
SOCIAL ENTERPRISE

IS IT

FOR ME?

ENGAGE
RENEW SHIRE



INTRODUCTION

The Social Enterprise Toolkit is for individuals or community organisations who are considering either setting-up a Social Enterprise, which sell products/provide services, or taking on responsibility of community hall, centre or other venue.

Social Enterprises employ staff, pay taxes and file accounts. However, instead of awarding financial dividends to shareholders, profits are used to benefit the community through positive social or environmental impact.

Our aim is to help you make a decision about whether this is something that you want to do for your community. If it is, we will guide you through how to set up a successful Social Enterprise.

Engage will support through the toolkit, providing you with extra information where required and discussing what you need to move forward.

Engage will direct you to advice on legal matters, financial support and business planning, as well as advice on marketing and managing volunteers. Starting your own Social Enterprise may not be as daunting as you think.

USING THE --- --- TOOLKIT

The Toolkit has 3 parts; **Social Enterprises and your Community**, **Building the Team** and **Getting Started**. We have used colour coded sections and diagrams to help you make informed decisions about what matters for you or your community group.

The most important part is “time to review” where you consider various decisions. There will be multiple opportunities to revisit the questionnaire section at the end of this toolkit; if Social Enterprise is NOT for you, you can go over the questions again to ensure that you have made the right decision. If it is for you, we can help get you to the next step.

The Toolkit has been created by Engage Renfrewshire and reflects Scottish Government's ambitions for social enterprise in Scotland to be a growing movement which is "becoming the norm and ... visible everywhere, to help build capacity within Scotland's local communities."

Source - Scotland's Social Enterprise Strategy 2016-2026 - A vision for Social Enterprise. (<https://bit.ly/3BQ91CV>)

We wish you every success with your venture! We hope that you and your community feel able to take advantage of the opportunity of starting up a Social Enterprise, or taking over and running a public asset.

UNDERSTANDING THE COLOUR CODES



SOCIAL
ENTERPRISES

BUILDING
THE
TEAM

GETTING
STARTED

Each section is coloured either **Red**, **Orange** or **Green** to simplify the sections, based on the traffic light system: **stop**, **get ready**, **go!**

Red represents where you are now; considering and planning what you would like to do,
Amber is preparing the way for you moving forward.
Green is getting out there and cracking on with your project.

SUMMARY

Don't panic; you don't have to know all the answers immediately. Engage will support you in considering any unanswered questions. You can proceed in your own time, at your own pace.

WHY SOCIAL ENTERPRISE?

IS IT FOR YOU?



THE

SOCIAL ECONOMY

With public sector funding under immense pressure, many people expect to see an increasingly important role for voluntary and not-for-profit organisations. The belief is that they will become even more important for the delivery of social, health, employment and care in our local communities.

There is a lot of interest in one type of social organisation; Social Enterprise. A Social Enterprise is a hybrid between a commercial and a not-for-profit enterprise. It avoids making profit at any expense, but instead tries to create a surplus responsibly, and then uses this surplus to reinvest in the community.

Social Enterprises are evolving in response to changes in the relationship between the government, the businesses and the community. A Social Enterprise is one of a number of not-for-profit formats that include voluntary, cooperative and publicly owned enterprises. Whilst all share the first two elements of a “triple bottom line”, in that they have social aims and social ownership, a Social Enterprise format also has the enterprise part. It is the enterprise element that distinguishes the Social Enterprise format from the others.

The term 'Social Enterprise' refers to any organisation that trades with a social purpose, using business principles and enterprising approaches to achieve social goals. A key element is to create a financially self-sustaining organisation; one that reduces its dependency on public sources of funding. By reducing dependency on public funding, the organisation can operate with little outside interference. The community owns, runs and delivers services according to local needs.

Social Enterprises “sell” their services but they do so out of a sense of social purpose. Social Enterprises start from the idea that they can enhance a community through improving quality of life, be it health, environment, education, culture or emergency support.

They can operate from shared community spaces and should have access to public asset lists (for Community Asset transfer - own or lease their own space). Social Enterprises are expected to behave commercially but may feel that they do not have the resources (Back office, governance & cashflow) in place immediately to make the choices necessary to fulfil the identified needs/expectations of the local community. (This may take some time establish & deliver)

BLENDING VALUES

A new Social Enterprise needs to think about two things; sustainability and capacity.

