the main options

“the relief of aged, impotent, and poor people; the maintenance of sick and maimed soldiers and mariners; schools of learning; free schools and scholars in universities; the repair of bridges, ports, havens, causeways, churches, sea banks, and highways; the education and preferment of orphans; the relief, stock, or maintenance of houses of correction; marriages of poor maids; support, aid, and help of young tradesmen, handicraftsmen and persons decayed; the relief or redemption of prisoners or captives; and the aid or ease of any poor inhabitants covering payments of fifteens, setting out of soldiers, and other taxes.”

List of charitable purposes, the Charity Act of 1601

The good news is that this next session is very much driven by YOU! You will need to work in groups of 3 or 4, and use the materials provided to prepare a short presentation on one of the following topics:

Limited companies

Charitable status

Industrial and provident societies

Community Interest Companies (CICs)

Your presentation should be a maximum of five minutes, with a couple more for Q&A. Whatever your task, as a minimum you need to think about:

- 1 The key features of this structure – and what it requires
- 2 Any alternatives within the structure, ie different kinds
- 3 Advantages and disadvantages of this structure
- 4 What kind of enterprise it's suitable for

Good luck!

2.2 Your legal structure

Hopefully that has cleared up a few things, or perhaps muddied the water still further!

Deciding on your own legal structure depends on a lot of variables, some of which are listed below.

How important is it that you are in control?

Would you like to sell and profit from the sale of your enterprise?

Are your trading activities tied in closely to your social purpose?

Do you need to attract outside investment?

Do you want your members to have a say in the enterprise?

2.3 A couple of top tips!

Top tip number one: don't just go with what a solicitor says (they always set up companies, because that's what they've always done)

Top tip number two: don't follow fashion for the sake of it – make sure what you choose is right for you now and tomorrow

2.4 Where are you heading?

After all this learning, is there one particular legal structure you are interested in finding out more about?

Where will you go to get more advice and information?

3.1 Getting the right people on board the bus

“Most top people are nice...they have to be to get other people to work for them”

Mike Southon *The Beermat Entrepreneur*

The myth of the visionary entrepreneur, changing the world on his or her own, is just that, a myth. Most leading entrepreneurs are happy to acknowledge that they need others alongside them to turn their plans into reality.

Having had a look at Mike Southon’s cornerstones, are there people in your organisation who can play these roles?

The entrepreneur	
The finance expert	
The sales guru	
The technical expert	
The delivery expert	

If not, can the people be brought in?

3.2 Bringing in paid staff

Human resource management is, of course, worthy of a whole training day (or three years) in itself. However, I want us to think about the following aspects of recruitment – in small groups – and try to identify some good (and bad) practice.

Defining the post and profiling the successful candidate
 Mechanics – advertising and application forms
 Selecting the right person
 Induction of your new team member

Be ready to report back to the group!

Notes

3.3 Your mentor

Do you have someone who plays this role for you already? What do they bring to the organisation, and to you personally?

Discuss this with a partner, along with another question 'how did you find them?' Or 'how could you find one?'

3.4 Board stiff

However you structure your organisation, some kind of board of trustees or directors is a must. You can read about the role for this body on the slide, but some top tips from social enterprise leaders might also come in useful...

'Don't appoint people to give you an easy ride and don't ask for one'
Owen Jarvis, Aspire

'Include users/beneficiaries of the service where possible: they keep it real'
Nick Temple, School for Social Entrepreneurs

'[my chair's] experience of having confidently run several organisations herself brings a level of understanding...which has worked well.'
Julie Stokes, Winston's Wish

'[my chair] has one of the best address books I have seen. This means that making new contacts is a lot easier than it would be on my own.'
Craig Dearden-Philips, Speaking Up

(All from *Your Chance to Change the World*).

What do you think of these ideas? What kind of people make a good board in your opinion?

A large, empty rectangular box with a thin black border, intended for the user to write their response to the question above.

4.1 What are you like?

Martin Clark in his excellent book on social enterprise (see appendix) lists some qualities which research has shown that entrepreneurs tend to have.

Checklist – tick the ones which you have

Dedication
<i>Consumed by a goal or purpose</i>
Focus
<i>Discriminates and targets</i>
Profit orientation
<i>Advantage focused</i>
Ego drive
<i>Wants to make a recognised difference</i>
Urgency
<i>No time to waste, must take action now</i>
Courage
<i>Determined in the face of adversity</i>
Activator
<i>Wants to make it happen</i>
Opportunity
<i>Sees possibilities not problems</i>
Creativity
<i>Buzzing with ideas</i>
Expertise orientation
<i>Knows own limits and finds experts</i>
Team
<i>Gets the right people together</i>
Individualised perception
<i>Sees and uses strengths in others</i>

Don't cheat! Don't panic either, because not many people have all these characteristics.

Martin Clark has singled out three of the themes that are particularly important for social entrepreneurs (see pp29-31). Work in groups and concentrate on answering the questions for **one** of the areas (focus, advantage, and creativity).

Report back on what you found out. Are you still up for the social enterprise challenge?

4.2 Viability

You may already be running a social enterprise, or just planning to set one up. The pitfalls on the slide are common ones, but you may face many others.

In a one-day workshop we can't write your business plan, or even get you to write it. Instead let's focus on two very important questions:

Who is your customer?	
What is your product?	

They look easy, but in the murky world of social enterprise the answers can be more complicated than you'd think.

Here are two more little bombshells..

How much cash do you need to start things off (or expand)?	
What sales income will you need to break even?	

If you're still determined to go ahead – good luck!

