

# Enterprise and how we engage

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# Aim of session

- Explore concept of social enterprise and how it differs from voluntary sector and charities
- How grant makers and philanthropists should engage with social enterprises
- What social entrepreneurs and social enterprises need from community foundations and others

# What is Social Enterprise?

a business with primarily social objectives, whose surpluses are principally reinvested for that purpose in the business or community rather than mainly being paid to shareholders or owners



# Social Enterprise in UK

- 62,000 social enterprises
- Different structures
  - Enterprising Charities,
  - voluntary organisations,
  - Community Interest Companies,
  - Co-operatives and mutual structures
  - private companies with social objectives and profit distribution

**Venturesome**  
an initiative of

**CAF**

- Model 1 – Engage in a trading activity that has no direct social impact, make a profit, and then transfer some or all of that profit to another activity that does have direct social impact
- • Model 2 – Engage in a trading activity that does have direct social impact, but manage a trade-off between producing financial return and social impact
- • Model 3 – Engage in a trading activity that not only has direct social impact, but also generates a financial return in direct correlation to the social impact created

# Model 1

one<sup>♥</sup>



# Model 2



*Social***Firms UK**

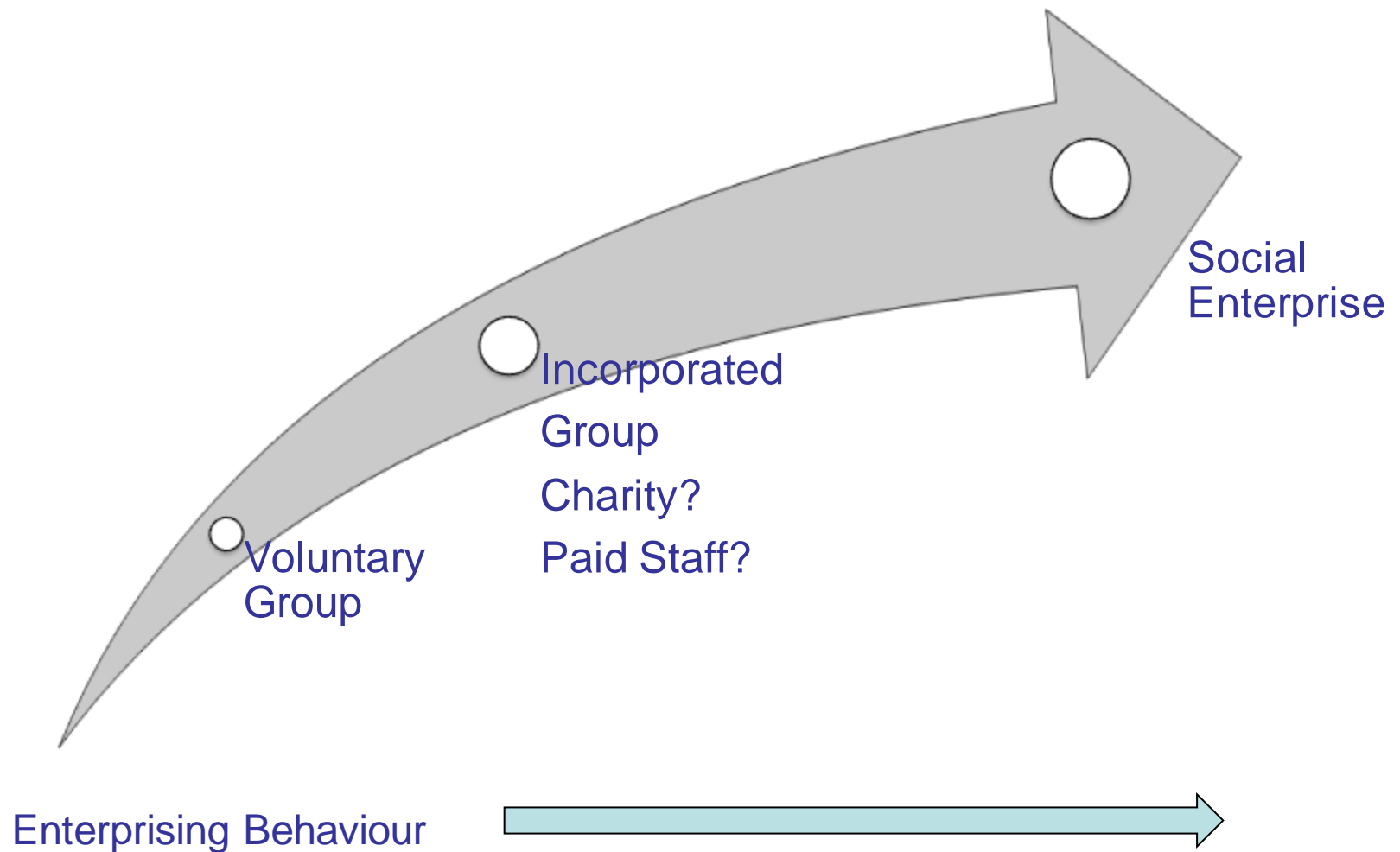


# Model 3





# Social Enterprise – a journey?



# How grant makers can engage

- Speak “Enterprise”
- Stimulate Enterprise
- Grow Enterprise
- Invest in Enterprise
- Be an Enterprise
- Start an Enterprise

# Speak “Enterprise”

- Trading
- Enterprise
- Surplus or if you dare – profit
- Investment
- Business
- Margins
- Products, Services, Sales, Marketing

# Stimulate Enterprise

- Grants as investment
  - Stockton Borough Council – Voluntary Sector Support Fund – Third Sector Investment Fund
  - Youth charity – buys equipment for running gigs can now generate income
- Taper grants
- Ask for business models as exit strategies
- Support social entrepreneurs

# Social Entrepreneurs



School for Social Entrepreneurs, Liverpool

# Grow Enterprise

- Work with civil society organisations with a business model to scale up or grow
- Bring your expertise in running businesses
  - Community Ventures (The Community Foundation)
- Share knowledge
  - Social franchising, social licensing
- Embrace growth as a concept

# India - Social Enterprise Learning Journey















# Invest in Enterprise

- Start up funding for a social enterprise
  - Grant for a business model
  - Risk capital