Sustainability is about generating income without compromising the organisation's social values.

Capacity refers to the ability and skill sets of its members and volunteers to deliver the services.

To succeed you need to be enterprising and opportunity seeking. Your efforts will develop and enhance your community, empower local people, improve access to services and create a safer place to live and work.

In essence the Social Enterprise model combines the best bits of a small business and a voluntary organisation; a small business creates a profit that is shared with shareholders, while voluntary organisations have a clear social purpose. With Social Enterprise it is the way in which profit is reinvested back into the community that makes the difference.

BUILDING THE TEAM



EXTERNAL STAKEHOLDERS	&	INTERNAL STAKEHOLDERS
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A Social Enterprise is half way between a small business and a charity. It trades with a social purpose and has an entrepreneurial approach to achieving social goals. They are "stakeholder organisations" with a responsibility to work with as many local people as possible.

A STAKEHOLDER IS ANYONE WITH AN INTEREST OR STAKE IN A COMMUNITY ENTERPRISE.

By understanding your internal and external stakeholders you will be able to find out about different expectations. This allows you to reduce conflicts between the different internal and external stakeholders – ensuring you keep most of the people happy most of the time.

INTERNAL - DIRECTORS, EMPLOYEES & VOLUNTEERS

EXTERNAL - CUSTOMERS, SUPPLIERS, NETWORKS, SUPPORT AGENCIES

FORMING

THE TEAM

Social entrepreneurs see the big picture; they embrace change and have a can-do attitude. Their vision provides the WHY (purpose) and their mission provides the HOW (plan). It's important to have both these elements clearly defined so that strong leadership can be achieved. This way, the stakeholders understand why they are doing what they're doing and how they've to do it.

Not only will a clear vision and mission reassure your stakeholders, it will also help recruit and retain members (Directors / Trustee's), volunteers and supporters.

Keeping your lines of communication open is key to winning and maintaining the support of your stakeholders.

ROLES & RESPONSIBILITIES

Accountability for fulfilling the social entrepreneur's vision sits with the Board; a group of people with a commitment to the enterprise to look after its values and its future. The officers of the company, which includes any staff, volunteers or management, enact Board decisions.

The Board of a Social Enterprise has the same responsibilities as the Board of a commercial organisation – to manage resources, to be accountable for the decisions and actions of the organisation, and to formulate the way forward. Compared with the Board of a commercial organisation a Social Enterprise has an extra challenge – to ensure its objectives have social as well as commercial goals. In many cases, recruiting a Board with some commercial skills will be important because the enterprise needs to generate income in order to secure its future.

The Board's role is demanding and without financial remuneration. Make sure that Board members are aware of their responsibilities and that you have outlined a clear way to communicate decisions between the Board, members, volunteers and community stakeholders.

GETTING STARTED



SPOTTING

OPPORTUNITIES

Finding an opportunity is easy; it's putting it into practice that matters. The aim of a Social Enterprise should be to reduce and then eliminate need for public grants because it generates sufficient income to be self sustaining. No one is telling you what you can or cannot do because you are responsible for your own community asset or service provision, however, you still have to be willing to grasp opportunities.

An opportunity is an idea that, if turned into a product or service, will generate a profit. It's important that you stay open-minded when considering the ways your social enterprise could generate income. For example; developing online service delivery, creating membership fees, providing special offers or loyalty discounts, If you have a venue can you hire it for community cafés, social or health activities, special events, childcare or youth clubs, professional events such as conferences or training?

SEEKING THE BEST OPPORTUNITIES

Developing opportunities means finding out what your community expects of you, rather than what you want to give them. Speak to as many people as you can. Ask them who will use your services, or buy your products, when and how often. Ask what they like and dislike about existing services or products, Also find out who your competitors are and what they are doing. These are your customers and the customer is (usually) king!