You can get a lot of help from local networks, business links, even universities – so don't be afraid to ask for it.

Some additional resources on social enterprise

Books

The Beermat Entrepreneur, Mike Southon and Chris West (Pearson, 2002)

Good to Great and the Social Sectors, Jim Collins (Random House, 2006)

It's Tough at the Top, Debra Allcock Tyler (DSC, 2006)

Management for Social Enterprise, Bob Doherty et al (Sage, 2009)

Scaling the heights: Social enterprise action plan (OTS, 2006)

Social Enterprise in Anytown, John Pearce (Calouste Gulbenkian, 2003)

The Social Entrepreneur Revolution, Martin Clark (Marshall Cavendish, 2009)

Unconditional Leadership, David Robinson (Community Links, 2004)

Your Chance to Change the World, Craig Dearden-Phillips (DSC, 2008)

Websites

3rd Sector Futures (news on courses and events)
www.3rdsectorfutures.co.uk

Beermat Entrepreneur (small businesses, but useful)
www.beermat.biz

Business Link (social enterprise pages, sorry for the horrible link!)
www.businesslink.gov.uk/bdotg/action/layer?topicId=1077475650

NCVO Governance and Leadership area (lots on boards)
www.ncvo-vol.org.uk/governanceandleadership.asp

Social Enterprise Coalition (national network, with links to lots of other networks)
www.socialenterprise.org.uk

Social Enterprise East of England (regional network for the sector)
www.seee.co.uk

 Anglia Ruskin University
Cambridge & Chelmsford

Introduction to Social Enterprise

Andy Brady
Ashcroft International Business School
Anglia Ruskin University

3rd Sector Futures
learning • research • consultancy



www.anglia.ac.uk

 Anglia Ruskin University
Cambridge & Chelmsford

Outline

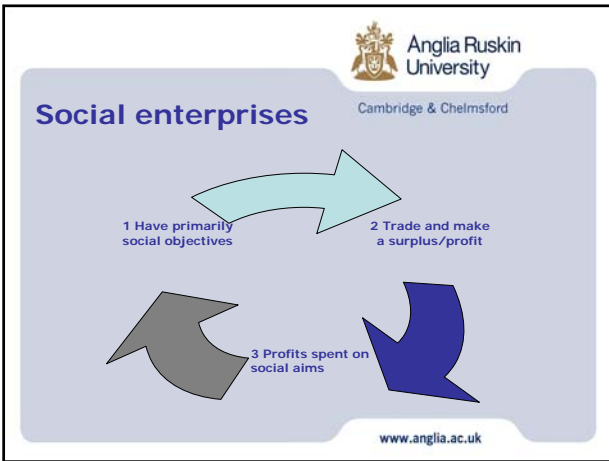


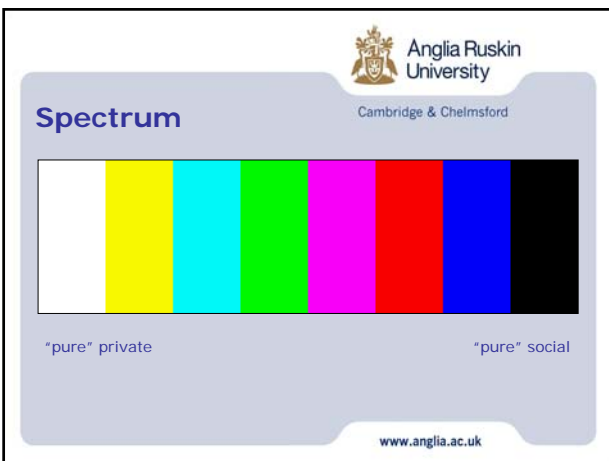
- Social enterprise: what is it?
- How to structure your enterprise
- Who can you bring in?
- What are the odds for succeeding?

www.anglia.ac.uk













 Anglia Ruskin University
Cambridge & Chelmsford

www.anglia.ac.uk

 Anglia Ruskin University
Cambridge & Chelmsford

Legal structures

- Charities and CIO
- Companies
- Co-operatives and IPS
- CIC

www.anglia.ac.uk




 Anglia Ruskin University
Cambridge & Chelmsford

Cornerstones




- The entrepreneur
- The sales guru
- The finance expert
- The delivery specialist
- The technical (or service) specialist

www.anglia.ac.uk

 Anglia Ruskin University
Cambridge & Chelmsford

Recruitment

"Men wanted for hazardous journey. Small wages, bitter cold, long months of complete darkness, constant danger, safe return doubtful. Honour and recognition in case of success"



Ernest Shackleton, 1903

www.anglia.ac.uk

 Anglia Ruskin University
Cambridge & Chelmsford



- Experienced
- Successful
- Senior
- Gets your idea
- Likes you
- You like them

www.anglia.ac.uk

 Anglia Ruskin University
Cambridge & Chelmsford

The 21st century board



- Open and accessible
- Prioritising learning and development
- Using external benchmarks
- Modelling good governance practice
- Adding value to the organisation


www.anglia.ac.uk

 **Anglia Ruskin University**
Cambridge & Chelmsford

Common pitfalls

- No commercial market for your product
- Lack of knowledge about what your product is
- Lack of investment in start up
- Lack of independence (in spin-offs)
- Muddling the mission and the money

www.anglia.ac.uk

 **Anglia Ruskin University**
Cambridge & Chelmsford



Contact details

Andy Brady
3rd Sector Futures
Anglia Ruskin University
0845 196 6888
andrew.brady@anglia.ac.uk
www.3rdsectorfutures.co.uk

www.anglia.ac.uk