- Investment in growth
  - New governance structures
    - Community Interest Companies
    - Companies with shares with other structures
  - New investment models
    - Social finance, social impact bonds



















J. McGRATH  
BLACKBURN HOUSE  
LIVERPOOL, UK, ENGLAND  
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## Donation to Jaipur Foot



The Blackburn House Cafe hosted a curry night fundraiser where boards were set up around the room explaining what the organisation is about. On each board there was a space for donations to be pinned on. The Health Place also raised money with a donation box, Indian Head massage tasters and from their shopping evening.







# Be an enterprise

- Bidding for contracts
  - County Durham Community Foundation won SFA ESF Community Grants contract
- Being a Community Bank
  - Microfinance
  - Loans as well as grants
- Running events
- Changing mindset of staff and trustees



# Start an Enterprise

- Renewable Energy
- Property management
- Events management
- Banking
- Consultancy
- Up to you!



# What social enterprises need

- Challenge – are they really a social enterprise?
- Start up funds – risky but necessary
  - Grant funding as investment
- Access to finance for growth
  - Range of funding, range of returns
- Advice and support – Philanthropists with business skills

# Acumen



## Best Practice in Employability

Acumen has helped thousands of people back into employment or self-employment over the past five years through community engagement. It has also established a number of social enterprises at the heart of local communities. In the context of the recession such social enterprises potentially offer an important pathway for people to develop work skills and gain confidence ensuring they can still follow a transition back to work even in an economic downturn

- Source: IPPR Russell Commission on Public Sector Reform in the North East

# Horticultural Acumen



- 1 acre of land
- 2 polytunnels





# Horticultural Acumen





# Horticultural Acumen



- 11 permanent jobs
- 20 Future Jobs Funded posts – 14 into work so far
- 28 offenders on community payback
- 30 qualifications for offenders
- 7 students with learning difficulties

# Horticultural Acumen



## Scale

Supply Chain

Buying/Selling  
Power

Share quality  
standards/systems

Sustainable  
community  
businesses

# Horticultural Acumen



- National Offender Management Service
- Prison gardening projects
- Probation community payback gardening
- Support to become businesses, reduce public sector spend
- Reduce re-offending



# Reducing Re-offending through social enterprise





# Reap and Sow pop up Shop





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