To assist with the ask, consider using all types of communications available to you; Social media (on-line surveys/questionnaires/polls etc), local papers / publications, radio stations on the street questionnaires all of which can provide live feedback. Also consider paying for professional feasibility/marketing studies. (Check for any potential competitors on line and in companies house etc)

BEING

COMMERCIAL

Look at the opportunities available to you and consider whether these provide sufficient commercial gain (Your trading element must make a profit to sustain the company) or deliver more of a social impact (Will the service(s) you're delivering empower, enhance and educate your community). Try to achieve a balance of both.

PROFIT

A Social Enterprise generates income that is ethical. Any income raised helps the community and income gives you the independence to run your social enterprise for the benefit of people locally.

The best way to turn a profit is to be unique. Every business is built around a “model” and this is what attracts funders and external stakeholders,/customers. The important thing about a business model is that it looks to the future. Identify your key business points:

WHAT = define the product/service

WHO = identify your customers and stakeholders

WHY = define the reason why a customers wants to return, ie greta products or services that are reliable, affordable, unique, ethical, high quality

HOW = plan how you will fulfil the purpose of your social enterprise

Combined they will give you an enterprise that is unique to **your local community.**

YOUR	BUSINESS PLAN
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Once you have your business model you are ready to write your Business Plan.

A Business Plan is a statement of what you want to achieve and why you think you can achieve it. It also shows where your financial resources will come from.

Preparing a Business Plan will help you:

- Work out what resources you need, what they are needed for and for how long
- Project the income you will generate from the business and when
- Give yourself and others confidence that your business is viable
- Act as an operating plan for the first year or so of trading

TIME TO

REVIEW

Now that you've been through the process of looking at the decisions that have to be made, reviewing will give you a chance to reflect.

You may have some questions that remain unanswered.

Please take time to write down any thoughts you have on the questionnaire.

SOCIAL ENTERPRISE QUESTIONNAIRE

Question 1

Are you an active member of your “local” community with lots of local contacts?

☐

Yes

☐

No

☐

Unsure

Question 2

Do you think that you can create a business that is sustainable in terms of independent income?

☐

Yes

☐

No

☐

Unsure

Question 3

Can you connect with people in the local community that have the skills and commitment to offer their support to your Social Enterprises?

☐

Yes

☐

No

☐

Unsure

Question 4

Would you describe yourself as enterprising?

☐

Yes

☐

No

☐

Unsure

Question 5

Do you have clear social goals that you want to achieve locally?

☐

Yes

☐

No

☐

Unsure

BUILDING THE TEAM

QUESTIONNAIRE

Question 6

Do you know who your internal stakeholders are?

☐

Yes

☐

No

☐

Unsure

Question 7

Do you know who your external stakeholders are?

☐

Yes

☐

No

☐

Unsure

Question 8

Have you assessed their level of interests?

☐

Yes

☐

No

☐

Unsure

Question 9

Have you assessed their power on your decision-making?

☐

Yes

☐

No

☐

Unsure

Question 10

Have you set a vision for the next two years?

☐

Yes

☐

No

☐

Unsure

Question 11

Have you found your Board members?

☐

Yes

☐

No

☐

Unsure

Question 12

Do they have a mix of social and commercial backgrounds?

☐

Yes

☐

No

☐

Unsure

Question 13

Do you know who will act as your Chair?

☐

Yes

☐

No

☐

Unsure

GETTING STARTED QUESTIONNAIRE

Question 14

Can you list different opportunities?

☐

Yes

☐

No

☐

Unsure

Question 15

Have you spoken to stakeholders about what they want and need?

☐

Yes

☐

No

☐

Unsure

Question 16

Are you able to deliver something special?

☐

Yes

☐

No

☐

Unsure

Question 17

Do you know what you need to do to make customers come back for more?

☐

Yes

☐

No

☐

Unsure

Question 18

Can you find those opportunities that create income?

☐

Yes

☐

No

☐

Unsure

Question 19

Can you balance these with opportunities that have social impact?

☐

Yes

☐

No

☐

Unsure

Question 20

Are you ready to sit down with your mentor and use the opportunities audit?

☐

Yes

☐

No

☐

Unsure

Question 21

Are you ready to sit with your mentor and put together your business plan?

☐

Yes

☐

No

☐

Unsure

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INFORMATION

TEXT IS TELEGRAF

